

THE WINSTON CHURCHILL MEMORIAL TRUST OF AUSTRALIA

Jeny Wallace
2000 Churchill Fellow



*Business Development Programs in Business Incubators
& other facilities in the United States and Canada*

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1 Introduction

A 2000 Churchill Fellowship was awarded to Jeny Wallace to study Business Development Programs in Business Incubators and other facilities in the United States and Canada. The decision to apply for this program came from involvement in the delivery of business development programs through Business Enterprise Centres (BECs) and Business Incubators (BIs) in Australia.

The Australian Industry

Business Enterprise Centres

There are 48 BECs in New South Wales representing approximately 40% of BECs within Australia. BECs are community based, not-for-profit organisations delivering free business advisory services to potential, new and existing business operators. Services are aimed at encouraging viable and sustainable business establishment and development, and discouraging non-viable enterprise establishment.

Business Incubators

There are some 100 BIs in Australia with more on the drawing board. Their establishment has been funded through the Federal Government Department of Employment Workplace Relations & Small Business. Predominantly, Australian Business Incubators are run by community based, not-for-profit organisations.

Regional Development

The NSW State Government (through Department of State & Regional Development) fund 12 Regional Development Boards to play a role in pursuing the Department's objectives at a regional level.

The Federal Government (through the Department of Employment, Workplace Relations & Small Business) supports regional development through their Area Consultative Committees. These committees are charged with monitoring the Federal Government's Job Network – programs for unemployed, as well as facilitating the development of programs which will generate greater employment within their region.

Acknowledgements

- ◆ The Winston Churchill Memorial Trust of Australia – funding the program and providing support to achieve the outcomes;
- ◆ Employer, Business Enterprise Centre: Manning, Great Lakes, Gloucester – equipping me with a laptop and giving me the time out for 13 weeks;
- ◆ National Business Incubator Association of America (NBIA) – helping with the itinerary and places to visit;
- ◆ Numerous Business Incubators and other facilities/organisations visited – listed within the program section;
- ◆ Fellow-workers for keeping the Business Development Centre and Business Enterprise Centre (BEC) network running smoothly for 13 weeks;
- ◆ Family and friends – old and new - for helping me get through the whole process;

2 Executive Summary

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Project Description:

The project involved a ten week tour of North America visiting 10 cities. One week was committed to attending the Annual National Business Incubator Association (NBIA) Conference in Cleveland, Ohio. Other sites, suggested by the staff at NBIA, covered a variety of programs, predominantly with a technology focus. Rural, city and remote locations were visited.

Please note that this project was not an academic research project. Statistics and outcome measurement from the facilities visited was not an area of observation.

Highlights:

The highlights included locations where there was contact with the local community through interaction with the hosts and other residents of the community. These places gave a greater perspective on how the facility worked as part of the bigger picture of community and economic development. These sites included: London, Ontario; Halifax, Nova Scotia; Birmingham, Alabama.

Lessons Learned:

- ◆ **Common Support Agency Aims across USA, Canada & Australia**
The business development industries of the USA, Canada and Australia all work to support sustainable enterprise establishment and development. Partnerships between a wide range of community organisations, government departments and supporters are formed in many local communities to provide free and fee-for-service activities and programs to existing, new and potential business operators. These partnerships allow flexibility to most effectively deliver these services to the local community, driven by their specific needs.
- ◆ **Importance of Communication between Service Providers**
As in Australia, there are a number of levels of business development program delivery in communities. Similarly, where there are no clear lines of communication and networking between these levels, jealousy and competition tends to occur.
- ◆ **Government Involvement & Support**
The USA & Canadian Business Incubator sectors have strong industry associations. Business Enterprise Centres in Ontario, Canada are provincial government agencies and are paralleled in USA by the Small Business Development Agencies which are Federal government agencies. The USA additionally has the Association of Small Business Development Centers which represents a national network of more than 1400 small business development centres delivering services to assist clients to start, manage and grow a successful small business. This Association works with member organisations providing training, professional development and networking.
- ◆ **Australian Opportunities**
Australia's network of Business Enterprise Centres and Business Incubators are working together at a national level. The BECs of Australia and their identifiable badging, local community ownership, diversity of programs, and willingness to work towards common goals for enterprise development, delivery of government programs and as advocates for an entrepreneurial environment provide an incredible resource, not only for the local community and local government, but also for state and federal government departments which recognise and work with the very valuable resource.

3 Program

The program involved visits to a number of pre-arranged business development facilities. Several of these fell through at the time of visit. In nearly all locations additional facilities were identified and visited. The list below covers those visited during the study tour. An additional 3 sites visited during the NBIA Conference are not identified within this listing.

Tri Cities Enterprise Agency

Website: www.owt.com/tea
Contact: Bill Henderson, President & General Manager
Location: 2000 Logston Blvde, Richland WA 99352 Phone:509 375 3268

Applied Process Engineering Laboratory

Website: www.apel.org
Contact: Chuck Allen, Director
Location: 350 Hills Street , Richland, WA, 99352 Ph: 509.372.5146

National Business Incubator Association

Website: www.nbia.org
Contact: Executive Director: Dinah Adkins
Location: 20E Circle Drive, Athens OH 45701 Ph: 740 593 4331

London Community Small Business Centre

Website: www.lcsbc.on.ca
Contact: General Manager and Executive Director David M. Jackson djaxon@lcsbc.on.ca
Location: 1764 Oxford Street East, London, Ontario N5V 3R6 Ph: (519) 659-2882

London Economic Development Corporation

Website: www.londonedc.com
Contact: Manager, Business Development: Vijai Lakshmikanthan
Location: 300 Dufferin Avenue, LONDON, Ontario N6A 4L9 Ph 1800 327 2428

London Entrepreneurial Education Association

Contact: Judy Andrigo, Administrator
Location: Grosvenor Lodge, London, Ontario Phone: (519) 659-4295

Elgin Community Development Corporation

Website: www.elgincdc.on.ca
Contact: Business Consultant: Jeff Karp,
Location: 39 Burwell Road, St Thomas ON N5P 3W5 Ph: 519 633 7597

Greater Hamilton Technology Development Centre

Website: www.ghtec.com
Contact: Administrative Coordinator: Susan Sled
Location: 7 Innovation Drive, Flanborough, Ontario CA L9H 7H9 Ph: 905 689 2400

Toronto Business Development Centre

Website: www.tdbc.com Email: torbiz@pathcom.com
Contact: General Manager Ed Hobbs ed.hobbs@pathcom.com
Location: 1071 King Street West Toronto ON M6K 3K2 Ph 416 345 9437

Saint Mary's University Business Development Centre

Website: www.stmarys.ca/smubdc
Contact: Director, Eric Crowell
Location: 146 Barrington Street , Halifax NS B3J 1Z3 Ph: 902 429 2992

Nova Scotia: Economic Development & Tourism

Website: www.gov.ca www.gov.ns.ca
Contact: Fred Terrio terrio.fred@cbsc.ic.gc.ca

Location: Canada/Nova Scotia Business Services Centre
1575 Brunswick Street, Halifax NS B3J 2G1 Ph: 902 429 2992 / 1800 668 1010

InnovaCorp

1 Bioscience Enterprise Centre:

Contact: David McNamara dmcnamara@innovacorp.ns.ca Managing Director
Location: 1721 Lower Water St, Halifax NS B3J 1S2 Ph: (902) 421 5605 Fax: (902) 464 4450

2 Truro AgriTECH Park

Website: www.agritechpark.com
Contact: Sarah Morris admin@agritechpark.com Market Development Manager
Location: 90 Research Drive, Truro Nova Scotia B2N 624

3 Technology Innovation Centre

Location: 101 Research Drive, Dartmouth NSW

Centre for Entrepreneurship, Education & Development

Website: www.ceed.ednet.ns.ca
Contact: Managing Director: Chris Curtis CEED
Second Chance Project Coordinator: Ed Matwawana matwawel@ednet.ns.ca
Location: 1521 Grafton St Halifax Nova Scotia Ca B3J 2S9 Ph (902) 424-7609 Fax 4240260

The Enterprise Center

Contact: President Della Clark dellac@theenterprisecenter.com
Youth + Enterprise = Success YES Program
Lee Huang lh@theenterprisecenter.com Ph: 215 895 4014
Location: 4548 Market Street Philadelphia PA 19139, Ph: 215 895 4005 Fax: 215 895 4001

Technology Enterprise Authority

Website: www.nctda.org
Contact: Director, BI Development, Benjamin Grinnell bgrinnell@da.nctda.org
Entrepreneurial Education Network: Tawnya Louder-Reynolds
Location: 2 Davis Dr Research Triangle Park, NC 27709 Durham Ph: (919) 990-8558

Entrepreneurial Development Center

Contact: Office Manager Tracey Dunbar tdunbar@edcncstate.org
Location: Centennial Campus, Venture II Building, 920 Main Campus Dr, RALEIGH NS 27606
Ph: 919 424 3750 Fax: 919 424 3752

Raleigh Business & Technology Centre

Contact: Executive Director Walton Jones w6412@aol.com
Location: 900 South Wilmington St, RALEIGH NC 27601 Ph: 919 836 8618 Fax: 919 836 8619

The Entrepreneurial Center

Website: www.entrepreneurialctr.com
Contact: President, Susan Matlock smatlock@entrepreneurialctr.com
Location: 110 12th St North, Birmingham, Alabama 35203 Ph: (205) 250-8000 Fax: 250-8013

The Alabama Small Business Development Consortium

Website: www.asbdc.org
Contact: State Director: John Sandefur johns@provost.uab.edu
Location: University of Alabama at Birmingham, 280 Milan Court, Suite 124
BIRMINGHAM ALABAMA 35211-6908 Ph: 205 943 6750 Fax: 205 943 6752

Association of Small Business Development Centers

Contact: President / CEO Woodrow C. McCutchen woody@asbdc-us.org
Director of Government Affairs Don Wilson don@asbdc-us.org
Director of Operations Donna Ettenson donna@asbdc-us.org
Location: Arlington, VA 22204 Ph: 703-271-8700 Fax: 703-271-8701 Email: info@asbdc-us.org

Business Technology CenterWebsite: www.labtc.orgContact: Director Susan Prado sprado@www.labtc.org

Location: 2400 Lincoln Av, Altadena, California 91001 Ph: 626.296.6300 Fax: 626.296.6301

Santa Fe Business IncubatorWebsite: www.sfb.netContact: President & CEO Marie Longserre marisel@sfb.net

Location: 3900 Paseo del Sol, SANTA FE NM 87505 Ph: 505 424 1140 Fax: 505 424 1144

4 Findings

The Canadian Industry

Business Incubators are quite common across Canada. Provincial models vary. These comments are derived from the industry in Ontario and Nova Scotia.

In Ontario, the Incubators may be integrated with a variety of other services and invariably deliver a range of programs. Twenty three Small Business Enterprise Centres were established across Ontario in the early 1990s. These were established to deliver small business advisory services similar to the Australian BECs. Some are located with local councils and some with Incubators or other programs.

The Small Business Benefit Program is similar to the Australian Federal “New Enterprise Incentive Scheme” and available to people dependent on benefits, with a good business idea – across Canada.

A variety of other programs for business development are developed within the various centres and like Australia are driven by the local needs and creative skills of those working within the industry.

Support for the centres vary but in general relies on a combination of corporate, local community and multi-level government funds.

The American Industry

The American industry, similarly, varies from state to state and is dependent on a combination of corporate, local community and multi-level government funding.

Recently, there appears to have been a growth in for-profit Business Incubators across the USA calling on funding from venture capitalists and other equity investors. These for-profits are involved in capital intensive and often slow start new businesses in the fields of Information Technology, Bio-medical and Innovation-based businesses. These industries require high-cost infrastructure and links with universities, corporate organisations and venture capitalists provide funding to create the environment.

The older, established, not-for-profit BI industry involves a very wide range of organisations working within their local community to deliver services appropriate for their community and economy. These range from BIs with specific focus, such as arts or food production, to general multi-purpose incubators or office based incubators. They also may include tenants from the IT and bio-medical sectors.

General

In all cases, management plays a vital role. The person who heads up the organisation has the responsibility of ensuring: ongoing viability, efficient and effective program delivery - with outcomes, staff focus and morale, sponsor satisfaction, community profile and ongoing support. The loss of this person can leave a facility floundering at a critical time.

All organisations need to ensure that management changes/hand-overs are quick, and smooth with the least interruption on staff and clients.

The role of Boards of Directors, Management Committees and Advisory Committees is also crucial to the success of the organisation. Leadership and policy direction when Boards and Management work to the same goals is important. Problems will occur if there is not a positive relationship between the levels.

Boards/Committees play a vital role and so Directors need to understand their roles, the organisation, and work within their legal responsibilities. They should not take management at its word, and they should ensure procedures to provide them with appropriate information to play their role. They should work in their role with an organisation they are proud to champion.

Additional Programs Viewed

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| Revolving Loan Funds | Funds held by organisations to provide access by small business operators to small loans when not available elsewhere. The program involves strict monitoring and reporting by those accessing funds. |
| Self Employment Benefit Program | Comparable to the Australian New Enterprise Incentive Scheme – NEIS – providing small business training, mentoring and income support up to 52 weeks to people with a good business idea and currently dependent on a benefit. |
| Small Business Development Centers | US free small business advisory service providers (950 in US) administered through State Directors and participating state organisations (eg universities). Services provided similar to the BECs of Australia and Canada. |
| Association of SBDCs | The US Association networking individual SBDCs. |
| Small Business Enterprise Center | Ontario's vehicle for delivering free small business advisory services. |
| Open for Business | Nova Scotia's model for delivering free small business advisory services targeting young people. |

Business Enterprise Centres The Australian model of partnership between state government and local government and local communities. BECs are predominantly not-for-profit community based organisations owned by their local community. There are variations on the model from state to state.

5 Conclusions

- ◆ All three countries have a wide range of “models” for delivery of business development programs.
- ◆ Integration with complementary activities and support from a variety of areas and levels of government are the basis of funding the activities.
- ◆ Management plays a vital role in securing success of an organisation and champions play a role in communicating the organisations activities.

Ideal Model – my opinion

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| A Building & presence | A facility that is able to provide a defined business development focus through its position, programs, partnerships and profile within the community it serves. |
| Effective Business Development Programs | A range of programs and projects which make the centre a one-stop-shop for small business development. |
| Champions | Champions who are able to represent that facility in the community, ensure that program commitments are met, secure complementary programs, respond to local and regional needs, and at the same time ensure the organisation is performing to its plan. |
| Qualified and dedicated Staff | Staff who are qualified, credible and committed to pursuing outcomes, innovative in their approach to supporting business and professional in their roles. |
| Community support | A supportive community and community members who are prepared to take on roles as Directors, mentors, etc. |
| Local Government support | A local government that is supportive and aware of the role of that facility and everything associated with its activities. |
| State & Federal Government support | A supportive State/Provincial Government that acknowledges the value of delivery of business development programs through local community partnerships. |
| Corporate support | Corporate interest and support to partner in program delivery/funding, providing a realistic industry, business and professional environment. |
| Educational resources | Linkages with educational facilities, resources and students to provide support to program development and service delivery. |
| Partnering | Ability to partner with all of the above to deliver effective programs. |
| Long term contracts | Deliverers of programs need to feel assured of their future. |

Information dissemination

The information contained in this report, the attached visitation diary and presentation will be shared via a number of activities.

Presentations:

- ◆ Greater Taree City Council – Full Council & Senior Staff
- ◆ Probus – Taree & Wingham
- ◆ Staff and Tenants at the Business Development Centre
- ◆ Board of Directors of BEC Manning Great Lakes Gloucester
- ◆ Management Committee of Great Lakes Community Resources
- ◆ ANZABI & BEC 2000 National Conference - Perth
- ◆ Rotary groups - Taree & Gloucester
- ◆ NSW BEC Association 2001 Conference (tbc)
- ◆ BEC Australia
- ◆ Other – as invited

Via Information Technology:

- ◆ Website with full report of each site visit
- ◆ Report Winston Churchill Memorial Trust to all those visited, Australian Network, etc via website

6 Recommendations

In searching for recommendations, it is easy to get lost in an ideal world for the business development industry.

Reality in a world driven by budget constraints and politics is very different. The recommendations written are to offer suggestions for bringing the two worlds closer together.

Australia is by its very nature an innovative country. We already have a significant range of programs developed. These combined with overseas models need to be shared.

A forum for sharing State, National and International programs be pursued and supported by the business development industry bodies, corporate and government sectors.

A number of programs viewed overseas provided excellent examples of pulling together a wide range of government departments and working to encourage an environment of entrepreneurship through education.

The Centre for Entrepreneurship, Education and Development (Halifax, Nova Scotia) is an excellent example of partnering with government to deliver a wide range of programs and industry training. This organisation should be explored as a model for use in Australia.

Australia has a great opportunity to combine the main strands of business development program delivery – ie BECs, Business Incubators and NEIS – with the ground work already having been commenced.

Recommended that the three programs be identified as mutually supportive at a federal government level and that networking, program sharing and professional development across the industry be pursued.

The value of the not-for-profit sector and community based organisations being involved in the establishment of business development agencies and delivery of services is evident in all three countries.

Recommended that the not-for-profit and community based organisations involved in the Australian industry be acknowledged for the important role they play.

Australia has three national organisations: ANZABI – business incubators; NNA – NEIS; and BEC Australia – BECs along with 5 BEC state bodies.

Recommended that the National bodies be acknowledged for the role they play and their working together and that they be supported in their endeavours to avoid duplication and provide a national networking opportunity.

Many of the existing organisations in Australia are a result of funding partnerships between the three levels of government and local communities with local community based organisations taking on the responsibility of delivering programs to suit their local needs.

Further recommended that a “preferred supplier” status be sought for the organisations Involved who meet certain standards – which need to be developed and defined.

V4 Centre for Entrepreneurship Education & Development

Overview

Launched in December of 1995, The Centre for Entrepreneurship Education and Development (CEED) is a division of the Nova Scotia Department of Education and Culture with a broad mandate covering many areas of entrepreneurship.

Their vision is of a *vibrant, self-reliant entrepreneurial culture, not only for the Atlantic Region, but world-wide*. Their mission is to *nurture entrepreneurship in young people by undertaking, creating, coordinating and acting as a catalyst in the following areas:*

Entrepreneurship Education

Noting that: in an ever-changing workplace, it is fundamental that students develop the skills necessary to succeed and make valuable contributions to their communities. Entrepreneurship education shows our youth that they can create their own opportunities and enjoy more control over their destinies.

Research and Program Design

Many of CEED's projects involve program design for entrepreneurship education in both the community and the education system. These experiential-based programs are being recognized as leaders in their field.

Professional Development

Professional Development is essential to the success of implementing CEED's entrepreneurial-development programs. The spirit of innovation, flexibility, and openness to change is at the heart of entrepreneurship. This spirit must be instilled in our educators, trainers, business counsellors, and economic developers--the agents of change to grow an entrepreneurial culture.

Community Entrepreneurship

Community entrepreneurship is one of the elements most needed to change our attitudes and the economy of small communities. Our youth need to realize they don't have to leave their communities to find employment. They can create their own opportunities and lead fulfilling, independent lives. CEED provides support, direction and advice to help communities focus on successful entrepreneurial ventures giving them a strong entrepreneurial base to compete in today's global economy.

Involvement

CEED is always looking for individuals and organizations interested in partnering on entrepreneurship projects. We accept proposals that address our four cornerstone areas. Entrepreneurship relies on the involvement of business leaders and the community as a whole. You can help make a difference and create an entrepreneurial future. Get involved!

Programs

- ◆ Young Entrepreneurs Going Places Conference
- ◆ Adventure into Business Camp
- ◆ Finding Purpose, Finding Power (FP²)
- ◆ Break into Business Camp
- ◆ Young Entrepreneurs ACOA ConneXion Program—Seed Capital and Counselling
- ◆ Future Quest
- ◆ The Best Lemonade Stand
- ◆ Second Chance
- ◆ Venturing through an Integrated Curriculum
- ◆ Entrepreneurship: A Way of Life
- ◆ ESP: Entrepreneurial Skills Program
- ◆ Workplace Experience Program for Educators

- ◆ Atlantic Entrepreneurship Educators Symposium
- ◆ Professional Development and Consulting Services
- ◆ Project Wave
- ◆ D.E.A.L (Developing Entrepreneurship through Adult Literacy)
- ◆ Open For Business
- ◆ CEED's Web Site
- ◆ Youth Employment Resource Guide
- ◆ Leading Edge II
- ◆ Pathways to Enterprise

All CEED programs and materials are grounded in its core approaches to entrepreneurship as embodied in the CEED philosophy on entrepreneurship which is expressed in their:

- ◆ "Entrepreneurship Pyramid"
- ◆ "Entrepreneurship Continuum"
- ◆ "Five Paths of Learning" and
- ◆ "Learning Entrepreneurship by Doing Entrepreneurship"

As a result, CEED programs are multi-faceted, activity-based, and are focused more on the participant's personal qualities, characteristics, and attitudes, rather than on specific business knowledge. This approach earned CEED the Best Practice in Youth Entrepreneurship Training Award at the 1998 Enterprise Edge Conference.

Some of the resources are available for purchase but can be used only as reference materials to support other programs. If an organization is interested in implementing/running a CEED program, CEED can be contracted on a fee-for-service and expense recovery basis to deliver on location.

Individuals or organizations may be licensed to deliver the program, CEED will sell the licensing rights with a requirement that specific training be undertaken.

Contacts

Managing Director:

Chris Curtis CEED

www.ceed.ednet.ns.ca

Second Chance Project Coordinator:

Ed Matwawana CEED

matwawel@ednet.ns.ca

Halifax NS Canada

(902) 424-7609 FAX: (902) 424-0260

V4 Association of Small Business Development Centers

Overview

A national network delivering everything you need to start, manage and grow a successful small business.

The mission of the Association of Small Business Development Centers is to represent the collective interest of our members by promoting, informing, supporting and continuously improving the SBDC network, which delivers nationwide educational assistance to strengthen small/medium business management, thereby contributing to the growth of local, state and national economies.

The Association of Small Business Development Centers (ASBDC) is a partnership program uniting private enterprise, government, higher education and local nonprofit economic development organizations. Founded in 1979, the ASBDC provides a vehicle for continuous improvement of the Small Business Development Center program, exchange of information among members regarding objectives, methods and results in business management and technical assistance and advocacy of America's small business community.

The SBDC program began as a pilot program in 1977 in seven states and the District of Columbia (New Jersey, Missouri, Florida, Georgia, Maine, Nebraska, and two programs in California), with total federal funding of \$ 390,000. By 1980, the program had grown to eighteen SBDCs with the additions of Pennsylvania, South Carolina, Wisconsin, Minnesota, Arkansas, Utah, Washington, Massachusetts, and Alabama.

Today, SBDCs operate more than 1400 client service locations in every state, the District of Columbia, Puerto Rico, Guam, the U.S. Virgin Islands with American Samoa coming on-line this year. SBDCs have counseled and trained almost 8 million clients, including 600,000 in FY 1999.

Contacts

President / CEO
Director of Government Affairs
Director of Operations

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Donna Ettenson donna@asbdc-us.org

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Appendix 3 - Acronyms

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| ANZABI | Australian & New Zealand Association of Business Incubators |
| BEC | Business Enterprise Centre |
| BEC A | BEC Australia |
| BI | Business Incubator |
| CEED | Center for Entrepreneurship, Education & Development, Nova Scotia |
| DEWRSB | Australian Department of Employment, Workplace Relations and Small Business |
| DSRD | NSW Department of State and Regional Development |
| NEIS | New Enterprise Incentive Scheme, Aus |
| NFP | Not For Profit |
| NNA | Australian: National NEIS Association |
| SBDC | Small Business Development Center, US |
| SEBP | Self Employment Benefit Program, Ontario |