

Enterprise Facilitation: Local Economic Development and the Challenge of Going Mainstream

Introduction

Getting a new idea adopted, even when it has obvious advantages, is difficult. Many innovations require a lengthy period of many years from the time when they become available to the time when they are widely adopted. Therefore, a common problem for many individuals and organizations is how to speed up the rate of diffusion of an innovation.

Everett M. Rogers (2003/1962, p. 1)

Italian-born Ernesto Sirolli has created and tested a method for achieving the business dreams of people around the world, one community and one entrepreneur at a time. For two decades, he has been repeating the same message to communities across the globe (Sirolli, 2003/1999, p. 1):

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.

His method is called Enterprise Facilitation, and it represents a radical departure from the typical approach taken by local economic development efforts, ranging from bilateral aid agencies to local Chambers of Commerce, and business education schools, even those promoting entrepreneurship. The difference is fundamentally exemplified in two ways: Enterprise Facilitation is person-centered, which puts the nascent entrepreneur (not the business development expert) totally in control of his or her own choices, and the entrepreneur is community-supported by a self-selected network of professionals who are committed to helping the entrepreneur pursue his or her dream. Thus the emphasis is on facilitation, not promotion or development.

What could be more social in entrepreneurship than facilitating enterprise initiated by the people themselves, not as a top-down economic development policy directive, but from the bottom up, sparked and driven by indigenous folks who know the needs of their communities and their own passions better than anyone else, and who are willing to help each other? As documented in interviews conducted for this research case, those who have implemented Enterprise Facilitation report that it has created social and economic transformation in their communities. Yet this approach has so far been undiscovered, or

at least underutilized, by the major experts in economic development, whether government policy makers and administrators or academics.¹

Sirolli founded Enterprise Facilitation in 1986 and now, he declares, it's time for Enterprise Facilitation to go mainstream. As the opening quotation by the late innovation diffusion expert Everett Rogers suggests, this could be difficult.

This case describes how Enterprise Facilitation is different from other approaches to local economic development and explores how the process can go mainstream, or become widely recognized and adopted as a standard option in the toolkit of methods of social and economic development at the community level.² The case was designed following Maxwell's (2005) guidelines for qualitative research, an approach that is interactive and suitable for the flexibility needed in engaging with practitioners while they are in the process of solving a problem, the problem at hand being how to take Enterprise Facilitation mainstream. The research methodology used to prepare the case was *participatory action research*, in which the researcher engages the individual(s) trying to solve a problem in the research itself as a means to achieve their aims (Whyte, 1991). As applied here, the researcher engaged key practitioners of the Enterprise Facilitation method in unstructured interviews designed to elicit their views on its benefits and suggestions for how to go mainstream.

The case opens with a brief overview of local economic development in the United States (for a formal introduction to community economic development, see for example Blakely & Green Leigh, 2010; Shaffer, Deller, & Marcouiller, 2004; Swinburn, Goga, & Murphy, 2006), followed by a description of Enterprise Facilitation and its origins. Then the case moves to the challenge of how Enterprise Facilitation can be more widely understood and adopted, in other words, how it can "go mainstream." The case closes with a synthesis of key readings and interview comments. Discussion questions are provided to help orient the student of business toward the question of how an innovation like Enterprise Facilitation can enter the mainstream of practice. Paraphrased transcripts of the interviews (approved by the interviewees) are provided in Exhibit 3. The researcher was John R. Whitman, Ph.D., Adjunct Professorial Lecturer at the Kogod School of Business at American University.

Overview of Local Economic Development

The main difference between Enterprise Facilitation and mainstream economic development is the philosophy of starting at the grassroots level and working from the bottom up with the people who have the ideas and helping them make it happen. We help put the team and resources in place to make their project more likely to succeed. No one else does this, except perhaps provide training.

¹ Sirolli's approach has some elements loosely similar to the individual entrepreneurial initiatives undertaken by certain Catholic clergy to start cooperatives and credit unions in economically challenged parts of the world (Whitman, In preparation), as, for examples, in the case of Father José María Arizmendiarieta and the Mondragón cooperative (Whyte & Whyte, 1991/1988) and Father Harvey (Pablo) Steele in promoting the cooperative movement in Latin America (MacEoin, 1973). It may be instructive to compare Sirolli's approach to that of the Jesuits, as described by Lowney in *Heroic Leadership* (Lowney, 2003).

² Additional information can be found in Sirolli's second book, *How to Start a Business and Ignite Your Life* (Sirolli, 2012).

Myron Kirkpatrick, former Enterprise Facilitator, Joseph, OR

What is *local economic development*? According to a World Bank-sponsored primer on the topic (Swinburn et al., 2006):

The purpose of local economic development (LED) is to build up the economic capacity of a local area to improve its economic future and the quality of life for all. It is a process by which public, business and non-governmental sector partners work collectively to create better conditions for economic growth and employment generation. (p. 1)

There is growing interest among government entities at all levels in the United States in promoting local economic development and creating jobs. According to a review of local economic development policies by Timothy Bartik, senior economist at The W. E. Upjohn Institute for Employment Research, economic development programs may be classified in two types: a) customized assistance to specific businesses in order to provide economic benefits, and b) government policies to promote local economic development through tax, investment, and regulatory incentives (Bartik, 2003, p. 2).

In addition to federal government agencies such as the Economic Development Administration and Small Business Administration, a variety of other groups may be involved in the local economic development process, including state and municipal governments, local Chambers of Commerce, private businesses, citizen advisory boards, public/private partnerships, utilities, and private economic development foundations. Bartik notes that for every 100,000 people in the local population there are 2 to 3.5 local government staff devoted to economic development; about \$2 to \$4 billion per year is spent for economic development; and local tax incentives for economic development save businesses over \$10 billion annually (Bartik, 2003, pp. 3-4).

Public subsidies for local economic development may be justified by creating new jobs that provide both fiscal and employment benefits. The fiscal benefits are achieved when the tax revenues paid by new employees exceed the public investment to create their jobs. However, if new employees simply perform work that previously was done elsewhere in the relevant district, there is no net gain. To create a net benefit, new or expanded businesses must replace goods or services previously imported to the relevant district, or goods or services must be exported beyond the district. Keeping money within the district through import substitution or bringing in new money through exports can have a “multiplier effect” by being circulated within the district rather than being sent elsewhere and thus lost (Shaffer et al., 2004, pp. 290-294).

One popular approach to local economic development is to offer incentives such as tax breaks, training programs, and cheap or free land and buildings to attract new businesses from elsewhere, such as a manufacturing plant that will create well-paying jobs and a hefty multiplier effect. But according to Bartik, about 15,000 economic development organizations across the country are all pursuing some 1,500 major expansions or relocations each year (Bartik, 2003, p. 14). Thus at best this strategy can benefit only one in ten communities. Moreover, any winning community must manage the risk of business failure or departure before its incentives are recovered, as well as the consequences to workers laid off as a result. In his book, *The Small-Mart Revolution*, Michael Shuman argues that while some economic development officials claim that

“there is no alternative” (TINA) to attracting Wal-Mart type mega-stores, communities should instead insist on creating local ownership and import substitution (LOIS) strategies (Shuman, 2007/2006). Two members of the Federal Reserve Bank of Minneapolis go even further, and are calling on Congress to “to exercise its Commerce Clause power to end another economic war among the states. It is a war in which states are actively competing with one another for business by offering subsidies and preferential taxes”

(http://www.minneapolisfed.org/publications_papers/pub_display.cfm?id=672, cited 4 August 2011). They argue that states’ use of subsidies and preferential taxes to entice businesses to locate in their jurisdictions not only represents a zero-sum conflict between the states, but also takes money away from far more productive investments in public goods, such as “schools and libraries, police and fire protection, and the roads, bridges and parks that are critical to the success of any community.”

Indeed, other strategies are needed. Among these are programs to retain and build existing local businesses and to develop new businesses at the local level rather than compete in the “war between the states” game of using public funds to attract businesses from outside the area. People in communities across the country are applying the cooperative model—including worker cooperatives, housing cooperatives, and consumer cooperatives—to build their communities through economic means largely without any government support (Nadeau & Thompson, 1996). There are about 1,000 small business development centers and sub-centers supported by the Small Business Administration and state and local sources. In addition, there are over several thousand Community Development Corporations, which grew out of the War on Poverty program of the 1960s (see www.ncced.org and www.liscnet.org). The Economic Development Administration established by the Public Works and Economic Development Act of 1965 provides assistance to rural and urban areas with high unemployment, low income, or other severe economic distress (www.eda.gov). Finally, the U.S. Department of Agriculture has had a long history of providing assistance for economic development in rural areas (www.usda.gov).

Interest in local economic development is by no means limited to the United States, and indeed, 60% of Sirolli’s work is performed outside the country (personal communication, 18 April 2012). As indicated in the opening definition of local economic development, the World Bank has sponsored a primer on the topic, which may be consulted for a more complete consideration of strategies to promote such development. To date, however, their primer makes no mention of Enterprise Facilitation.

Enterprise Facilitation

The future of every community lies in capturing the passion, imagination and resources of its people.

Ernesto Sirolli (email quotation)

Never in my career have I seen a method so effective as Enterprise Facilitation. I believe that Enterprise Facilitation will take care of the economy if we can just get wheels under it. It is especially effective for two reasons. First, through the concept of the Trinity of Management the entrepreneur is required to form a support team, and the team together

writes the business plan, not the sole entrepreneur. Second, the entrepreneur and the team always have access to a facilitator as an input person and the resource board as a network.

Patricia Gainsforth, Oregon

The goal of Enterprise Facilitation is to help individuals in communities worldwide achieve their dreams of economic success. The role of Enterprise Facilitation is to act as a net, encompassing an entire community, waiting for the individual with a business idea to enter and seek support in converting a passionate dream into an economic reality. As the name of the method implies, the process is one of facilitation. The facilitation process is grounded on several principles drawn from or inspired by research in psychology and economics. The agent who coordinates the facilitation process is the Enterprise Facilitator, and each community forms a Resource Board of community members who with the Facilitator provide support to the entrepreneur. Once an entrepreneur is selected for support, the Facilitator coaches the entrepreneur in assembling a team talented in the Trinity of Management (explained below). Sometimes, as in Wallowa County, Oregon, the Facilitator helps everyone who asks; there is no selection process, provided the proposal is legal and within community morals. Training in facilitation for both the Facilitator and the Board is crucial to the implementation of this methodology. Each of these elements is described below, followed by an example of success in the field.

Principles

Several key principles underlie the Enterprise Facilitation method that both account for its success and differentiate it from conventional approaches to economic development. Each of these principles was inspired by and is grounded in either psychological or economic foundations. The first principle is that people, having their basic needs satisfied, are in search of ways to realize their full potential. Here Siroli draws on Abraham Maslow's classic hierarchy of needs as a basis for motivation, focusing on *self-actualization* (Maslow, 1943):

The need for self-actualization.—Even if all these needs are satisfied, we may still often (if not always) expect that a new discontent and restlessness will soon develop, unless the individual is doing what he is fitted for. A musician must make music, an artist must paint, a poet must write, if he is to be ultimately happy. What a man can be, he must be. This need we may call self-actualization.

This term, first coined by Kurt Goldstein, is being used in this paper in a much more specific and limited fashion. It refers to the desire for self-fulfillment, namely, to the tendency for him to become actualized in what he is potentially. This tendency might be phrased as the desire to become more and more what one is, to become everything that one is capable of becoming.

...

The clear emergence of these needs rests upon prior satisfaction of the physiological, safety, love and esteem needs. We shall call people who are satisfied in these needs, basically satisfied people, and it is from these that we may expect the fullest (and healthiest) creativeness.

Thus the individual who seeks to engage with Enterprise Facilitation is one whose basic needs are satisfied and who is now seeking self-actualization through the creative process of entrepreneurship driven by a need for achievement found to be characteristic of entrepreneurs (Bird, 1989; McClelland, 1961).³

The second principle is that people themselves can be trusted to find their own way to fulfilling their passions, and the role of the Enterprise Facilitator should be to provide non-judgmental support. This principle applies psychologist Carl Rogers' *client-centered* or *person-centered* approach to therapy (Kirschenbaum & Land Henderson, 1989; C. R. Rogers, 1980, 1989/1961). Here Rogers explains what is meant by this approach (C. R. Rogers, 1989, pp. 135-136):

The central hypothesis of this approach can be briefly stated. It is that the individual has within himself or herself vast resources for self-understanding, for altering his or her self-concept, attitudes, and self-directed behavior—and that these resources can be tapped if only a definable climate of facilitative psychological attitudes can be provided.

There are three conditions that constitute this growth-promoting climate, whether we are speaking of the relationship between therapist and client, parent and child, leader and groups, teacher and student, or administrator and staff. These conditions apply, in fact, in any situation in which the development of the person is the goal. ...

The first element is genuineness, realness, or congruence. The more the therapist is himself or herself in the relationship, putting up no professional front or personal facade, the greater is the likelihood that the client will change and grow in a constructive manner. ...

The second attitude of importance in creating a climate for change is acceptance, or caring, or prizing—unconditional positive regard. When the therapist is experiencing a positive, non-judgmental, accepting attitude toward whatever the client *is* at that moment, therapeutic movement or change is more likely. ...

The third facilitative aspect of the relationship is empathetic understanding. This means that the therapist senses accurately the feelings

³ With respect to basic needs, Enterprise Facilitation may not be effective for engaging certain marginalized populations who are target groups for job training and job creation efforts, particularly in inner cities, such as homeless people or those making a transition from incarceration back to the community, without additional services and support to meet special needs. However, there are some entrepreneurs who may not be able to launch ventures and pay their own living expenses, for whom a bridge loan or grant could make the crucial difference.

and personal meanings that the client is experiencing and communicates this acceptant understanding to the client.

The role of *trust* is central to this principle, and Rogers is emphatic in arguing that this element of trust differentiates the person-centered approach from other presumably helpful interventions (C. R. Rogers, 1989, pp. 136-137):

Practice, theory, and research make it clear that the person-centered approach is built on a basic trust in the person. This is perhaps its sharpest point of difference from most of the institutions in our culture. Almost all of education, government, business, much of religion, much of family life, much of psychotherapy, is based on a distrust of the person. Goals must be set, because the person is seen as incapable of choosing suitable aims. The individual must be guided toward these goals, since otherwise he or she might stray from the selected path. Teachers, parents, supervisors must develop procedures to make sure the individual is progressing toward the goal—examinations, inspections, interrogations. The individual is seen as innately sinful, destructive, lazy, or all three—as someone who must be constantly watched over.

The person-centered approach, in contrast, depends on the actualizing tendency present in every living organism—the tendency to grow, to develop, to realize its full potential.

Third, the principle of not offering help unless asked is drawn from E.F. Schumacher's guidance for economic development in developing countries. In the following passage, Schumacher is addressing the problem of unemployment in India (Schumacher, 1999/1973):

As far as the motivation is concerned, there is little to be said *from the outside*. If people do not want to better themselves, they are best left alone—this should be the first principle of aid. ... For the aid-giver, there are always enough people who *do* wish to better themselves, but they do not know how to do it. So we come to the question of know-how. If there are millions of people who want to better themselves but do not know how to do it, who is going to show them?

Schumacher's principle of non-intervention is complemented by an exhortation to educated, and thus privileged, people to provide service to those who wish to better themselves. Indeed, this is the calling that Siroli himself took up.

The fourth principle of building social capital among those who self-select to serve on the Board draws on Coleman's theory of developing social capital in the process of developing valuable relationships. As Coleman explains (Coleman, 1988, pp. S100-S101):

Just as physical capital is created by changes in materials to form tools that facilitate production, human capital is created by changes in persons

that bring about skills and capabilities that make them able to act in new ways.

Social capital, however, comes about through changes in relations among persons that facilitate action. If physical capital is wholly tangible, being embodied in observable material form, and human capital is less tangible, being embodied in the skills and knowledge acquired by an individual, social capital is less tangible yet, for it exists in the *relations* among persons. Just as physical capital and human capital facilitate productive activity, social capital does as well. For example, a group within which there is extensive trustworthiness and extensive trust is able to accomplish much more than a comparable group without that trustworthiness and trust.

... The function identified by the concept of “social capital” is the value of these aspects of social structure to actors as resources that they can use to achieve their interests.

Social capital is created through the Resource Board, which serves the needs of the entrepreneur. To ensure the necessary trust each board member signs a confidentiality agreement.

A fifth principle, which can be ascribed to the method of Enterprise Facilitation but was not part of Sirolli's earlier, formative deliberations because of its more recent documentation, is that entrepreneurship can spring from an organic approach to opportunity seeking and development rather than a predictive, linear, and causal approach to business planning and execution. The supporting theory that validates Enterprise Facilitation in this dimension is called *Effectuation*, and is based on the empirical research of Saras Sarasvathy (Sarasvathy, 2008). In entrepreneurship theory, Sarasvathy may come closest to explaining how and why Sirolli's Enterprise Facilitation actually works, a proposition that may warrant follow-up research. The empirically-based Effectuation theory of new venture creation, according to Sarasvathy, is as follows (Sarasvathy, 2008, p. 101):

The effectuator [Sarasvathy's term for the entrepreneur studied in her research] starts with her current set of means – who she is, what she knows and whom she knows. Her actions consist in things she *can* do and believes are worth doing. One of the very first things she does is interact with other people. Some of those interactions result in commitments to the new venture. But each stakeholder who comes on board brings to the venture both new means and new goals. And each new commitment sets in motion two concurrent cycles, one expanding and the other converging.

The interaction with other people, or networking, is crucial to the Effectuation process, and this is precisely the facilitating role played by the Resource Board. It is as if Sirolli independently honed the elements of Effectuation over a period of twenty years and assembled the critical roles and processes in a replicable methodology called

Enterprise Facilitation. Now we turn attention to these various roles and processes of the method of Enterprise Facilitation.

The Enterprise Facilitator

The Facilitator is crucial to understanding and applying the method, just like a doctor diagnoses a patient.

George Boodrookas, Modesto, CA

Anything else you can do but don't ever initiate anything and don't ever motivate anybody.

Ernesto Sirolli (2003/1999, p. 42)

Enterprise Facilitators, embodying the principles noted above, are described by Sirolli (Sirolli, 2003/1999, pp. 83-102) as friendly, good listeners, non-threatening, passive, visible, and work in strict confidence:

Carl Rogers wrote that in therapy, the facilitator simply removes the obstacles that stifle the client's growth. In other words, the clients have the ability to heal themselves if the obstacles in their way are removed. (p. 84).

The Enterprise Facilitator does not initiate contact with clients, and never motivates them to do anything, but waits to be called as necessary. The Facilitator undertakes two crucial tasks at the outset of meeting every potential entrepreneur. First, the Facilitator must gauge whether the entrepreneur has the passion to succeed in achieving his or her own dream. This is one of the few judgmental decisions the Facilitator must make. In this regard, Sirolli employs a description of two types of candidates, the lovers and the tourists (Sirolli, 2003/1999, p. 82):

The lovers are those who love what they do, are committed to it, and are stayers, that is, they stick to it even in times of adversity. The tourists, on the contrary, like to move around: one day here, next day there, unattached and uncommitted.

The tourist is looking for the ideal place with which to fall in love, has not found it as yet, but hopes, even longs to find it. The difference between the lovers and the tourists is one of timing. We all have the potential to be both, at different stages of our lives. Tourists can perform beautifully in casual jobs, gathering experiences and developing an interest that can become their own calling. The lovers have found what moves them. It may take a long time to realize it, but their course is set, the direction is clear, their life's task ahead of them.

Thus, one of the first tasks for the Facilitator is to work with "lovers, not tourists." Second, the Facilitator must do a "back of the envelope" calculation to determine the

economic viability of the entrepreneur's dream business. The key questions are (Sirolli, 2003/1999, p. 98):

- How much money do you need to make every week out of this new business to survive? [Here we would add that it is important to calculate cash needs after taxes.]
- How many hamburgers/alarm-systems/packs of donkey skin jelly do you need to sell to make that much after expenses? At what price do you need to sell them? If they don't know, ask them to take a guess.
- How many kilos of meat? At what cost? How much rent? How much goodwill do they have to pay for the hamburger business?
- Have they thought about insurance, utilities, and similar costs?

After looking at the numbers, the entrepreneur can either abandon the idea or become convinced that it is worth pursuing. Following these two evaluative tests, the Facilitator can then move on to help the entrepreneur build a strong management team using the Trinity of Management, described below, and also begin to draw on a wide network of others who can help the entrepreneur, including the Resource Board, discussed next.

The Community Resource Board

The role of the Resource Board (or Panel in England) is crucial. We have 50 brains at every meeting, all working exclusively on client issues or their needs. There is something to be said for a group of people who have lived in an area all their lives. When it comes to Enterprise Facilitation, everybody knows everybody. In a 19 county area, having this resource is absolutely essential.

Laura Hardin, Littlefield, TX

The Enterprise Facilitator and the Resource Board work as a team in the community. The Board consists of 30 to 50 self-selected community members who not only have something to offer to entrepreneurial startups but also are personally committed to the well being of their communities. The Board size can shrink to a permanent group of 10 to 15 individuals over time. Each Board member is required to introduce each entrepreneur to at least 10 other members of the community within 90 days following the end of facilitator training, and the result is an expanding network of supporting contacts building the entrepreneur's social capital. This is especially critical if the Facilitator is new to the community. As noted above, each Board member must sign a confidentiality agreement. A Facilitator may consider this confidentiality as crucial to the program, for if it is breached, a project that has taken years to develop may be destroyed in no time.

It is not unusual for Board members to serve for many years, and to convey their feelings of how the process of Enterprise Facilitation has transformed their communities in both social and economic ways. The social strengths are directly related to the camaraderie and social capital built by and within the Board itself, and the economic strengths are represented by the actual number of new businesses started and jobs created.

The Trinity of Management

Enterprise Facilitation stresses the Trinity of Management—Product, Marketing, and Finances—to build complementary skills. It is the most exciting business platform that I've ever encountered in my readings and workshops.

Catherine Matthias, Joseph, OR

In a sense, the Trinity of Management is the secret sauce of Enterprise Facilitation. Sirolli's proposition is that no individual has all the requisite skills to be successful as an entrepreneur. The challenge is to recognize the nascent entrepreneur's strengths at hand, and then to complement needed skills by building a team as committed to the dream as the entrepreneur. Sirolli has identified three, core skill-sets that must be represented by every successful venture: Product, Marketing, and Finance. These skills constitute the Trinity of Management.

A single entrepreneur may, at best, embody one or at most two of these competencies. Among the first duties of the Facilitator is to help the entrepreneur become conscious of his or her strengths, and then to seek others to round out the needed competencies. The process of identifying candidates for the team is why networking is so crucial. The Facilitator is always seeking to expand and work the network, even beyond the Board, to find other individuals who might fall in love with the entrepreneur's dream and share it as their own. George Boodrookas encapsulates the method in his interview:

The way we do small business development in the United States is misguided. The SBA approach focuses too heavily on the individual. Anecdotally, individuals who aren't given the opportunity to practice the Trinity of Management can too easily end their business sooner than necessary. It's not about trying to do everything; it's about using who is in your network to complement your skills and interests.

Training

I became an Enterprise Facilitator six years ago. The training consists of two years in apprenticeship, with access to a Master Facilitator and taking four master classes, two each year for two years. Now I am a Master Enterprise Facilitator myself.

Laura Hardin, Littlefield, TX

The methodology of Enterprise Facilitation should by now be coming into focus. It is clear that there are specific qualities of the facilitator and the Board that must be understood for the process to take its course smoothly. Sirolli has found that training,

combined with working experience, is an indispensable component of the Enterprise Facilitation process. Thus the Sirolli Institute conducts training programs for facilitators as well as for Boards, though the two may be combined, as well. Usually the facilitator training involves five days of formal training, combined with apprenticeship in the field. Board members must also take part in a half day of training, as well as participation in training for the Enterprise Facilitator. This training can be crucial, for the Facilitator can bond with Board members and provide a stable foundation of people who understand how the method works and can back up the Facilitator as necessary.

The Wallowa County Story

The following narrative is provided by Marya Nowakowski, Board Member of the Wallowa County Business Facilitation (WCBF) in Joseph, Oregon, as an example of the Enterprise Facilitation experience (personal communication, 1 August 2011):

WCBF serves Wallowa County, which is located in northeast Oregon. The isolation and rural frontier nature of the county make it very difficult for natural resource, commodity-dependent communities to diversify their economies. With a 64% decline in timber harvests in the 1990's and current seasonal unemployment rates as high as 15.6%, the need for new employment opportunities is critical and continuous.

Business failure remains a major problem and the community recognizes that entrepreneurs need an effective support system if business success is to be achieved and maintained. The WCBF service provides direct, one-on-one assistance to those who desire to own and operate their own business. WCBF's program helps to increase the proprietor's standard of living and minimize business failure.

Using historical data from the Bureau of Economic Analysis (BEA) and the Oregon Employment Department we can see the changes caused by the devastating closure of 5 sawmills over the last thirty years. From 1991 to 2000 growth of small businesses was volatile increasing dramatically by over 50% in the early 90's only to start to decline in the second half of the decade when the founders of WCBF became concerned and took action.

That our program is working is demonstrated by looking at more recent data from the Bureau of Economic Analysis. From 2001 to 2009, the first nine years of program operation the numbers of proprietors (business owners) in Wallowa County increased 11%. Since 2001 the growth in new businesses has been steady with no year-to-year declines at all. However, local observations show that many businesses have closed over the last two years. Restaurants, art galleries, retail stores and contractors were not able to weather the economic downturn.

The Oregon Employment department reports that in Wallowa County, total unemployment benefit payments were virtually unchanged from 2009 to 2010. By industry, the largest number of unemployment insurance

recipients in 2010 formerly worked in agriculture, forestry, fishing, and hunting. By occupation, the largest number of unemployment insurance recipients in 2010 formerly worked as construction or extraction workers.

Wallowa County's self-employment rate is one of the highest in Oregon. According to the Bureau of Economic Analysis, Wallowa County's self-employment rate is 44%. By comparison the Oregon state rate is 22% and the U.S. rate is 21%. The loss of traditional employment opportunities such as logging and millwork has motivated people to create new businesses in order to earn a living. Many can obtain a better standard of living as a business owner than they could by working in a service industry. In 2009, there were 2,024 self employed farmers and business owners in Wallowa County. Nationally, on average, 75% of new businesses fail within the first ten years. Given those odds there could be over 1,500 businesses in Wallowa County at any one time that are in danger of closing. The businesses that have been helped by WCBF beat the national odds and have only a 35% rate of failure over the 10 years of operation; in other words, 66% of the businesses succeed.

According to the Oregon Employment Department during the last ten years, from 2001 to 2010 the number of small businesses in Wallowa County with employees grew from 319 entities to 368, an increase of 15%. These small businesses have created new, but lower paying jobs to replace jobs lost in the wood-products industry. A major goal of WCBF is to help these new establishments grow and prosper in order to increase profits, diversify and stabilize the economy and avoid the catastrophic dependence on a single industry. If these businesses succeed and create more new jobs, communities will be able to grow and attract new families.

Since 2001, the Facilitators have met with 442 people concerning a new business concept, 235 owners of an existing business and 72 people looking to purchase an existing business. These 749 people represent more than 10% of the county's population. Results are carefully tracked and include the establishment of 102 new businesses, 20 acquisitions, 25 expansions, 6 non-profit corporations formed, 62 existing businesses helped to improve operations and 172 new jobs created. Perhaps as important, careful analysis assisted 43 people in deciding that their business concept would not work and they did not invest their life savings in a losing proposition. Also 81 clients were assisted in creating a complete business plan, 26 clients received a loan or other financing as a result of WCBF assistance.

In 2010, WCBF assisted in establishing thirteen new businesses, one acquisition and one expansion. Fourteen new jobs were created and eleven jobs were retained. A total of 204 people sought assistance in exploring their business concept.

The experience of WCBF has not been without its challenges. Below Nowakowski supplements her report with details on the realities her organization has faced to date (personal communication 21 August 2011):

The initial two years were the most expensive because of the Sirolli Institute Training and the technical assistance. After about four years of having a full time facilitator, the position went to three quarters time then to half time then to a flexible time with a cap at half time, and mostly has been one quarter time for the last three years. The results remained the same, i.e. 10 new businesses a year. Over the life of the program, the number of clients gradually declined, yet the end results remained the same: 10 new businesses a year. We are not exactly sure of why this was; perhaps when the program was new and got a fair amount of attention there were a lot of people “trying it out” in the beginning. As the number of clients declined we asked the Facilitator to write articles and give talks at the Rotary Club to fill the hours. As the hours were reduced both in response to declining clients and less money coming in there was less time for other things like writing newspaper columns and giving talks at Rotary Clubs. The board tried to fill those gaps, but not very well.

The average budget over the last 5 years was about \$35,000 most of which went to the Facilitator. That is about \$3,500 per business. This amount is pretty cheap compared to other organizations with full time staff and programs. However, organizational costs go up in relation to program costs when the facilitator position is one quarter time, and that doesn’t look good to funders. This year one of our major funders, Wallowa County government, informed us they anticipate not being able to fund us at the same level as before. We have increased costs due to hiring a new Facilitator and we are trying to raise enough money to send her to some additional training (she went through the original training with Ernesto) and there seems to be more demand for her services. We have been strategizing some creative ways to ask our partners (mostly banks) to help us. We asked Oregon Community Foundation for a Challenge Grant where they would match what we raise locally in the hopes of raising more money locally.

Some of the other facilitation programs have had an easier time raising money, but those that have depended primarily on government funding (at least here in Oregon) have lost all their funding. Even with the reduction from the County we can probably keep going. Our biggest problem right now is Board burn out. Using all volunteers to raise money is a lot to ask a board. We have been fortunate so far.

Raising money to help small businesses is hard because the traditional view of a business is if they can’t make it on their own then they shouldn’t be in business. Raising money for kitties, puppies and babies is a cinch compared to raising money to provide free assistance to a small business.

One potential funder was very surprised we didn't charge for the service and made it sound like it was not a good idea to provide a free service.

By mid-2012 WCBF reports continuing "success beyond expectations" under the new Enterprise Facilitator, Catherine Matthias (Marya Nowakowski, personal communication, 18 April 2012). Exhibit 2 provides detailed data on the projects undertaken through the Wallowa County Business Facilitation. The WCBF web site provides the most recent statistics: www.wallowacountybusiness.org.

Going Mainstream

Enterprise Facilitation needs to go mainstream. By this I mean Enterprise Facilitation should become a recognized and valued option in every community nationwide. Enterprise Facilitation brings a community together in a very different way from other approaches to economic development. The process of Enterprise Facilitation creates both social and economic value, which really binds a community together.

Patricia Gainsforth, Oregon

Sirolli's definition of "going mainstream" is that Enterprise Facilitation be considered, understood, and applied—that is, adopted—as a viable option in the toolkit of policy and practice at the community level throughout the world. Enterprise Facilitation should become the economic development equivalent of a household brand. But how does an innovation, regardless of the strength of its merits, become widely disseminated? According to Everett Rogers, who was a leading scholar of dissemination of innovations, it took 194 years for the British Navy to adopt a simple remedy for scurvy: handing out limes on board (E. M. Rogers, 2003/1962, pp. 7-8). And Schumacher notes that a good idea can take three or four generations to be generally adopted, "because that normally is the time it takes from the birth of an idea to its full maturity when it fills the minds of a new generation and makes them think *by it*" (Schumacher, 1999/1973, p. 66). So how can Enterprise Facilitation possibly see widespread adoption in our lifetime?

To elicit ideas, the researcher interviewed a number of practitioners of Enterprise Facilitation who were nominated by Sirolli (see transcripts in Exhibit 3). In the following section, the researcher provides a synthesis of some of the key considerations in going mainstream and some comments made by those interviewed as they pertain to these considerations.

Synthesis

The challenge of going mainstream may be viewed through the lens of the diffusion of innovations (E. M. Rogers, 2003/1962). "Diffusion," according to Rogers, "is the process in which an innovation is communicated through certain channels over time among the members of a social system" (p. 5). The four elements implicit in this definition—innovation, communication through certain channels, time, and a social system—appear in every diffusion research study and program examined as part of Rogers' research. Rogers notes that an "innovation is an idea, practice, or object that is perceived as new by an individual or other unit of adoption" (p. 12), and for our purposes, Enterprise Facilitation is an innovation to be communicated to potential

adopters. Rogers defines a *social system* “as a set of interrelated units that are engaged in joint problem solving to accomplish a common goal” (p. 23). For our purposes, the relevant social system could be any group of people in a municipality or community who have set as their objective to promote local economic development. This could include an existing entity, such as the local chamber of commerce, or an organization formed specifically to undertake the Enterprise Facilitation method. As Rogers notes, the fastest adoptions occur through authority decisions, suggesting that existing organizations responsible for economic development be priority targets.

The mass media can be an efficient *communication channel* by which to raise awareness of an innovation, and as Patricia Gainsforth has suggested, Ernesto should appear on Oprah, Charlie Rose, Tavis Smiley, and Scott Simon’s NPR show precisely to raise widespread awareness of Enterprise Facilitation. George Boodrookas suggested developing a video-based course, which could be distributed through schools as a channel. While the mass media may indeed raise general awareness of Enterprise Facilitation, a more targeted approach might attempt to reach economic development authorities, such as Chambers of Commerce and community economic or business development centers. Such an approach may well include a video presentation as suggested by Boodrookas.

Rogers has found that there is a discernible pattern of adoption over time, with five different groups of adopters categorized as Innovators, Early Adopters, Early Majority, Late Majority, and Laggards (E. M. Rogers, 2003/1962, pp. 267-299). Innovators, who are nearly obsessively venturesome, typically constitute 2.5% of adopters, while Early Adopters are slightly more circumspect before adopting an innovation, and constitute 13.5% of adopters. However, reaching Early Adopters can be crucial to speeding innovation, for they are the opinion leaders who in turn influence adoption by the Early Majority and the even more skeptical Late Majority, each constituting 34% of total adopters. The Laggards, representing 16% of adopters, take the longest in the social system to resist innovation, and have virtually no status as opinion leaders except, perhaps, amongst each other. A diffusion approach applied to Enterprise Facilitation might well focus communities most likely to be Innovators and Early Adopters. With an established position in such communities, Early and Late Majority and Laggards may then follow suit over time. It would seem crucial to identify the characteristics of Innovator and Early Adopter communities. Based on the interviews, it would appear that such communities would be those of a smaller size in rural areas most suffering from the need for job creation, and these types of communities would likely be very similar to those described in the interviews. As Boodrookas notes, “I think it is easier in rural areas. It’s tougher to get traction with a population of 200,000.”

As with many social enterprises, one factor to contend with is the seeming impossibility of cloning the dynamism, energy, and effectiveness of the founding entrepreneur. Every person interviewed who was familiar with Enterprise Facilitation noted that it would be difficult to duplicate the energy and effectiveness of Ernesto Sirolli. The need for strong and effective leadership is needed at two levels: first, the Enterprise Facilitation model must be “sold” to a community before it can assemble the resources required to undertake the program, and second, once the program is in place at the community level, its success is largely due to the qualities of the Facilitator. To date, only Sirolli has performed the first function of program promotion, while he has in turn trained others to perform the facilitation function at the community level.

In social entrepreneurship parlance, the process of going mainstream is sometimes referred to as “going to scale.” On this topic, Jeffrey Bradach argues that the key to going to scale is through replication, and this requires developing a strong theory of change based on the “*minimum critical specification*, defining the fewest program elements possible to produce the desired value” (Bradach, 2003, p. 21). Bradach observes several virtues of franchising as an approach to replication that may apply to Enterprise Facilitation: that it is a proven program that theoretically can cut in half the likelihood of failure within five years; that as a proven program, it can more easily attract needed resources; and that as part of a larger network, basic services such as fundraising, human resources, and legal assistance would be available that otherwise might be unaffordable (p. 20). The success of franchising is directly related to the number of elements in the business model that can easily be replicated. Leaving the legal formalities of franchising aside, the concept of creating a network of replicated Enterprise Facilitation programs linked to a single central organization appears to be a viable option. Such replication, according to Bradach, requires attention to three questions: “where and how to grow; what kind of network to build; and what the role of the ‘center’ should be” (p. 23). To these key questions, we should also add how the center will be funded on an ongoing basis to achieve sustainability.

As to funding the replication effort itself, while it could be argued that Enterprise Facilitation is already beyond the proof-of-concept stage, which might have been of interest to private foundations keen to support innovations to meet social needs, it may still be of interest to community foundations concerned with economic development in their respective communities. It might also be of interest to government programs at the federal, state, and municipal or community levels, as well as to commercial banks and credit unions, to stimulate economic development and to create jobs. Here, the fact that Enterprise Facilitation is a proven concept should make it of interest to community foundations as well as to those entities just mentioned.

Enterprise Facilitation as an approach to entrepreneurial economic development and job creation is not without competition. Not only are there many business schools that teach entrepreneurship, but also there are online business courses that extend the reach of entrepreneurship courses to individuals who do not have easy access to business schools. For example, the Entrepreneurial Learning Initiative has developed online training programs for entrepreneurs. Kaplan University is offering the FastTrac training program for entrepreneurs developed by the Kauffman Foundation, which, in turn, has supported the Entrepreneurial Learning Initiative. Phoenix University may well create a competing online certificate in entrepreneurship. This online trend is likely to grow. Startup Company offers its StartupWheel to help entrepreneurs start and grow companies without the need for a formal business plan, and Jon Schallert’s Destination University emphasizes the marketing of a new venture. Thus, in terms of competitive strategy, Enterprise Facilitation would do well to position itself to focus on existing organizations with a mandate for economic and job creation (or groups that could coalesce around Enterprise Facilitation for this purpose), differentiating the Enterprise Facilitation approach from the competition and/or offering a more cost-effective solution to helping such groups achieve their purpose (Porter, 1980, pp. 34-46).

Through this synthesis of readings and interviews we may discern a strategy for going mainstream. Indeed, there may be more than a single approach to diffusing the innovation of Enterprise Facilitation. Clearly the need for economic development and job creation is both urgent and global. Communities have options. Will Enterprise

Facilitation find an approach to adoption that can be rapid, affordable, effective, and sustainable?

To recap, view Ernesto Sirolli's TED Talk <http://on.ted.com/Sirolli>.

Discussion Questions

1. What is the Theory of Change that best describes Enterprise Facilitation?
2. It took nearly 200 years for the British to adopt a remedy for scurvy. Schumacher suggests it takes three to four generations for a good idea to become mainstream. How do you think Enterprise Facilitation can become widely adopted in time to make a difference?
3. Should Enterprise Facilitation be taught in business schools? Why or why not?
4. Would you be willing to become an Enterprise Facilitator following graduation with an MBA degree? Would you feel prepared? Why or why not?

Acknowledgments

I wish to thank Elizabeth Dean Hermann for introducing me to the work of Ernest Sirolli. The following generously contributed to the case research: George Boodrookas, Patricia Gainsforth, Laura Hardin, Myron Kirkpatrick, Catherine Matthias, Marya Nowakowski, Bret Mills, Ernesto Sirolli, and Martha Sirolli.

Exhibit 1: Timeline

Early 1970s	Sirolli works for ASIP, an Italian Agency for Technical Cooperation with African countries.
1973	E. F. Schumacher publishes <i>Small is Beautiful: Economics as if People Mattered</i> .
1976	Sirolli receives his Laurea di Dottore in Political Science from Rome University.
1985 – 1988	Esperance Local Enterprise Initiatives Committee, Australia, forms 45 operating businesses, adding 77 full time jobs.
1986	Sirolli formally establishes Enterprise Facilitation.
1998	About 300 communities in Australia and New Zealand are using a full time Enterprise Facilitator.
1999	First edition of <i>Ripples from the Zambezi: Passion, entrepreneurship and the rebirth of local economies</i> is published by the Institute for Science and Technology Policy, Murdoch University, Western Australia.
2003	Second edition of <i>Ripples from the Zambezi</i> is published by Simon Fraser's Community Economic Development Center, Vancouver City Savings Credit Union, and New Society Publishers.
2011	Sirolli engages the participatory action research resulting in this case study.
2012	Sirolli publishes <i>How to Start a Business and Ignite Your Life: A simple guide to combining business wisdom with passion</i> , published by Square One Publishers, Garden City Park, New York.

Exhibit 2: Selected Projects

See the Excel spreadsheet for data on projects undertaken by the Wallowa County Business Facilitation.

Exhibit 3: Interviews

George Boodrookas

George Boodrookas is Dean of Community and Economic Development and Executive Director, M JC Foundation, Modesto Junior College, Modesto, CA (<http://www.mjc.edu/>).

I have spent 22 years in workforce development, and recently shifted to fundraising.

I became acquainted with Ernesto Sirolli in the 2000s, through a fellow named Wainer running Community Casa in Riverbank, CA. Weiner was Portuguese, he's now in Rio, and is running a small church. He had a program of community outreach focused on the biblical concept of "Love thy neighbor as thyself," and that is how we got to know each other.

I was interested in Community Casa because of my responsibility for job training at MJC at the time, and Casa was a hub of activity related to community development and workforce development. The City of Riverbank contracted with Ernesto, and that's how I learned about him. I became a Community Board member and have been attracted to the enterprise facilitation process ever since.

The effectiveness of the Enterprise Facilitation method is in its simplicity of approach, which is key. The idea of bootstrapping a venture alone isn't the best approach; it's all about building the team, which Ernesto calls the Trinity of Management. You determine your strengths and then find others to add the needed strengths. As Ernesto says, "You're lonely as an entrepreneur, but you don't have to be."

The Trinity of Management concept is profound. How the EF model can go mainstream has been the topic of many discussions. Given our age of transparency, openness, the Internet, worldwide information, it's hard to hold on to the concept as a proprietary product.

Ernesto deserves to make a buck doing what he does; however, at the appropriate time this information needs to be understood and applied at a broader level, more available to many at a lesser cost.

The way we do small business development in the United States is misguided. The SBA approach focuses too heavily on the individual. Anecdotally, individuals who aren't given the opportunity to practice the Trinity of Management can too easily end their business sooner than necessary. It's not about trying to do everything; it's about using who is in your network to complement your skills and interests in order to prosper the business.

The Board is critical. That is your network. Some entrepreneurs are not networked individuals, so the Board provides that set of connections and can find people to contribute to the Trinity.

It can be hard to put a Board together. You can go to the heavy weights on the workforce board and find likeminded people who recognize the value of the Trinity approach. But it's not easy to find the right people; we have failed in three attempts to do Enterprise Facilitation in Modesto. I think it is easier in rural areas. It's tougher to gain traction with a population of 200,000.

How EF can go mainstream is elusive.

Cost is a factor. The budget necessary to afford Enterprise Facilitation is a hurdle.

Also, it would be hard to replace Ernesto and the passion he delivers in his presentation. This is key to exciting people and the board. How can you emulate this? It's almost impossible to find a replacement, because he gave birth to the method; he's one in a billion. Capturing that passion and expertise through video might provide an answer to the broader application of these concepts.

The facilitator is also crucial to understanding and applying the method, just like a doctor diagnoses a patient.

In the 1990's there was a teacher named Lou Tice at the Pacific Institute who created a video-based course that I thought was very effective. Maybe a video component with a self-directed curriculum would do it. This would require grant money, but I would be willing to contact the Kauffman Foundation or others to see if this can happen.

Patricia Gainsforth

Patricia Gainsforth is a Project Team Leader for Wy'east Resource Conservation and Development Council based in the Mt. Hood area of Oregon.

I met Ernesto in 1998 through a friend, Barbara Ashley Phillips, who owned Buffalo Ranch, a bed and breakfast buffalo ranch property. Barbara first brought Ernesto to Oregon.

I have been doing economic development work since the 1970s and early 1980s, when I was on the board of the Chamber of Commerce and met people at the airport, showed them around, told them a story about our infrastructure, and tried to get them to invest here. I was also President of the local Small Business Administration certified Business Development Corporation and president of my own corporation. I've been a business owner since the 1960s and have been on the Enterprise Facilitation project management team for 10 years, so I have seen a lot of work in the area of economic development in the community.

Never in my career have I seen a method so effective as Enterprise Facilitation. I believe that Enterprise Facilitation will take care of the economy if we can just get wheels under it. It is especially effective for two reasons. First, through the concept of the Trinity of Management the entrepreneur is required to form a support team, and the team together writes the business plan, not the sole entrepreneur. Second, the entrepreneur and the team always have access to a facilitator as an input person and the resource board as a network.

The Resource Board is made up of people in the community, which convenes once a month and provides support to the enterprise. Everyone on the board signs a confidentiality agreement and focuses on how to meet the needs of the enterprise. This process is an inspiration to the individuals on the Board as well as to the enterprise.

EF has really changed Baker County at a time when things were really slow. Now we have seven new businesses on Main Street.

Enterprise Facilitation needs to go mainstream. By this I mean Enterprise Facilitation should become a recognized and valued option in every community nationwide. Enterprise Facilitation brings a community together in a very different way from other approaches to economic development. The process of Enterprise Facilitation creates both social and economic value, which really binds a community together.

All it takes is passionate people. EF provides a facilitator and training, both for facilitators and for the Resource Board in the community.

I think EF can go mainstream by getting publicity through Ernesto's appearances on major media shows like Oprah, Charlie Rose, and Tavis Smiley. Also getting on Scott Simon's Saturday morning show on NPR would help. Scott Simon is the most thoughtful, measured, visionary in the information system.

Laura Hardin

Laura Hardin is Enterprise Facilitator with WesTex Allied Communities in Littlefield, Texas (<http://www.westexallied.org/>).

I am from the Central Valley of California, which is very provincial with a farming economy. My education is in music. When I moved to San Francisco, I found it culturally very rich, with lots of opera and theater. One of my jobs was as a singer doing karaoke opera at an Italian restaurant in San Francisco. Here in west Texas, I continue my music as the worship leader in my church and occasionally performing for weddings and funerals. Everyone wants Ave Maria!

I became an Enterprise Facilitator six years ago. The training consists of two years in apprenticeship, with access to a Master Facilitator and taking four master classes, two each year for two years. Now I am a Master Enterprise Facilitator myself.

The idea of Enterprise Facilitation boils down to the Trinity of Management. Anybody can learn the TOM, but the deal is that if you are trained in business, you will likely let the business side dominate over the people side of facilitation. I am completely people-focused. Facilitators need to have a knack with people, and building trust is key. I know everything about my clients—the daughter who is sleeping around, the filing for a second bankruptcy, the having an affair, whatever—and the motivation for them to start a business is life changing for them. They are compelled to help get counseling for their daughter or get their mother into rehab. But every Enterprise Facilitator I know is a strong people person.

In my six years, we have seen 45 business started. I have assisted over 300 entrepreneurs, about one half to one third have built teams, and of those, about half started a business.

The role of the Resource Board (or Panel in England) is crucial. We have 50 brains at every meeting, all working exclusively on client issues or their needs. There is something to be said for a group of people who have lived in an area all their lives. When it comes to Enterprise Facilitation, everybody knows everybody. In a 19 county area, having this resource is absolutely essential.

The Board meets monthly or bi-monthly for never more than two hours. Anywhere from 1 to 8 issues are dealt with at each meeting, and the head of the local EF organization is the board chair and determines the agenda. The issues can range from building Trinity of Management Teams, finding space, issues with contracts, licensing agreements, reviewing leases, finding kitchen supplies or stockroom shelving—anything that can help a client.

The board is self-selecting, and everyone has to complete Board Training, conducted by the WesTex Allied using Siroli Institute Curriculum. Also, everyone signs a confidence agreement, which is held by the local EF organization. The training introduces board members to the TOM and how to dig for resources within their own networks. The role is different from an organization Board of Directors; it's strictly a resource for finding positive solutions for client problems. Still, the best Trinities are built by the entrepreneurs themselves within their own networks.

I have thought a lot about how EF can go mainstream, but I don't have an answer. It's a very grassroots approach. A group of citizens can come together and make it happen, but it's hard for small communities to find the \$150,000 needed to pay the Siroli Institute. \$50,000 may be in reach for some, but there is no funding source as is available for traditional economic development. Legislatures need to see that there is a place for traditional economic development, but there is also a place for EF. But the traditional economic development centers see EF as a competitor for scarce financial resources, and this creates a problem.

Myron Kirkpatrick

Myron Kirkpatrick was formerly Enterprise Facilitator with Wallowa County Business Facilitation, Joseph, OR (<http://www.wallowacountybusiness.org/>).

I was an Enterprise Facilitator for exactly 10 years, and just stopped at the end of last December 2010. Prior, I knew nothing directly about economic development. My career had been in retailing as a controller or CFO. I also did some work in municipal government and nonprofit entities.

We are in the very rural, northeastern corner of Oregon. We have a large land area, but a small population of about 7,000 people. We have limited government and services in the form of economic development. The county commissioners and the Northeast Oregon Economic Development Department council had tried to do something on their own, but we had no real economic development organization like you typically find in larger areas.

The main difference between EF and mainstream economic development is the philosophy of starting at the grassroots level and working from the bottom up with people who have the ideas and helping them make it happen. We help put the team and resources in place to make them more likely to succeed. No one else does this, except perhaps provide training. Also, our area is served by a Small Business Development Center, some 60-70 miles away, located at the Eastern Oregon University, but we are too remote, and they are universally disliked around here for just handing out literature and offering classes.

Going mainstream is a great idea, but I'm not so sure it will work. When I got involved 10 years ago, Ernesto was just out of the box in this country. A few months prior he had set something up in Baker County, a neighboring county. It was a small, new concept, and he was doing the training himself and helped us set up shop. So I was grounded in the concepts by Ernesto, the man himself, and I internalized his philosophy and the approach to take with people.

Just informing a community of EF as an option doesn't really accomplish the goal of actually teaching people how to do EF successfully. Over time, I have seen examples of how EF was done in other communities, including not very successfully. In some cases, it just didn't take hold. In the case of Baker County, the downfall was in the organization of the Board. In Baker County the manager of Baker City attended a conference and picked up the idea and started EF as a project. It was always seen as a project of that city manager, and as long as he was there, it worked, but it eventually fell apart altogether when he left the community.

I think there are four critical requirements for success:

1. The formation of the Board. If spread out over too large an area, it can become too diverse and lose cohesiveness.

2. The selection of the Enterprise Facilitator. The process of selection can bind the EF with the community, which is easier in a smaller community.

3. The training and grounding of the Facilitator. The right attitude, how services should be delivered, including offering hands on help for clients should be learned. Unless the Facilitator is grounded and can convey it to the Board, the program will not be as effective as it should be.

4. The relationship between the Board and the Facilitator. It is important to make clear that the Facilitator is an independent contractor hired to do facilitation, and not to act like an employee, to raise funds, to file tax returns, to do secretarial duties, and to raise a salary. The Facilitator is not the servant of the Board. In Baker County, this distinction of roles was not made, which, I believe, also contributed to the demise of the program.

The WCBF Board has raised funds through a variety of means, including grants, money from the County, the US Department of Commerce, USDA, private foundations, companies, and banks. We began a local fundraising effort, holding events, anniversary celebrations, luncheons, and taking pledges. We didn't raise a lot, but we raised enough to convince grant agencies that the local community was behind it. Some of our clients' companies give a small amount, but they are quite small companies and do not have much to give.

Our program here was so successful. I focused on about 800 clients over 10 years, and those clients started or expanded 100 businesses over that period. 65% are still operating. They are small, but still part of the economic fabric. Our philosophy was that nothing is too small, and everybody is important. It doesn't matter whether they are male or female, black or white, young or old, gay or straight, or model citizen or served time in prison. We were not judgmental. If it was legal and ethical, the idea deserved my completely objective support and we figured out how to do it and make it succeed and keep it going. We wanted to help all comers and help them as equally as possible.

Catherine Matthias

Catherine Matthias is a founding member of the Board of Wallowa County Business Facilitation in Joseph, OR (<http://www.wallowacountybusiness.org/>).

I am a founding member of the Wallowa County Business Facilitation, which undertakes Enterprise Facilitation (EF), and was on the Board from 1999 until 2008. We didn't use the word "Enterprise" because there is a town in the county by that name and we didn't want to cause confusion.

I have had my own business with my husband for 22 years, Stewart Jones Designs, a jewelry design and retail business. My career has been managing small businesses, including greenhouses, restaurants, a chiropractic office, a bed and breakfast, and a small motel. I have also done lots of reading and taking business courses, including Jon Schallert's Destination University (DU) <http://www.destinationuniversity.com/>.

Both DU and EF are locally focused, but DU is not about writing business plans or building your management team; it's more marketing oriented from the layout of your store to advertising and the use of social media, and assumes the necessary skills are in place. EF stresses the Trinity of Management (product/marketing/finances) to build complementary skills. EF is the most exciting business platform that I've ever encountered in my readings and workshops. The principles are strong and feel so right.

I first heard about the Sirolli Institute when Ernesto came out in April 1999. The room was full, with over 70 people. Afterward, about 16-20 people stayed behind to talk about starting up a group, and we eventually became a nonprofit organization and hired our first facilitator, Myron Kirkpatrick. He just left us recently to take a full time job in business development.

There was no pushback to the idea in 1999. We had high unemployment due to the ending of logging in the mid-1990s and we were losing young people.

There are two paths to business development. First, governments take a top-down approach to building an infrastructure. Second, EF takes an entirely different approach by looking for people with passions within the community who might be fearful of going out on their own, and helping them get started in business. As an EF facilitator, the only thing you judge is passion. If the passion is not there, we will not see follow-up on the part of the client. But we never judge the idea itself. My goal is to hold up excitement and tamp down anxiety while giving a client needed information.

Myron was the Wallowa County facilitator for 10 years. In addition to those who were thankful for his help in starting a business, there were some people who thanked him and walked away from their business ideas because they could see there would be no profit in the venture. It is not only valuable to help someone start a successful business or improve an existing business, but it is just as important to help someone not ruin themselves financially by going into a business that does not pencil out.

It will be difficult to go mainstream. One tenet is to get buy-in from the local community, to financially support the effort. The key expenses are a Facilitator, advertising, and insurance for the Board. Start up funds are often national, regional, and state grants, but these need to be replaced with local support because government money will dry up.

To become a national model you need national support. But you also need local support from the people who care about it. Where things are going, it will be local programs that need to be developed through organic growth, such as how the New England town centers developed, surrounded by farms. Education is probably the main way to get the concepts of Sirolli's Enterprise Facilitation out there, particularly with nongovernmental help.

These are the known results of the Sirolli program in Wallowa County, Oregon, over a ten and a half year period.

New Businesses Opened:	103
Acquisition Completed:	20
Expansion Completed:	25
Nonprofit Project Completed:	6
New Direction or Revision:	37
Business Plan Completed:	83
Grant or Loan Received:	28
On Hold:	2
Idea Abandoned:	43
Business Closed:	4
Business Sold:	4
Tune-Up to Existing Business:	64
New Jobs Created:	177

Bret Mills

Bret Mills is Vice President, Security State Bank and Chairman of the Board, WesTex Allied Communities in Littlefield, Texas (<http://www.westexallied.org/>).

My background includes farming initially and then banking. I have a BS degree in agriculture and worked on my family farm for 18 years. Then I went into banking as a loan officer, and have ended up responsible for the computer system at Security State Bank. I have not had formal business training or much of an economic development background; most of what I have learned is from farm management and reading business plans as a loan officer.

In September 2003 the U.S. Economic Development Administration (EDA) wanted to pilot six projects across the United States using the Sirolli method. We applied for the grant, but EDA never funded it. Since my boss at the Bank is very enthusiastic about new business development, we got the director of Economic Development in Littlefield to go to Albuquerque, New Mexico to hear a presentation by Sirolli.

In November of 2003 a meeting was held in Littlefield, Texas, where 130 people showed up. After this we decided to form a Steering Committee to try Enterprise Facilitation in our area.

Then in 2004 we formed a 501-c-3 nonprofit organization called West Tex Allied Communities to apply Enterprise Facilitation in Lamb County and the City of Anton. Littlefield is the biggest community in Lamb County with a population of 6,500 people. We then expanded to Hockley and Hale Counties and the City of Crosbyton, an area encompassing 65,000 people.

We have found Enterprise Facilitation to be extremely effective, especially in smaller communities. The typical approach to economic development is to steal big companies away from other communities and entice them to locate here, such as how San Antonio got Toyota to locate there. But if Toyota ever left, all the jobs would then be lost. This wouldn't work in a place the size of Littlefield.

We were concerned with how to keep our kids here, and how to keep people here who otherwise would move away. Enterprise Facilitation is exactly what we were looking for; a way to help such people create their own dream and establish a business of their own, which would then hire others, so one new business would then create, say, four new jobs.

Enterprise Facilitation creates essentially mom and pop type businesses. If any one of them goes out of business, it's not detrimental to the community.

We publicized the need for an Enterprise Facilitator and received over 30 applications and interviewed 10 candidates. After that we narrowed the candidates down to 6, whom we interviewed a second time, this time with the Sirolli Institute. We selected Laura Hardin, who came to Littlefield recently from California. She had a corporate background as a sales representative responsible for Europe for a water separation company, but wanted a change in life. Her degree is in music, but she has a certain mindset that is perfect for facilitation. Sirolli cautioned us about people with a lot of education, especially business education, which contradicts much of the Enterprise Facilitation approach. MBA and PhD types could do facilitation, but personality is more important than the degree, especially the ability to talk with people in their own language,

as 70% of those we help have a high school education. For Laura, the second interview was grueling. She had to switch from a focus on selling something to someone just waiting. In EF, people come to you; you don't go to them.

Our Board of Directors is self-selecting, so they have to be intrinsically motivated to help others. They get 3-4 hours of training and have to introduce the facilitator to 10 new people, who can be anyone, not necessarily business people. The point is just to increase awareness of the facilitator and to get her name out there. When a new business is launched there is a grand opening, including the media.

The biggest hurdle for EF is how to go mainstream. It requires a different, breakthrough mindset from the traditional approach to economic development. We found that other models for economic development can fail, but not EF if implemented correctly. Even the people who go through this process and decide the business is not right for them are a success. As supporters, we never say no; the decision is theirs, not ours. We care about people, not businesses, and we have a commitment to succeed, not to meet numbers.

Since 2005 we have created or expanded 45 businesses and 161 jobs, with 40-160 indirect jobs created by having to replace employees from elsewhere who have now started their own businesses or joined new ones. After nearly six years, 75% of these businesses are still open today. Of those not still around, only 1-2 failed; the others closed because of retirement or selling to others.

On average, it has cost us \$3,000 to create a new job, compared with a national average of \$12,000 per job. I understand that the American Reinvestment and Recovery Act is costing \$300,000 per job.

The groups that deviate from the EF model don't do as well. The biggest problem to adoption is organizations in the community that feel threatened if EF takes hold. For example, the director of Economic Development might fear being out of a job if the EF model proves successful. EF requires a different mindset. It might be good to infiltrate colleges in order to change the prevailing mindset and introduce the EF methodology by showing how it could be used and helping others understand it.

My brother is a professor of Agriculture and Applied Economics at Abilene Christian University, and he has me come in once a year to present on EF. One student had a dream to start a landscaping business but didn't know how to start. I used him as an example to walk the class through the EF process. By the end, he came up to me and said the approach was a breakthrough for him. That was this April. It will be interesting to see what he does.

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