



REAT Status Report, November 29, 2004, CBED Report 04-11-001

This is one of a series of papers on issues of interest to the Center of Business and Economic Development (CBED) and the ESU School of Business. Each paper summarizes readings, analysis and synthesis by the Director, William L. Smith, Ph.D., for discussion, to provide background information to direct our planning processes and to build content for the Center web site at: <http://www.emporia.edu/business/ibed/center/>

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### **REAT Program Status and 2005 Projection**

The REAT (Rural Entrepreneurship and Applied Technology) Program was created by the Center for Business and Economic Development (CBED) in the School of Business, Emporia State University, during the summer of 2004, with implementation beginning in the fall of 2004. Planning and implementation steps continue as we approach 2005. This report states current status and planned activities on a number of project activities as we move rapidly toward the year 2005.

#### **Projects related to creating an “entrepreneurial community.”**

\$4,500 funding has been received for the “Innovation and Entrepreneurship is Everybody’s Business” speaker series demonstration project during Spring Semester 2005. This will be used as the “centerpiece” for spring 2005 REAT activities. This project will be a one-day university-wide event, with guest speaker, related student events, and a community related event. Presumably, the SIFE Team and the Chamber will both be involved in the day’s activities.

The academic paper, “Choosing an entrepreneurial development system: The concept and the challenge,” by Dr. William L. Smith, will be presented at the SWDSI annual meeting in Dallas, Texas, during the first week of March. This paper presents an overview of the process being implemented to create the “entrepreneurial community” in the greater Emporia area. A revision of the paper has been accepted for publication in the International Journal of Management and Enterprise Development, as well.

The Roadmap for the Biosciences in Kansas is being developed through the winter and into the spring of 2005, led by KTEC, with state-wide input including the ESU Biosciences Business Group and other interested parties. This initiative has a number of entrepreneurial implications.

Discussions with the Flint Hills Technical College continue on two fronts: Entrepreneurial opportunities and workforce development initiatives.



## **Resource Inventory projects**

Resource inventory work is needed related to entrepreneurial training activities and entrepreneurial education opportunities as outlined in the five action plan steps. The structure (being organized in the Goldmine Database Software) is now in place to perform the entrepreneurial training activities resource inventory over the next couple of months (into early 2005). The Small Business Development Center (SBDC) is the primary service provider, currently, for entrepreneurial training, of course. The current effort is to determine what other resources are available in the region and how these resources might be enhanced.

A grant request (\$9,180 to the ESU-FRCC, principally GA assistance) is in progress (with a December 1 due-date) to begin the entrepreneurial education opportunities resource inventory in June of 2005, in line with the action steps proposed earlier. This activity will involve an information sharing effort along with gathering data for the inventory to actively involve all education providers and encourage their future and continued participation.

## **Funding Grant Applications and Queries, by potential funding source**

Throughout the year 2004, funding opportunities have been sought and reviewed on a continuing basis. This will continue through the year 2005. This effort has been greatly enhanced by funding received (\$9,700) from the ESU Research and Grants Center to provide a graduate research assistant, Doug Eichholz, to assist Dr. Smith and the School of Business through the Center for Business and Economic Development (CBED) with the development and implementation of all of these efforts. This assistance has had incalculable benefits to the REAT program. This assistance has been extended through the spring semester of 2005.

### **Economic Development Administration**

In the spring of 2004, Dr. Smith, via the CBED, applied for a “University Center” grant from the Economic Development Administration (EDA) of the U. S. Department of Commerce, in the amount of \$240,600. This project was not selected for funding, but much of the research and writing used to develop the proposal laid a foundation for later grant preparation.

### **Kansas Department of Commerce**

We have been told that ESU will be in line for some funding out of the Entrepreneurship initiative funded by the Kansas Economic Growth Act legislation passed in the spring of 2004. Details are being developed at the state level.



### **U.S. Department of Commerce**

The next known funding cycle of interest is for a Minority Business Development Center with a March 2005 due date. A proposal will be prepared to meet that deadline.

### **Kauffman Foundation**

A letter of inquiry went to the Kauffman Foundation on October 25, 2004, requesting participation in funding a three year project with a total budget averaging \$167,000 or \$521,000 for the three years. The request was for Kauffman Foundation funding of \$82,000 per year with the balance in ESU matching, Kansas Department of Commerce, American Express Foundation, Dr. Scholl Foundation and similar complementary foundation support.

### **American Express Foundation**

A \$20,000 Economic Independence Grant Application was sent on October 26, 2004, to the American Express Foundation, using information developed for the Kauffman Foundation proposal tailored to the specific funding requirement of American Express.

### **Verizon Foundation**

A \$9,000 Cash Grant is pending with the Verizon Works program at the Verizon Foundation. Each foundation has specific requirements. Here, the holdup is getting the proper IRS eligibility data via on-line verification.

### **Dr. Scholl Foundation**

Dr. Scholl Foundation uses a November 1, 2004, date after which you must submit a form that they send you, after you request it on your letterhead. That form must be completed, in the specified way, and returned via mail. A request for \$15,000 is currently being processed.

### **RGK Foundation**

A \$15,000 grant request is being prepared to conduct an Entrepreneurship (Summer) Camp for high school students and their teachers for four days on the ESU campus, where they would work with an educational technology consultant to develop an “entrepreneurial technology” teaching lesson plan, with student projects, to take back to



their classrooms to share with other students. The program would emphasize technology and would be focused on female and minority students from six different high schools in the Emporia area.

### **SIFE Team Business Plan Competition**

Dr. Smith assisted the ESU SIFE Team in conducting a Business Plan Competition in the fall of 2004, culminating on November 16. Three student teams of two persons each were in the final competition. Others attending the competition as spectators said they were likely to participate next year.

### **Rudd Foundation Student Business Funding Opportunity**

Dr. Smith is the ESU representative for the Rudd Family Entrepreneurial Fund which seeks to provide debt or equity funding for college student startup enterprises. Two student potential firms were considered in the spring of 2004, but neither followed through. During the fall of 2004, two new student businesses are under serious review for a funding request. One should be ready for the Board of Directors to review about December 1. The second will be prepared for review early in 2005, perhaps by late February, it now appears. Each would be seeking a three year loan, possibly in the \$25-30,000 range.

### **Volunteer Entrepreneur Corps (VEC)**

During the first calendar quarter of 2005, the plan is to organize a core group of local entrepreneurs into a “self-help” organization, supported by the REAT program, the local SBDC, and the CBED GROOM website, to assist potential as well as existing entrepreneurs and small business operators to improve the skills required to successfully implement and grow their entrepreneurial enterprises.

### **Entrepreneurship Website Development**

The CBED has under development the GROOM (Grow Our Own Magic) website to assist interested persons in assessing their potential and their skills for entrepreneurial activities. Where they are weakest, they will be referred to the SBDC and online resources for basic training and assistance. Where skills are rated medium or high, they will be referred to the VEC organization where they can hone their skills through mutual sharing of experiences.

### **Entrepreneurial Needs Assessment Survey**



Dr. Ken Schallenkamp and Dr. Smith, in cooperation with the SBDC, are conducting an entrepreneurial needs assessment survey research project based on the 17 entrepreneurial skills planned for use on the website (noted above). The research seeks the perceptions regarding the 17 entrepreneurial skills of the SBDC clients over the past two years – about 210 persons. We have about a 12 percent return rate, to date, with a second request going out as this report is being prepared.

### **Conclusion**

Much has been done and much remains to be done on the REAT Program. The primary challenge is in the actual execution of projects as they are funded and begun. Keeping a tight focus is an additional challenge, but one worth the effort.

This report was prepared for review and comments by Dr. William L. Smith, November 29, 2004.