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Community-based Entrepreneurship: A Community Development Strategy

Market Report	Yr Ago	4 Wks Ago	5/27/05
<u>Livestock and Products,</u>			
<u>Weekly Average</u>			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight	\$85.27	\$91.96	\$86.85
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb	119.43	141.67	151.98
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb	116.21	117.68	116.43
Choice Boxed Beef, 600-750 lb. Carcass	149.49	162.21	153.39
Western Corn Belt Base Hog Price Carcass, Negotiated	73.13	74.90	66.82
Feeder Pigs, National Direct 45 lbs, FOB	45.87	69.32	51.42
Pork Carcass Cutout, 185 lb. Carcass, 51-52% Lean	79.89	69.79	71.57
Slaughter Lambs, Ch. & Pr., 90-160 lbs., Shorn, Midwest	97.50	106.00	111.00
National Carcass Lamb Cutout, FOB	229.84	257.59	249.73
<u>Crops,</u>			
<u>Daily Spot Prices</u>			
Wheat, No. 1, H.W. Omaha, bu	3.68	3.02	3.08
Corn, No. 2, Yellow Omaha, bu	2.87	1.85	1.92
Soybeans, No. 1, Yellow Omaha, bu	8.30	6.09	6.54
Grain Sorghum, No. 2, Yellow Columbus, cwt	4.64	2.93	2.96
Oats, No. 2, Heavy Minneapolis, MN, bu	*	1.66	1.59
<u>Hay</u>			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton	115.00	115.00	115.00
Alfalfa, Large Rounds, Good Platte Valley, ton	62.50	57.50	67.50
Grass Hay, Large Rounds, Good Northeast Nebraska, ton	57.50	62.50	57.50
* No market.			

For the past twelve years, the NebraskaEDGE Program has assisted nascent and active entrepreneurs through the delivery of a community-based educational program. Administered by the Center for Applied Rural Innovation at the University of Nebraska-Lincoln, the program's overall goals are to build community capacity, develop new entrepreneurial support coalitions and increase entrepreneurial activity within the community and region.

The program was developed with the premise that entrepreneurship is enhanced when local involvement, investment and control are incorporated into the program structure. The EDGE program was designed to help communities mobilize resources and develop leadership structures that support the entrepreneurial education and subsequent business development efforts.

In 2003, Dr. Pete Korsching, Iowa State University and Dr. John C. Allen, University of Nebraska, set out to research the NebraskaEDGE model and examine the degree to which the theory behind the EDGE program is supported by the community. The two main research questions were, what role does the community play in fostering entrepreneurial behavior and does community structure influence the number of new jobs and businesses?

The researchers interviewed local program leaders and participants to obtain information on program history, success and failures. Based on this initial research, eight communities were selected and categorized according to geographic dispersion, community size, perceived success of the program and differences in organizational principles. Additional interviews were conducted to obtain in-depth information on the organization, operation and leadership of the local programs. Case studies of each community were written and the communities were categorized as being most successful, moderately successful and least successful.

Most successful communities held five or more classes, and had an active and involved coalition with strong leadership. Moderately successful communities held fewer classes, and had some problems with the coalition and leadership structure. The least successful communities held less than two classes, and experienced strong deficiencies in the coalition structure and leadership.

Korsching and Allen found the EDGE model played a role in fostering entrepreneurial behavior. The EDGE model closely follows Wilkinson's model of the five phases of a community action process. However, Korsching and Allen expanded the model to fit action problems not addressed in the Wilkinson (1970) model. The revised model includes seven phases:

Awareness: During the initial phases, a community will acknowledge a problem and become aware that a solution may be available to help solve the problem. Of the eight EDGE communities, all acknowledged they needed to help their business community and were aware the EDGE program was a possible solution for their community.

Interest: Even though communities recognize a problem, motivation or interest to pursue a potential solution is necessary. For example, although many Nebraska communities recognize the need to help their local businesses and are knowledgeable about the different resources available to assist, a smaller number of communities will actually pursue the available resources.

Organization: How the community organizes itself to implement the program is important to the overall success of the program. In the EDGE model, successful communities organize through a large (25-30 member) coalition with broad representation of the community. This coalition is empowered to act, and is structured to include macro-entrepreneurs (key individuals who understand and facilitate the development of a supportive business climate). A successful coalition will also have a coordinator who is legitimized to act on behalf of the coalition, and is capable of handling daily programmatic activities. To function effectively, the coordinator will need sufficient time and resources to carry out the coalition mission.

Initiation: How communities mobilize their resources to accomplish tasks helps to determine their short and long-term success. Successful EDGE communities had coalitions that raised monies on the local level to match state resources. Monies were renewed and fairly allocated throughout the community as coalition members retired and new members were integrated into the coalition.

Implementation: This phase addresses how resources are applied to carry out the program objectives, such as hiring instructors, coordinators and teaching the course. In successful communities, the resources were used to hire the most qualified individuals in the region. The coalition was instrumental in the selection decisions and was supportive of the program staff.

Confirmation: Continuation of the program needs to be made and confirmed by the community. In the EDGE program, student evaluations, community perceptions of impacts and initial success helped to determine if the program became institutionalized into the community. If the community becomes burdened and does not perceive positive impacts, the activity most likely will not have the support to continue.

Succession: As a program matures, having a succession plan to replace leadership is important, both on the coalition governing level and with the individuals who are hired to carry out the activities of the coalition. Successful communities are able to bridge leadership transitions by recruiting new coalition members and training instructors and coordinators to replace existing staff.

Korsching and Allen found two elements to be crucial to a successful EDGE program:

1. A locally based and committed leader who believes in the program, has time to commit to the project and understands the community.
2. Active, empowered and contributing coalition members who believe in and support the program.

Other important factors that contribute to the program are:

1. Local funding from a broad array of individuals and organizations within the community.
2. A hired coordinator who is committed to the program and has sufficient time to devote to the activities.
3. A hired instructor who is committed to the program and has the background and credentials to teach.
4. Plans for succession of key programmatic roles.

The second question Korsching and Allen addressed was whether community structure influences the number of new jobs and businesses. The second phase of the research was a mail survey to 231 macro-entrepreneurs within the community who were knowledgeable about the community's business environment. A total of 125 individuals answered questions pertaining to the community's entrepreneurial activity, coalition structure, state support, infrastructure and the community generalizing structure.

The survey results showed that in the most successful communities the average number of jobs upgraded or created was 170, in comparison to 54 in the moderately successful communities. Likewise, the most successful communities experienced on average 54 business starts or expansions compared to 14 in the moderately successful communities.

The analysis of the research indicates that community structure is important in enhancing job creation and new business development, coalition diversity is important to increased job creation and business expansion, and the macro-entrepreneurs are important to facilitating entrepreneurial activity within the community.

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