

# **Enterprise Facilitation® in Kansas: Lessons and Recommendations**

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## **Executive Summary**

Enterprise Facilitation® is a “people-centered approach to community and economic development” pioneered by Ernesto Sirolli in the mid-1980s. In 2001, the state of Kansas began a significant rural economic development experiment by funding demonstration projects applying the Sirolli method in three multi-county rural regions. Working in cooperation with Kansas’ Department of Commerce and Housing, the RUPRI Center for Rural Entrepreneurship and EntreWorks Consulting have undertaken this evaluation of the Kansas Enterprise Facilitation® Initiative in an effort to better understand how the model is being applied in rural regions of Kansas and what lessons might be learned for other communities and regions throughout rural America.

Specific insights gained from the experience of the Sirolli model in Kansas include:

- During the early or start-up phase of the projects, local ownership was strong and the project made sense to the local champions. The Sirolli training helped to provide a common context for the project and gave the local board the tools to hire appropriate enterprise facilitators. The skills, personality and commitment of the facilitator were keys to success.
- Currently, all the projects have been operating long enough to achieve measurable economic impacts and they are contributing to building economic development capacity in the regions. While the metrics collected by the projects show these impacts, they could also be used to help develop appropriate and well-defined expectations among the project champions of what project success looks like. The projects are also beginning to see ways in which the organizational structure model may need to evolve in the future to continue to be effective, e.g., greater marketing and outreach to entrepreneurs.
- As the projects move forward, the central role played by the facilitators will continue to be the key to success. There are clear opportunities for

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the projects to learn from one another in a facilitated network. To continue to be effective in the regions, these projects need to be embedded within a system of support for entrepreneurs that is just being developed within the state. The training provided by the Sirolli Institute has served the projects well but a means of continuing this training support needs to be developed.

A number of specific recommendations arise from this evaluation targeted to three groups:

- **Communities/Regions:**
  - **Facilitate facilitation.** Provide support for facilitators within the regions and through connections to one another.
  - **Manage transitions.** Develop a systematic way of handling board and facilitator turnover.
  - **Build a system.** Make enterprise facilitators a part of a region-wide system of support for entrepreneurs.
  - **Tell your story.** Build broader base of support in the region by telling about the success of the model.
  - **Reach out to youth.** Develop complementary activities involving educators and students in bringing entrepreneurship education into the region.
  
- **Sirolli Institute/Communities:**
  - **Be the Mouth of the Pipeline.** Develop effective means for facilitators to channel entrepreneurs to targeted support providers.
  - **Spread the Word.** Craft a marketing and outreach strategy to let entrepreneurs throughout the region know about facilitation.
  - **Embrace Continuous Learning.** Partner with the state to provide ongoing and new approaches to training for the regions.
  
- **State:**
  - **Promote Enterprise Facilitation®.** Play an active role in marketing the programs and their outcomes throughout the regions and state.
  - **Fund Continued Training.** Develop models for extending training through the Sirolli Institute and through mentoring arrangements with experienced facilitators and board members.
  - **Actively Facilitate a Learning Network.** To build state capacity, facilitate active sharing and learning among projects.

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- **Expand the Statewide System.** Continue and build on initial efforts to create a statewide system of support for entrepreneurs.
- **Rigorously Evaluate Progress.** Build on the demonstration project metrics and develop an active program of documentation across these regions.

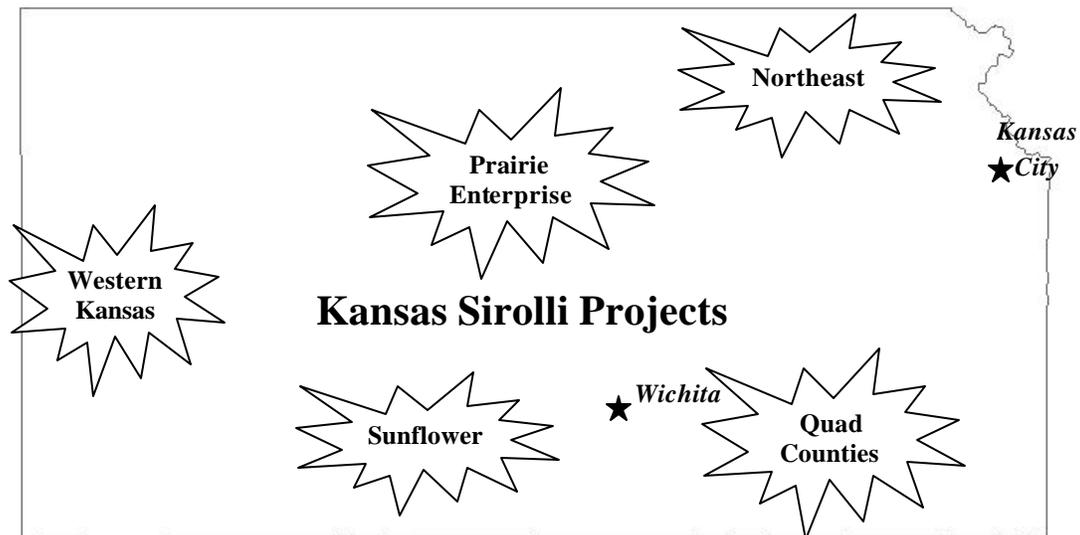
The Sirolli Institute's Enterprise Facilitation® model is a promising community development strategy for rural communities in the U.S. The five regions in Kansas have experienced measurable economic impacts and, as importantly, the model has brought a sense of hope and control over their own futures to communities that had seen only bleak prospects for the future. However, the projects in all regions are relatively young and will face challenges and opportunities in the next several years that should be documented with further evaluation.

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## **Introduction**

In 2001, the state of Kansas began a significant rural economic development experiment. Embracing the Enterprise Facilitation philosophy of Ernesto Sirolli, leaders in the Community Development Division of the state's Department of Commerce & Housing (DOC&H) issued a request for proposals from communities interested in demonstrating the merits of growing a local economy by supporting the dreams and ideas of local entrepreneurs. Using Community Development Block Grant funds, the DOC&H provided up to two-thirds of the cost of implementing the model in three multi-county rural regions in the state beginning in early 2002 (QUAD County Enterprise Facilitation®, Western Kansas Enterprise Facilitation® Consortium, and Sunflower Enterprise Facilitation®). Based on the initial success of the model, an additional two sites were added in 2003 (Northeast Kansas Enterprise Facilitation® Initiative and Prairie Enterprise Project). The map in Figure 1 shows the geographic distribution of the sites across the state.

**Figure 1. Kansas Map with Sirolli Project Regions Identified**



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Enterprise Facilitation® was developed and first tested by Ernesto Sirotli in Western Australia. In his book, *Ripples from the Zambezi*, Sirotli succinctly summed up his philosophy,

*Right now, in your community, at this very moment, there is someone who is dreaming about doing something to improve his/her lot. If we could learn how to help that person to transform the dream into meaningful work, we would be halfway to changing the economic fortunes of the entire community.*

The method of bringing about this change in communities is by providing one-on-one support and counseling to individual entrepreneurs and linking them to a broader network of local and regional resource providers.

Working in cooperation with Kansas' Department of Commerce and Housing, the RUPRI Center for Rural Entrepreneurship and EntreWorks Consulting have undertaken this evaluation of the Kansas Enterprise Facilitation® Initiative in an effort to better understand how the model is being applied in rural regions of Kansas and what lessons might be learned for other communities and regions throughout rural America. The evaluation began with a baseline assessment of the original three regional sites and continued with visits to each site in 2003. After the initial site visits, follow-up phone interviews were conducted with key informants from each site. In addition, the teams from the Sirotli Institute and the DOC&H were briefed on the progress, opportunities and challenges associated with deployment of the model in each region. A similar evaluation method was used for the two sites added in 2003. Finally, additional site visits were conducted in 2004 and metrics from each site were collected.

This summary report presents lessons and recommendations based on the Kansas demonstration projects. The first section of the report provides an overview of the Enterprise Facilitation® model – its objectives and where it fits within the field of community economic development. The second section describes the key lessons learned from the Kansas experience. Recommendations for communities, states and the Sirotli Institute are presented in the third section. The final section places this evaluation within the broader context of evaluating economic development strategies for rural America. While individual observations from each of the Kansas regional models are used to illustrate the lessons learned and recommendations, a more thorough description of the experience in each region is provided in the appendix to this report.

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## **The Enterprise Facilitation® Model**

### **Description of the Model**

Enterprise Facilitation® is a “people-centered approach to community and economic development” pioneered by Ernesto Sirolli in the mid-1980s. The model seeks to support the passion and ideas of local entrepreneurs and to facilitate the transformation of those ideas into viable businesses that contribute to community economic vitality. For Enterprise Facilitation® to be successful, a strong and committed local leadership group is needed. The Sirolli Institute bolsters this local capacity by providing regular training regarding its model and wider community development issues.

Enterprise Facilitation is based on Sirolli’s concept of the trinity of management®. He argues that managing a successful business requires competency in three areas – technical ability to produce a product or service, ability to market the product or service and ability to manage the finances associated with the venture. Few individual entrepreneurs have competency in all three areas and, therefore, the entrepreneurial team becomes very important. To be successful, the community must be able to apply the concept of the trinity to local entrepreneurs.

In the field, Enterprise Facilitation is built around two core concepts: an individual enterprise facilitator and a community board. The enterprise facilitator is the primary “face” of enterprise facilitation at the community level. He or she often serves as the initial point of contact for business owners and aspiring entrepreneurs. The enterprise facilitator provides confidential, free services to entrepreneurs and potential entrepreneurs in the community. The community board, composed of anywhere from 20-50 local residents, supports the facilitator by providing introductions to community leaders and potential clients. Board members also provide connections to service providers and resources. Given the key function each of these plays in implementing the model, further explanation of each component is required.

The enterprise facilitator’s skills, passion and commitment to the model are keys to his/her success. Temperament can be equally important as the facilitator’s skill set. The facilitator is not an “expert” and is not expected to directly provide technical assistance. As described in *Ripples from the Zambezi*, the individual hired as the enterprise facilitator must be:

- A good listener, providing a sounding board for entrepreneurs to describe their dreams and ideas so that the potential for actually creating a viable enterprise can be discovered.

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- Passive, yet visible, so that entrepreneurs can find the facilitator when they are motivated to do so; however, the entrepreneur is the one who identifies opportunities and makes decisions about the future.
- Confidential so that entrepreneurs can share their hopes and dreams even in the smallest rural community without fear that their ideas will become fuel for discussion at the local coffee shop.
- Well networked and willing to ask for help in identifying resources and assistance for the entrepreneurs who come to them.
- Well versed in Sirolli's trinity so that they can evaluate the skills of an entrepreneur and help find team members who can complete the trinity.

One key to the relative success of the model across the regions in the Kansas Initiative was the quality and competency of the enterprise facilitator, as discussed in the lessons learned section below.

The community board is another important part of the Sirolli model. The local board, including business and civic leaders, economic development practitioners, and private sector professionals, is responsible for hiring and supporting the enterprise facilitator. Each member of the board receives training from the Sirolli Institute and commits to introduce the facilitator to key players and entrepreneurs in the community. It is these introductions, rather than aggressive marketing, that bring the facilitator together with entrepreneurs. In Kansas, introductions ranged from about 400 to over 1,000 across the regions during the two-three year period of implementation. The board also serves as a key piece of the facilitator's resource network, providing assistance to the facilitator in meeting the needs of individual entrepreneurs.

The Board meets on a regular basis, typically once a month. The Board meetings may cover broader project-related issues, but are generally dedicated to focusing on local entrepreneurs. The enterprise facilitator presents issues facing several entrepreneurs, and the Board determines how best to help. These confidential sessions offer a means to support the facilitator and to also introduce fresh and alternative perspectives on how best to support a local business owner.

### **Place within the Field**

When first introduced in the 1980s, Sirolli's model represented a significant departure from the more traditional approaches to rural community development. Many rural communities were pursuing strategies emphasizing commodity development (e.g., agriculture, timber, and mining) and low-cost manufacturing, with some success. However, recent history suggests that these strategies are not sustainable in the long run for most rural places. The path to sustainable development in the Sirolli model derives from the motivations,

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passions and talents of community residents rather than from the community's success in attracting relocating firms.

Sirolli's model represented a key innovation in community economic development practice. In recent years, the pace of innovation in the field of what we now identify as entrepreneurship or enterprise development has accelerated, particularly related to rural places. Beginning in 2002, CFED, with funding from the Kellogg Foundation, conducted a study to identify the "institutions, programs, and activities that support entrepreneurship in rural America." *Mapping Rural Entrepreneurship* was based on expert interviews and site visits with key innovators in the field of rural entrepreneurship development. CFED identified four organizing principles for entrepreneurship development based on this work:

- **Community Driven:** Communities, however defined, provide the culture or environment in which entrepreneurs thrive or fail. Communities need to build on their assets to develop a unique strategy to support their entrepreneurs.
- **Regionally Oriented:** Regional collaboration is critical to helping communities achieve the scale needed for successful entrepreneurship development. Communities need to connect to regional service providers and other institutions to bring the appropriate support to their entrepreneurs.
- **Entrepreneur Focused:** Entrepreneurship development is a human resource development strategy as much as it is a business development strategy. Entrepreneurs can be "made" when they exist in a supportive environment that recognizes the unique skills and abilities of each entrepreneur and accesses a coordinated network of service providers to meet those needs.
- **Continuously Learning:** Entrepreneurship education should reach down into the K-12 school system and extend out to existing entrepreneurs. Entrepreneurial networks are part of this system, where entrepreneurs serve as peers and mentors to share their learning with one another.

Lichtenstein, Lyons and Kutzhanova (2004) argue for a systems-approach to entrepreneurship development, a concept echoed in the definition of an entrepreneurship development system (EDS) offered by CFED as part of the Kellogg Foundation Entrepreneurship Development Systems for Rural America project. Elements of an EDS include:

- Entrepreneurship education (K-16 and adult)
- Training and technical assistance

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- Capital access
- Networks
- Culture that supports entrepreneurs

Where does Sirolli's Enterprise Facilitation® approach fit within this broader understanding of enterprise development as a rural development strategy? Sirolli's approach has elements in common with other model practices. The model is clearly community based. In addition, the local board and enterprise facilitator form the basis of a network that, when well articulated, can tap into regional resources that enhance the scale and effectiveness of the network. An additional strength of the model is its focus on entrepreneurs. The model is "people centered," focusing on identifying the passions and needs of individual entrepreneurs and matching them with the resources they need to be successful. To date in Kansas, the facilitators have tended to work with small enterprises – start-ups, part-time entrepreneurs, Main Street shop owners – that may well be their appropriate niche.

One sharp distinction between the Sirolli model and other approaches to entrepreneurship development is that it does not take a systems approach to community development. The Enterprise Facilitation® projects in Kansas are not embedded in a broader coordinated system of support for entrepreneurs. The enterprise facilitator, through the introductions of the board, has a highly visible role in the community and, when successful, becomes identified as the person to go to if you are interested in starting a business. The emphasis is on the technical assistance function – assessing the needs of entrepreneurs and linking them to resources to address those needs. It is not clear how well the Sirolli model helps to transform the community culture or environment into one that embraces entrepreneurship. We have some anecdotal evidence that the implementation of the model has brought hope to some rural regions in Kansas that might otherwise be waiting to die or waiting to be saved. Whether the model can help transform rural communities into entrepreneurial communities should be the subject of ongoing evaluation and monitoring of the projects by the state of Kansas.

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### **Evolution of a Typical Project: QUAD County Enterprise Facilitation®**

To understand the key learnings from the Kansas projects, it is first important to understand how a typical Enterprise Facilitation® initiative evolves over time. To illustrate, we have chosen the oldest project in Kansas – QUAD County Enterprise Facilitation®. The timeline around the QUAD project is fairly typical; most other sites underwent a similar process.

#### **Project Timeline and Activities**

September 21, 2001	Community members from Chautauqua, Elk and Greenwood counties attend a state Department of Commerce and Housing information meeting in Chanute Kansas on Enterprise Facilitation® demonstration projects. Excitement for the project is created and community members agree to hold another meeting immediately.
September 2001	Community members hold a meeting and decide to invite Woodson County to join the project. A steering committee with 29 members is formed and members agree to meet bi-monthly to develop a proposal for the state.
October - December 2001	The steering committee meets bi-monthly to prepare the proposal. A presentation committee is formed to present the project proposal to communities in the multi-county region and to build community involvement. Steering committee members make requests for pledges to community members to meet the required one-third match. The community is able to raise over \$100,000 in matching funds for the project.
December 19, 2001	The QUAD County Enterprise Facilitation® proposal is submitted to the state.
January 15, 2002	The state awards its first grant for an Enterprise Facilitation® demonstration project to QUAD County.

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January – June 2002	The Sirolli Institute interviews and selects a community advisory board for the project of approximately 50 members. The board receives training from the Sirolli Institute about how to implement the model and manage the process of hiring an enterprise facilitator.
June 2002	The first enterprise facilitator is hired by the community board and trained by the Sirolli Institute
June 2002 – June 2003	First full year of operation with the board making about 1,000 introductions for the enterprise facilitator. The facilitator worked with 95 clients. Six businesses were started and two were retained; 42 jobs were created. The Sirolli Institute provided periodic ongoing training to the board and the facilitator during the year.
June 2003 – June 2004	Second full year of operation. The enterprise facilitator continues to work with clients and the Sirolli Institute continues to provide periodic ongoing training to the board and the facilitator during the year. The end of the year marks the end of apprenticeship with the Sirolli Institute. At this point, the Sirolli Institute will contract with a community to provide an ongoing training and support package if the community chooses to do so.
June 2004	First statewide meeting of Sirolli projects with DOC&H marks beginning of quarterly networking meetings.
June 2004 – June 2005	Third full year of operation. A fifth county was added to the project – Wilson County. Cumulatively, over the three years of the project, the enterprise facilitator worked with 250 clients, 29 businesses were started, 11 businesses were expanded and 7 were retained; 105 jobs created.

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The project start-up phase in QUAD County began in January 2002 when the project was approved by the state and continued for approximately 18-months during which the enterprise facilitator was hired and began actively working with entrepreneurs. This period includes the first full year of project operation when most of the board introductions for the facilitator were made. The project then had two years of operating experience when the facilitator's client base was built up and business starts grew from six after the first year to 28 at the end of the third year. During this phase, the facilitator was building a portfolio of entrepreneur clients in the region. Now, the QUAD County project is entering a phase where issues of sustainability and evolution of the organizational model of the project become more important.

### **Key Learnings from the Kansas Initiative**

Economic development is a long-term process, often occurring over generations. The Kansas initiative is in its relative infancy as an economic development approach, with the most "mature" of the regions in operation for only three years. We have exercised caution in drawing conclusions and lessons learned from such a short history. However, with this caveat, other rural communities that are considering ways to energize and support their entrepreneurs can benefit from the experience of these regions in Kansas.

There are two types of learnings from the Kansas projects. All of the projects have achieved measurable economic development impacts on their respective regions. These impacts are described in detail below. There are also a number of insights related to the implementation and operation of the projects that provide key lessons for other communities, regions and states that are considering Enterprise Facilitation® as a model for community economic and enterprise development. These insights are provided below and organized to be comparable to the evolution of a project in the field.

### **Project Impacts**

The Sirolli Institute emphasizes the collection of a set of metrics that helps to describe the impacts or outcomes achieved by each project. These metrics are clearly identified at the beginning of each project and enterprise facilitators are responsible for compiling and reporting these outcome measures to their boards. Table 1 presents the metrics for each project, cumulative for the project period. In total, the state of Kansas has invested nearly \$500,000 in the projects over 5 years, with an additional \$750,000 covering the costs of Sirolli Institute assistance and training.

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Table 1. Cumulative Outcomes for the Kansas Sirolli Projects

Metric	QUAD County <sup>a</sup>	Western Kansas <sup>b</sup>	Sunflower <sup>c</sup>	Prairie Enterprise <sup>d</sup>	Northeast Kansas <sup>e</sup>	Total Across Projects
Introductions <sup>f</sup>	1,003	1,183	551	832	1,001	4,570
Total Clients	250	187	125	199	195	956
Businesses created	29	11	19	18	11	88
Businesses retained	7	11	15	2	5	40
Business expansions	11	5	8	6	0	30
Jobs created/saved	105	84	106	60	27	485
Cost/job <sup>g</sup>	\$2,400	\$6,700	\$7,800	NA	\$6,600	---

Source: Kansas Department of Commerce & Housing, 2005.

<sup>a</sup>Metrics cover the period from June 2002 through March 2005.

<sup>b</sup>Metrics cover the period from September 2002 through March 2005.

<sup>c</sup>Metrics cover the period from August 2002 through March 2005.

<sup>d</sup>Metrics cover the period from February 2003 through March 2005.

<sup>e</sup>Metrics cover the period from June 2003 through March 2005.

<sup>f</sup>Some projects stop counting introductions after the first year of operation.

<sup>g</sup>Data for September 2002 through June 2005.

Several observations about the project can be made based on these outcome measures. It is clear that all projects have had measurable impacts on their regions. For the three oldest projects, new businesses have been created and jobs have been created or saved over the course of the project. These businesses and jobs represent new sources of economic activity that did not exist in the region prior to the implementation of the demonstration projects.

However, outcomes do vary across regions and, to some extent, appear to be tied to the skills and capacity of the enterprise facilitator. The projects in QUAD County and Western Kansas evolved over a similar period of time, starting between June and September 2002. However, the enterprise facilitator in QUAD County was hired in June 2002 and remains in place today. In Western Kansas, turnover among the facilitators has been rapid. The first facilitator was hired in September 2002. A second facilitator was hired in January 2004 and the third in February 2005. Without this important piece in place, the Western Kansas

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project has lacked the stability and consistency that has marked its counterparts in the QUAD and Sunflower projects.

The average cost per job created or saved based on these metrics also varies across the projects.<sup>1</sup> The best indication of cost per job comes from the first projects, ranging from \$2,400 in Quad Counties to \$7,800 in Sunflower Counties. The other two projects are still in the start-up phase when cost per job is likely to be higher. However, all of these estimates are relatively low as compared to estimates of the cost of industrial recruitment that are often in excess of \$20,000 per job and they are only moderately higher than those associated with microenterprise programs. The cost per job figure does not provide any insight into the quality of jobs being created through these projects, an issue that might be explored in future research. Our site visit research confirms that the businesses created are typically very small microenterprises with only one or two employees. Overall compensation and benefit rates appear to be typical for these regions – wages are low and benefit packages are limited.

### **Project Insights**

Important insights about the implementation and outcomes of the Kansas Sirolli Initiative were gained through site visits in each of the regions. These insights are different across the three stages of the model identified above – start up, portfolio development, and evolution of the model.

**Insights related to Model Start Up.** While any new initiative faces challenges in its start-up phase, a number of strengths of the Sirolli model were evident during this early phase.

- **Local ownership of the projects was great.** Local champions are investing their vision, time and talent in making these projects work. The early training by the Sirolli Institute clearly created months and years of bonding among the champions that serve these projects. One example of this strong local ownership is in the Western Kansas project. In spite of the turnover among facilitators, the core leadership group is committed to the project. This effort has generated real regional collaboration, the first such joint project in the region's history.
- **The model makes sense to local people.** Local leaders in particular feel that they understand the model and how to implement it. In Prairie Enterprise, leaders offered that the "Sirolli model makes sense." Again,

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<sup>1</sup> The authors propose to work with the Kansas Department of Commerce and Housing in 2006 to complete a more rigorous cost-benefit analysis of the projects to date. These cost per job estimates are offered here as a way of placing the Sirolli model in the context of other economic development efforts, particularly microenterprise development and industrial recruitment.

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the Sirolli training in the early stages of the project enhances the comfort level that leaders have as the project moves forward.

- **The concept of the trinity of management® is compelling and accepted by local leaders engaged in these projects.** The local project teams, facilitators and boards believe in the trinity concept and make it the focus of their work with entrepreneurs. They believe that if local entrepreneurs accept the trinity and use this framework, they can build better businesses and achieve economic development outcomes.
- **The organizational structure of the model is appropriate for this start-up phase of the project.** In QUAD County, board members feel they have created a unique, stand-alone operation that has been successful in making over 1,000 introductions to the facilitator. All board members in this region actively participated in this process and have been engaged in the board meetings. However, as the project in this region and others moves into later stages of implementation, the organizational structure may need to evolve. Specific issues raised in QUAD County include an interest in better supporting growth-oriented entrepreneurs and adopting a more aggressive approach to reaching out to entrepreneurs and marketing the services of the facilitator. How best to do this should be the subject of further discussion and evaluation based on the experience of the five projects in Kansas.
- **The training provided by the Sirolli Institute was appropriate and valuable.** The training helped to build a common understanding of the model and to secure local support for the project. However, this training needs to be ongoing and extended to new members of the project. In Sunflower, team members identified a need to train new board members on a regular basis. If members join the board after the initial training, they do not have the same access to training and resources as the initial set of board members. These new members are not as likely to have the same context and understanding of the model as a result. Successful boards regularly introduce "new blood;" these new members need the same orientation provided to their predecessors. Leaders in QUAD County identified the need for additional training for facilitators and training in marketing and local fundraising.
- **The enterprise facilitator is key to the success of the project.** The facilitator serves an important role in this community-based engagement approach. Thanks to technical support from the Sirolli Institute, the projects were able to identify and hire motivated and competent facilitators who contributed to the success of the model. In the Prairie Enterprise project, the facilitator was described as being a very strong networker who had developed good relationships with the economic

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development community in the region. In the Sunflower project, the facilitator's deep roots in the region have helped him gain access to people and his banking background enabled him to provide hands-on help to entrepreneurs. Only one of the five regions, Western Kansas, has had significant turnover of facilitators.

**Insights related to Portfolio Development.** During the second and third years of model implementation, the enterprise facilitator is actively building a portfolio of entrepreneur clients and assisting them with business start up. While the model continues to show a number of strengths during this stage, some challenges were identified during our site visits and interviews.

- **Economic development impacts are being realized in all five projects.** However, the level of impact varies widely from project to project as described above. These programs are showing promise, but it is premature to conclude that this development approach can fundamentally change economic directions for these regions.
- **Regional capacity for economic development is being created.** Communities, organizations and service providers are working together in support of these projects in ways that they have not done so historically. The model, as implemented, seems to create a sense of hope and opportunity. The facilitators, entrepreneurs and project champions feel that they have a strategy that can make a difference. This sense of hope and engagement is important and contributes to regional capacity building for future development efforts. The QUAD County project offers a typical example. The four (and now five) counties in this project had always competed for economic development opportunities. For the first time, they are now working together to support businesses in their wider region.
- **All regions see a need to evolve the organizational model in terms of the outreach and marketing philosophy.** A key tenet of enterprise facilitation is that belief that enterprise facilitators must be passive. They do not seek to "convert" others to entrepreneurship. Instead, they let those who are motivated to start a business find them. They help entrepreneurs reach decisions about their ventures rather than imposing a direction on them. However, in each region, local leaders have identified a need to engage in more active outreach and marketing about the projects. This issue may be more critical as enterprise facilitators are developing a portfolio of clients since most introductions have been made and there is a need to reach deeper into the communities and perhaps wider into each region to identify potential entrepreneurs. Indeed, many

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of the projects stopped counting introductions after the first year or so of project implementation.

- **Effectiveness of the board and its meeting structure were questioned.** A number of considerations were raised in terms of how the board and its meeting structure were used to address the needs of specific entrepreneurs. The structure of the meeting allowed only several entrepreneurs to be discussed. The size and composition of the board did not enable open and constructive discussion and the changing composition from one meeting to the next raised concerns regarding continuity and confidentiality. One board member described the local board as having “too many cheerleaders and not enough doers.” These large and inclusive board structures might require enhancements as the projects mature. For example, some communities might explore creating a separate local resource team whose specific function is to identify and in some cases provide assistance to entrepreneurs. This process has occurred somewhat naturally in the Sunflower region. In this project, Board meetings have not been well attended. Board members have made many introductions, but some participants have not actively engaged in the project. As a result, many client introductions are coming from the local economic development community which is also providing direct assistance to some clients.
- **The metrics system developed by the Sirolli Institute and employed by the projects is beneficial.** It provides an effective way to benchmark and track performance within the projects. However, the same information could be used more effectively by the state to monitor and provide direct support to specific projects. Project metrics and community or state performance measures should be coordinated at the outset of any project.
- **Expectations about the projects on the part of stakeholders are not well articulated.** When asked to define success, project stakeholders provided general and hard to measure answers. For example, one county commissioner said he hoped something good might happen through their investment in the project. Others offered that any activity was better than nothing and that they were generally pleased with the project to date. This lack of clear outcome expectations could cause erosion of stakeholder support in the long term. There is a clear opportunity to use project metrics to help define clear expectations for the projects and then to use project outcomes relative to these expectations to sustain local support. In the future, state officials should consider a more detailed marketing effort to convey their own expectations for the state’s investment in such projects.

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**Insights on Evolving/Sustaining the Model.** All of the regions in Kansas are moving into a new phase of project implementation when they must confront some new and important issues. State financial support for the projects will be eliminated over the next several years. The Sirolli Institute's initial commitment of support will end. During this period, the regions must decide how to continue to sustain the projects over time financially and in what ways the model needs to evolve in order to be sustainable in the future. The following insights were obtained during our site visits and interviews.

- **Effective enterprise facilitators are the cornerstone for success with this model.** It is difficult to underestimate the importance of strong enterprise facilitators in these projects. Effective facilitators not only get results in the field, but they also contribute to capacity building within the volunteer ranks of the projects. Overall, the Kansas projects have been blessed with strong facilitators. When facilitators struggled, project struggled – as we saw in the Western Kansas project. Continuity of facilitators and effective transitions for new hires will be issues impacting future sustainability and performance. These are not unique problems. Any development organization dependent upon a single paid professional faces these challenges.
- **The ability of enterprise facilitators to effectively serve local entrepreneurs is hampered by the lack of a statewide system of support. Enterprise facilitators do not work alone; they instead serve as a feeder into a base of existing private and public service providers. When this connection to service providers is weak, the process of enterprise facilitation may be less effective.** An effective and clearly delineated system of this sort does not yet exist in Kansas. The state has made progress toward creating a system of support for entrepreneurs with passage of the 2004 Kansas Economic Growth Act and the creation of the Kansas Center for Entrepreneurship. As this strengthened system emerges, the long-term effectiveness of the enterprise facilitators and the entrepreneurs they support will be greatly enhanced.
- **The Sirolli model needs to be integrated into the overall community economic development efforts of the regions.** For most of the projects, overall community awareness and understanding of the projects appear to be weak. There is a sense that the projects are just one more program within a landscape of other development programs. Many of the board members and project participants are the same leaders who regularly support local economic development projects. There have been few efforts to engage a wider swath of the local

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population. For example, few of the projects have made efforts to engage local high school students. There is a need and opportunity to elevate the projects to become a core economic development strategy within the regions. Such a move would force greater community awareness, deeper stakeholder engagement and more focus on performance. However, the organizational model may also need to be evolved to consider issues such as ongoing volunteer development, system development, facilitator career tracking, resource mobilization and explicit consideration of sustainability.

- **The training support provided by the Sirolli Institute is positive and a strategy for continued support as the projects move forward is needed.** As the projects mature, the need for renewed training and support appears to be important. While the Sirolli Institute offers an ongoing training and support package to all communities that complete the initial 30-month training, only one of the five projects in Kansas has subscribed to it. At present, state and local officials have not articulated a strategy for ongoing training and support once the initial Sirolli Institute support ends. This is a critically important issue that could impact the future sustainability of the projects.
- **The quarterly gatherings of projects and the state appear to be valuable in creating opportunities for peer learning and sharing.** However, the opportunity to create a high performance learning community with strong elements of peer support within and among the projects is present, but largely unrealized at this point. Beyond quarterly meetings, facilitated sharing groups (e.g., facilitators, chairs, etc.) employing current information technology could be effective. For example, all of the enterprise facilitators expressed interest in enhancing connections within their network. The state might consider serving as the lead facilitator for such discussions. This network could also be enhanced with professional development programs designed for facilitators, as well as efforts to cross-train and link facilitators with other economic development professionals. Such a robust network could greatly sustain and enhance the projects particularly as the state and the Sirolli Institute phase out engagement.
- **While there is strong buy-in among the champions of the model, the extent of community buy-in is less clear.** Each of the projects has had to mobilize community support to some extent during the first two phases of project implementation. However, the need for community support increases as state and Sirolli Institute support are reduced over time. Most of the projects do not appear to have an active strategy for engaging the broader community and gaining the community support that the projects will need as they build toward sustainability.

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## **Recommendations**

Based on our review of project metrics and our site visit interviews with board members and facilitators, we have developed a number of recommendations for those engaged in or considering Enterprise Facilitation® at three levels:

- Communities or regions, particularly those in Kansas, that are actively engaged in implementing projects or are actively considering employing this model as a community economic development approach.
- The Sirolli Institute in partnership with the communities as they continue to evolve the Enterprise Facilitation® model for delivery to communities in the U.S. and around the world.
- State governments, particularly Kansas, that are engaged in or considering supporting these projects in communities or regions across the state.

### **For Communities and Regions**

The experience of the five regional projects in Kansas suggests the following recommendations for communities and regions that choose to implement Enterprise Facilitation®.

- **Facilitate Facilitation:** Effective facilitation is hard, and it is even harder if one does it alone. Thanks to the presence of community boards for each region, the enterprise facilitator does have some support. But, they must still sometimes operate with limited access to other sources of local support and expertise. Regions should examine additional means to provide the facilitator with support, recognition and opportunities for continued professional development. As part of this support, the role and responsibilities of the local board should be clearly defined and evolved as the projects develop. Specifically, the facilitators and the board should consider creating a resource team that operates separately from the board and assists the facilitator in identifying resources to help local entrepreneurs. Such a resource team would provide expanded capacity for the facilitator and would help to connect the facilitator to a broader set of resources including those outside the local region.
- **Manage Transitions:** The local board should develop a systematic approach to handling issues of board turnover and transition. New board members need training in the Sirolli model in order to be effective. The projects should work with the Sirolli Institute to develop a procedure for training new board members on an ongoing basis so that the

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effectiveness of the projects is not diminished by inevitable board transitions.

- **Build a System:** Entrepreneurs need comprehensive and rational systems of support in order to be successful. They need access to the right kind of resources, at the right time in order for them to address problems and opportunities as they arise. With the Sirolli projects in Kansas (and in other communities), local communities have an opportunity to create systems of support with the facilitators serving to link entrepreneurs to this system. Enterprise Facilitation should not simply be an “add-on” to existing business supports. It should be viewed as part of a wider enterprise support system. In most of rural Kansas, the basic services needed by a start-up business are available. However, as a company grows and matures, it needs higher-order support that may be not readily available close to home. In order to serve this customer base, facilitators must build collaborative relationships with existing business service providers both inside and beyond their immediate service areas. Yet, at present, facilitators and boards are uncertain about how to proceed on this front. Learning and engaging in the art of building these collaborative relationships would represent an important development of the Sirolli model in these communities. The Kansas Center for Entrepreneurship might be a resource for communities in building stronger ties to local and regional service providers.
- **Tell Your Story:** To become sustainable once state and Sirolli Institute support end, the projects must build a broader base of support within the communities and regions. Many of the regions, such as QUAD and Sunflower, have recruited additional counties as one means to access new resources. While this strategy makes sense, it also creates challenges as the project must now serve a wider and more geographically dispersed customer base. Project leaders should also look to expand resources from local funders as well.

While there are strong community champions in each region, the projects must employ additional strategies to encourage region-wide support for entrepreneurship development as a core community development strategy. The projects should develop effective marketing strategies that are directed not only at informing entrepreneurs about the program but also at highlighting the successes of the program. Stories of successful entrepreneurs who have realized their dreams because of their local facilitators should be prepared and distributed widely in the regions. Metrics should be used to provide persuasive evidence of the impacts these projects are having on the local economy. Continued support for Enterprise Facilitation® may well depend on the project team's ability to make the case for the model broadly throughout the region and on the

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team's ability to evolve the model to address local concerns and opportunities that arise.

- **Reach Out to Youth:** All of the projects are achieving measurable outcomes; yet it is not clear how attitudes toward entrepreneurship within the community are changing. The regions should consider developing complementary activities that, along with Enterprise Facilitation® contribute to creating a culture of entrepreneurship. Specifically, local educators (K-12), and students themselves, should be included in discussions about how to provide entrepreneurship education to young people in the region. Existing curriculum programs are available and could be brought to the regions with the support of local school systems and teachers. These programs could be effective in presenting local youth with a new way of thinking about "making a job" for themselves in the future.

### **For the Sirolli Institute and the Communities**

The Institute has created a community development model that generates excitement in rural communities and presents a clear strategy for sustainable development by supporting the dreams of entrepreneurs. The experience in Kansas suggests that the elements and implementation of the model in its start-up phase, including the training provided by the Institute, are well received by local community leaders and the enterprise facilitators. However, a number of concerns were raised regarding how the model evolves over the life of a project that may be useful to the Institute in considering future innovations in the model.

- **Be the Mouth of a Pipeline:** The enterprise facilitators deliberately work with all types of entrepreneurs, helping any entrepreneur who seeks their assistance in realizing a dream. They are the entry point for those entering the community's pipeline of entrepreneurs. The model does not advocate any strategic targeting of entrepreneurs by, for example, focusing on those entrepreneurs interested in growing their enterprises. The experience in Kansas suggests that most enterprise facilitation clients are small, micro and lifestyle entrepreneurs who have more limited economic impacts in terms of job creation. As the Sirolli models in Kansas evolve over time and are successful in bringing more entrepreneurs into this pipeline, the facilitators may need to develop an effective means of channeling different types of entrepreneurs to those who provide more targeted assistance. Working with other service providers, it is possible that such strategic targeting may be a useful means of increasing development impacts over time.

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- **Spread the Word:** As the projects in Kansas mature, board introductions appear to play a more limited role in helping the enterprise facilitators connect with existing and potential entrepreneurs. Each of the projects indicated a need to develop a more aggressive marketing and outreach program to make entrepreneurs aware of the enterprise facilitators and the assistance they could bring to the entrepreneurs. The Sirolli Institute may want to consider how to assist the communities in marketing the project once the initial start-up phase is complete. With assistance from the Institute, a more aggressive marketing and outreach plan could be developed that continues to define the enterprise facilitator's role as a passive one – listening to entrepreneurs and linking them to appropriate resources.
- **Embrace Continuous Learning:** The training provided by the Institute received relatively high marks in the early stages of the project. The projects do not appear to be taking advantage of the training package offered by the Institute once their apprenticeship is completed. Yet the need for ongoing training of board members and facilitators continues. In addition, as the state of Kansas (and other states) develops a new system of support for entrepreneurs, enterprise facilitators will need training to develop new skills in networking and collaboration to effectively work within this new system. The Sirolli Institute, in partnership with the state and the regional projects, has an opportunity to test new approaches to training in the state on a pilot basis.

### **For the State**

Kansas is a national leader in terms of promoting innovative rural development and entrepreneurship strategies, but it should not rest on its laurels. We offer the following recommendations for continuing the progress the state has made toward recognizing and supporting entrepreneurship as a core development strategy.

- **Promote Enterprise Facilitation®:** The state could play a more active role in marketing the Enterprise Facilitation® projects throughout the regions and the state. The metrics collected by each project describe the specific outcomes achieved and could form the basis of a marketing strategy for the model. The state could more effectively use these metrics to build broad support for the Enterprise Facilitation® approach as well as entrepreneurship development more generally throughout the state.
- **Fund Continued Training:** The training provided by the Sirolli Institute has much to do with the success of the model. However, as the projects reach the end of their apprentice period with the Institute, there is no systematic approach to meeting their ongoing training needs. The state

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should take an active role in helping the regions develop plans for getting the ongoing training support they will need to be successful over time. While this strategy may include the Sirolli Institute, it is also possible that a mentorship arrangement using experienced facilitators and board members could be developed to transfer knowledge of the model to those new to facilitation.

- **Actively Facilitate a Learning Network:** To build capacity in the state, it is important for the regions experienced in Enterprise Facilitation® to have opportunities for shared learning and networking. The state has a role to play in facilitating such a network beyond the initial period of state funding, and should consider providing financial backing for the network and identifying at least one DOC&H official to serve as the facilitator for this network. While the quarterly project meetings serve a networking purpose now, that state should actively promote networking across the projects using technology (web-based forums, listservs, teleconferencing for professional development, etc.) As the individual projects address issues of sustainability and new ways to evolve the Enterprise Facilitation® model, this peer networking has a valuable role to play in helping these projects continue their success.
- **Expand the Statewide System:** Just as communities must consider ways to create local and regional systems of support with enterprise facilitators as a part of that system, the state should continue and expand its efforts to create a comprehensive statewide and regionally-based system of support for entrepreneurs. Important steps have already been taken, particularly the creation of the Kansas Center for Entrepreneurship, a single resource network and call center for new and existing entrepreneurs; outreach activities through universities, community colleges and economic development organizations; and capital programs offered through the Kansas Community Entrepreneurship Fund and the Rural Business Development Tax Credit Program. There is a clear opportunity to evolve this system on a pilot basis with each of the five Sirolli projects. As part of this system building, the state should consider investing in programs to build the capacity of communities to engage in community development and entrepreneurship development in particular. Communities need tools to build a common understanding of the importance of supporting entrepreneurs as part of an overall economic development strategy and the capacity to implement new programs like enterprise facilitation.
- **Rigorously Evaluate Progress:** If entrepreneurship development is to become a viable economic development strategy, states must focus on rigorous documentation and shared learning across communities. The

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state of Kansas has a unique opportunity because of its partnership with the Sirolli Institute to build on the community metrics collected as part of the demonstration projects and develop an active program of documentation across these communities. The evaluation should be expanded to include both the cost-benefit analysis mentioned earlier in this report and evaluation that includes focus groups with entrepreneurs and community residents to measure how well the facilitators are meeting the needs of entrepreneurs and how attitudes toward community development are changing over time.

Continued state policy maker engagement and support is critical in Kansas. Economic development in general and entrepreneurship development in particular require long-term investments and long-term support in order to achieve the benefits of these initiatives. The state should explore how its commitment to and investment in rural Kansas can be sustained and enlarged as progress at the community level is realized. A strategy to provide a decade-long engagement can result in systemic change and may provide communities with the stability to leverage long-term community support. Insight might be gained from considering the work and accomplishments of the Appalachian Regional Commission or the Tennessee Valley Authority in some of the more challenged communities and regions in the country.

However, as state policies and programs for supporting enterprise development are articulated, they should be designed with flexibility so that strategies can be evolved by communities based on local assets and needs. They should include incentives for regional collaboration, without being proscriptive about what constitutes a viable region or what form a collaboration must take. Policies should be designed to encourage communities and regions to invest as primary partners and to build sustainable local capacity that can be applied to future development challenges.

### **Conclusions**

The Sirolli Institute's Enterprise Facilitation® model is a promising community development strategy for rural communities in the U.S. The five regions in Kansas have experienced measurable economic impacts and, as importantly, the model has brought a sense of hope and control over their own futures to communities that had seen only bleak prospects for the future. However, the projects in all regions are relatively young and will face challenges and opportunities in the next several years that should be documented with further evaluation. For example, we anticipated that the issue of project sustainability would be important in 2004 because state funding and Sirolli Institute assistance were drawing to a close. However, sustainability was not a pressing issue for the projects because the state decided to provide additional project funding and

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support. Unless there is continued and additional state support, the issue of sustainability and the need for projects to fully fund themselves locally will emerge in the next year or two. The projects will also need to decide how to provide ongoing training previously offered by the Sirolli Institute in the future. These and other issues should be explored in any ongoing evaluation of these demonstration projects as they create strategies for sustaining the model programs in the future.

This evaluation highlights the importance of identifying and measuring the outcomes of entrepreneurship development projects as a way of documenting changes – economic impacts and capacity building. Project evaluation is important for several reasons. One, evaluation is useful to the project team in that it provides a means of gauging progress toward achieving specific objectives, allowing course corrections and model improvements to achieve desired outcomes. Two, as an investor, the state should be interested in describing the impacts of the projects in a way that helps stakeholders, in particular state legislators, fully understand what the project has achieved. Three, evaluation of particular models is important for advancing our understanding of model practices in the field of entrepreneurship development and for developing a set of shared learnings that practitioners across the country can draw upon as they create strategies for encouraging entrepreneurs in their own communities and regions.

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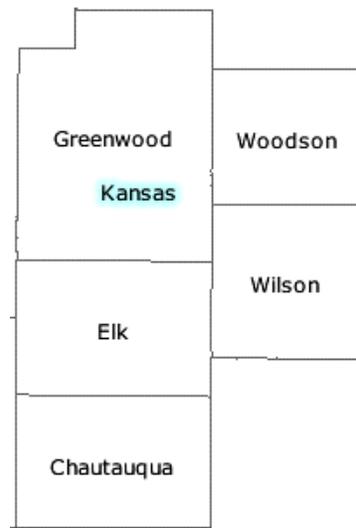
## **Appendix A**

### **QUAD County Enterprise Facilitation®**

#### **Geography**

The Quad County Project now includes five counties – Greenwood, Elk, Chautauqua, Woodson and Wilson. The combined population of these five counties is 29,413. This project is located in southeastern Kansas. It is an area known for chronic economic distress and poverty. It is quite rural in character but the western part of the region falls within the Wichita footprint.

***Figure 1 – Quad County Project Geography***



#### **History**

Quad Counties is the oldest Kansas Sirolli Project. It made application to the state for support within this program in the fall of 2001. State approval was made in January of 2002. The Enterprise Facilitator was hired in June 2002 and the project has been operating for 34 months (June 2002 through March 2005).

This is a part of Kansas with a very weak tradition of economic development and regional collaboration. Participation in the Kansas Sirolli Initiative has given this region a focus and a strategy for economic development. It has resulted in considerable capacity building for economic development. There has been strong sustainability within the project with the current enterprise facilitator on the job from the very beginning. The core of champions and leaders has been consistent and dedicated.

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Champions of the project believe that it has made a significant difference in their region and they are hopeful that it can contribute to systemic change. The performance metrics would support this perception.

### **Key Learnings**

A number of insights can be gained from the experience of QUAD County with the Sirolli model:

- There is a strong and growing referral pattern of clients from the area's economic developers to the project and its services.
- This project has been served very well by its enterprise facilitator. He has a strong and appropriate business background and is very talented as an enterprise facilitator.
- The unprecedented regional collaboration that formed this project is proving to have sustainability.
- There continues to be broad-based community buy-in and support for the project, including diverse community investment.
- There is support for strategically focusing more effort on entrepreneurs with growth potential as they evolve the organizational model to be more appropriate to the region.
- Some concerns with the adequacy of the Sirolli training programs were raised. There were mixed opinions about the value of the training programs, with some participants satisfied and others frustrated. There was general concern expressed about the relevance of the training related to fundraising. However, there was a desire for more training support for the facilitator and the board from the Sirolli Institute.
- The QUAD County Project provides an example of an effective implementation of the Sirolli model in Kansas. According to one champion, "Sirolli provided the external stimulus to force the community to stop playing the victim and take on responsibility for ourselves."

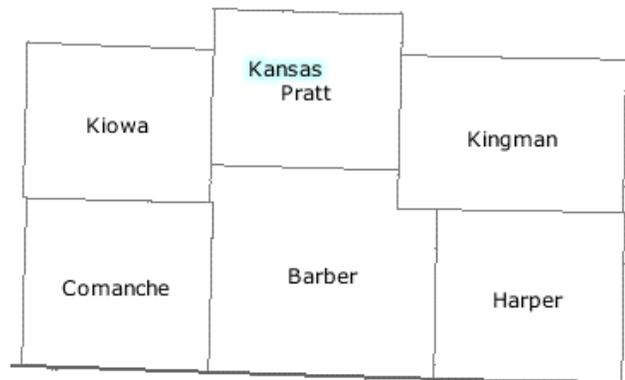
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## **Sunflower Enterprise Facilitation®**

### **Geography**

The Sunflower Project now includes six counties – Kiowa, Pratt, Barber, Comanche, Kingman and Harper. The combined population of these six counties is 35,408. This project is located in south central Kansas. It is an area shaped by ranching, farming, manufacturing and energy production – all industries experiencing significant challenges today. The city of Pratt is the dominant economic and social center in the region with population densities dropping off significantly in the other counties.

***Figure 2 – Sunflower Project Geography***



### **History**

Sunflower is among the original of the Kansas Sirolli Projects. It made application to the state for support within this Program in 2002 and was approved in August 2002. The Enterprise Facilitator was hired and the project has been operating for 32 months (August 2002 through March 2005).

The Sunflower Resource Conservation & Development committee played a central role in bringing this project to south central Kansas. There is a belief among champions that this project compliments historic development efforts and provides a strategy for the more rural and least populated communities within the region. The project has enjoyed considerable stability with only one enterprise facilitator. The addition of Kingman and Comanche Counties illustrates the geographic growth of the project.

### **Key Learnings**

A number of key insights can be gained from the experience of the Sunflower project.

- There is excitement about the project and a clear commitment to continue it after state funds lapse. The addition of two other counties (Kingman and Comanche) is one of the strategies being used to raise additional

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funds for the project's continuation. The benefit of additional resources must be balanced against the challenge of an expanded service area.

- The project got off to a slower start than expected and the enterprise facilitator was not as busy as anticipated. However, there appears to be growing interest among potential entrepreneurs as the word has gotten out.
- The project has been challenged by the difficulty developing clearly articulated relationships with other service providers in the region. Some turf issues have developed. In addition, the interface between the project and other service providers is weak. Most clients were happy with the project's services, but complained about the slowness of other agencies.
- The enterprise facilitator's business background and personality are strengths for the project.
- A strength of the project is that it provides a pathway between clients and area banks.
- There is frustration within the project with the perceived passive approach advocated by the Sirolli model. They would like to reach out and market the program more than it has been. They would like to see better marketing materials (or suggestions) from the Sirolli Institute. In particular, they would like a brief summary of the Sirolli model that could be shared with potential clients.
- They see a need for ongoing board member training support as board members move onto and off of the board.

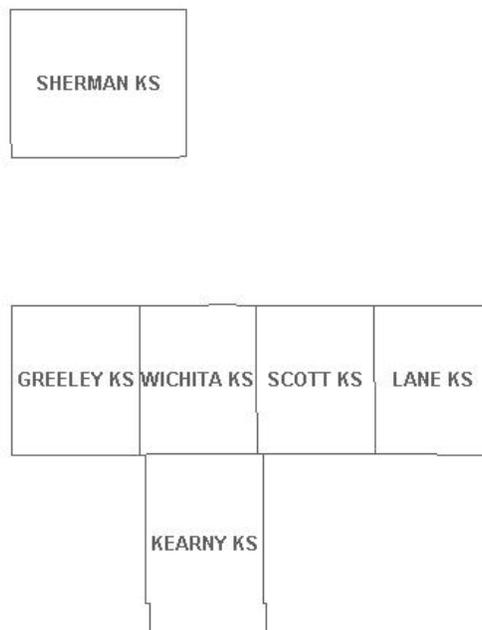
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## **Western Kansas Enterprise Facilitation® Consortium**

### **Geography**

Kansas, like other states in the Great Plains, changes dramatically from east to west. The elevation rises moving towards the foothills of the Rocky Mountains. Rainfall drops and the landscape becomes very arid. As a result, population and settlements thin out dramatically. The Western Kansas Enterprise Facilitation® Consortium is among the three initial projects funded by the Kansas Department of Commerce and Housing. Because the counties in this region are more sparsely populated (combined population of 22.631), the Western Kansas project includes more counties and geography (necessary to meet the minimum population base required by the State). The region is dominated by ranching, irrigated farming and energy production. There is some manufacturing, but its incidence is less as compared to the east. The region is struggling with nearly a decade of severe drought that is taking its toll on people, the land and its communities.

***Figure 6 – Western Kansas Project Geography***



### **History**

Western Kansas organized its consortium and submitted its application to the State of Kansas in 2001, the first year of the project. After the state approved the request, organizing for the project moved more slowly as compared to the Sunflower and Quad projects. The first enterprise facilitator was not hired until September 2002, almost a year after state approval. The enterprise facilitator got the project off the ground, the board terminated his employment. Difficulties with the first enterprise facilitator created significant challenges for the project

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but the board regrouped and hired the second facilitator in January 2004. The project made better progress for about a year when the facilitator resigned to pursue other opportunities in December 2004. After considering the future direction of the project, the leadership hired the current facilitator in February 2005. The Western Kansas project has experienced the greatest challenges as compared to the other four projects. Drought, turnover of facilitators and other problems have plagued the project and reduced its potential impact. However, the core leadership has remained committed to the project and has done what is necessary to recover from each setback and to keep the project going.

### **Key Learnings**

The challenges experienced and met by the Western Kansas project team provide some important insights for others interested in this model.

- The most significant outcome of the Western project has been its sustainability. Drought, staffing challenges and problems with county engagement have all plagued the project but the leadership has remained committed throughout. During the most recent staff turnover, there was serious consideration of an array of options including abandoning the project. The core leadership concluded that staying the course was “worth it” and local leaders believe that they can raise the local match necessary to secure the additional \$40,000 in state matching funds being offered in 2005.
- Many of the core leaders view the evolution of a “first-ever” regional collaboration in support of economic development to be a major accomplishment. They believe this capacity is a foundation upon which future development efforts can be built.
- The leadership of the Western Project resists comparisons to the other four more eastern projects. They argue, with merit, that the combined forces of drought, thinner population and weaker economy create greater challenges for their region. The challenging environment makes residents in the region more risk adverse. Some leaders perceive a lack of raw entrepreneurial talent in region, with the nature of the economy, loss of population and culture acting as barriers to entrepreneurial activity.
- The project name has been changed from the “Western Kansas Enterprise Facilitation® Consortium” to “Western Kansas Business Consulting.” The new name creates stronger branding for potential clients.
- While the basic Sirolli model is well accepted by project leaders, they have concerns about several features. One, they believe the model is not flexible enough and changes are not being introduced quickly as needed.

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Two, the passive approach to outreach is an issue since they believe they have visited up to 80% of possible clients in the region. As a result, the project has become more active in its outreach and follow-up. Three, the general training support and support from the Sirolli Institute during their times of crisis have not been timely or adequate.

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## **Prairie Enterprise Project**

### **Geography**

The Prairie Enterprise Project is located in central Kansas in the transition zone from moderate to low rainfall. There are now five counties in the project including Russell, Barton, Rice, Edwards and Ellsworth (combined population of 56,310). The economic mainstays are ranching and farming, with some manufacturing. Great Bend is the largest community in the region; however, Salina and Hutchinson are to the east and southeast of the region, creating additional job opportunities for residents.

***Figure 7 – Prairie Enterprise Project Geography***



### **History**

Prairie Enterprise included in the second stage expansion of the state's Kansas Sirolli Initiative. The project began operations in February 2003 with the hiring of their first and only enterprise facilitator to date. The project has been in continuous operation for 25 months. This project got off to a sound start and has sustained its efforts well over its more than two years of operation.

### **Key Learnings**

As Prairie Enterprise moves into the portfolio development phase of project implementation, there are some key lessons to be drawn.

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- The project's leadership team articulated a more specific set of expectations than some of the other projects. These expectations included such things as:
  - A desire to help those businesses that are failing all around the region.
  - Have more dreams result in success.
  - Reverse the decline and aging of the population in the region.
  - Help get more business start ups – fill our downtowns.
  
- Like other regions, this project sees the regional collaboration that the project has created as an important dividend. Many believe this newly discovered regional collaboration is creating new opportunities for development.
  
- The facilitator is viewed as highly skilled and contributes to the success of the project. The facilitator is well-liked, highly motivated and a strong networker with good relations with others in the development community. Perhaps because of the facilitator's skills, this region may be a model for collaboration with key development organizations and particularly the Small Business Development Center.
  
- There is generally strong acceptance of the Sirolli model, including the concept of the trinity. However there is concern about the need for more active outreach and marketing. There is also concern about the clarity of key stakeholders regarding the potential outcomes of the project. Finally, there are some questions about how well the model will work in a region this physically large, without some modification.

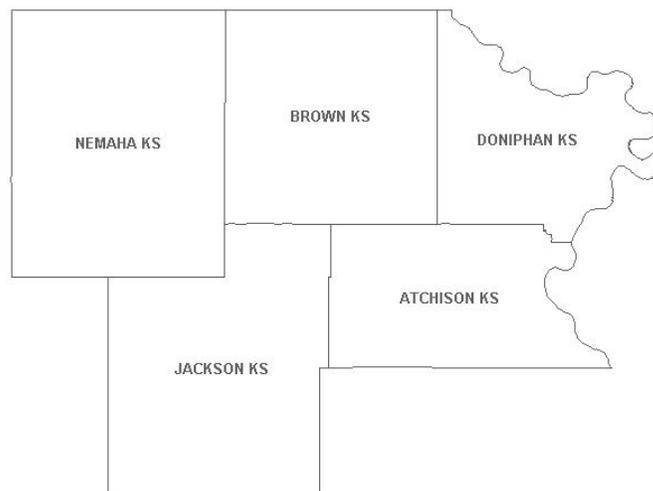
# ***Enterprise Facilitation in Kansas Report***

## **Northeast Kansas Enterprise Facilitation® Consortium**

### **Geography**

The Northeast Kansas project covers the five northeastern counties in Kansas with a regional population of 59,121. The region is shaped by its relationships with Kansas City, Lawrence, Topeka and St. Joseph. For example, in Jackson County, growth is being stimulated by residents living in the county but working Topeka. As one moves to the northwest, population becomes sparser and opportunities for development require more creativity.

***Figure 8 – Northeast Kansas Project Geography***



### **History**

The project first made application to the state in December 2001 and was approved along with Prairie Enterprise as part of the second round of demonstration projects in September 2002. The hiring process for a facilitator took some time and resulted in the project's first and only facilitator being hired in June 2003. The project has been active for 21 months.

### **Key Learnings**

As the project moves out of the start up period, there are some key learnings that can be shared.

- As in other regions, project leaders do not articulate clear, specific expectations for outcomes at this stage of project development. However, there is deep passion and support for the project by the core champions. There is considerable confidence among the core leadership that this project is sustainable over the foreseeable future and they believe they can raise the local funds needed to match the additional \$40,000 offered by the state.

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- There is much less community-wide support from throughout the region for the initiative. For example, there was some concern expressed about the lack of engagement with the region's four tribes and the City of Atchison (largest in the region).
- This region of Kansas has some unique geographic advantages. Urban growth running from Topeka through Manhattan to Kansas City and up north to St. Joseph Missouri creates development opportunities. The footprint of this urban corridor is extending into the more rural counties within the region stimulating some population growth. Urban adjacency also creates an expanded market for business development.
- This region is making progress by building productive relationships with its local development community and outside resources. The enterprise facilitator's style is collaborative and non-threatening which contributes to this opportunity. In addition, the enterprise facilitator is early in her development career, with the listening skills and time to acquire the art form of being a facilitator.
- As with other projects, there is strong support for the Sirolli model, with the one exception about the need to be more aggressive with outreach and follow-up.

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