

Creating an Entrepreneurial Appalachian Region: A Research Summary

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Our Study

- **Our Charge**
 - Review Impact and Program Lessons From ARC's Entrepreneurship Initiative
- **Our Project Team**
 - RUPRI Center for Rural Entrepreneurship
 - EntreWorks Consulting
 - RTI International
 - Outside Advisory Team
 - ARC Partners

What Was The ARC Entrepreneurship Initiative?

- Operated from 1997-2005
- Invested \$43 million in 340 unique projects across the region
- Sought to Create:
 - More Entrepreneurs in the Pipeline
 - Better informed and skilled entrepreneurs
 - Stronger, more job-creating businesses

Why the EI?

- First explicit Federal program supporting entrepreneurship development
- Designed to:
 - Help balance local economic development portfolios
 - Change culture in distressed communities
 - Anchor businesses and residents in Appalachia

How Did it Work?

- Youth Entrepreneurship Education
- Business Incubators
- Capital Access Programs
- Technical Assistance and Training
- Sector and Network Support

El Impact

Jobs Created	9,156
Jobs Retained	3,022
New Business Starts	1,787
Businesses Served	8,242
Avg. Public Cost Per Job	\$579-\$3,994
Private \$ Leveraged	\$109.9 million*

* Expected when all projects completed.

Factors for Project Success

- Capacity Building
 - Strong team and tools in place
- Strong Local Champions
 - Entrepreneurship at or near top priorities
- Partnerships
 - Successful projects were collaborative
 - Networked program delivery

Lessons Learned: How to Invest in Entrepreneurship Development

- Capacity Building as Explicit Part of Program Design
- Long-Term Investment Plans
- Continuous Improvement at Project Level
- Provide Incentives for Collaboration

Lessons Learned: Measuring Impact

- Beyond Jobs
 - Can't use a Single Metric
 - Measure Programs as a Portfolio
- Build Evaluation into Project Funding
 - Create New Tracking Tools at ARC HQ
 - Require Grantees to Use the Tool
 - Pay Them and Train Them to Do It!

Lessons Learned: Program Design

- Regularize the Initiative Process
- Become an Advocate for Entrepreneurial Development
- Fund an Entrepreneurial Innovation Initiative
 - Challenge Fund designed to back new ideas and concepts.

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