

ENTREPRENEURSHIP
ECOSYSTEM
BUILDING

FIELD
GUIDE



EDGE

EDUCATION TO DEVELOP & GROW ENTREPRENEURS

A MEMBER OF ARKANSAS CAPITAL CORPORATION GROUP

Ecosystem Building

An **entrepreneurship ecosystem** is an environment that fosters innovative problem solving and a culture of discovery while facilitating the creation of new businesses. An entrepreneurship ecosystem is not led by one person or group, but is a collection of many people working together with a shared goal of developing entrepreneurs.

A person who contributes to the development of entrepreneurs by connecting them to the resources they need to be successful is called an **ecosystem builder**. An ecosystem builder fosters collaboration across multiple community stakeholders to develop a fabric of support for entrepreneurs.

No two ecosystem builders are the same, as each person provides unique perspectives and expertise that supports the development of a healthy larger system. Educators, elected officials, industry leaders, and citizen change agents can all be entrepreneurship ecosystem builders. **Because of your distinct experience and contributions to your community, you can be one too!**

This guide aims to inspire individuals seeking to cultivate more entrepreneurs in their community and provides tools to help them develop initiatives and partnerships that can be started immediately.

You may not have answers to all of the questions in the guide, but the exercises offer a starting point for consideration as you empower your local entrepreneurs and give them the EDGE they need to succeed!

Exercise #1:

Identify Your Entrepreneurs

There are many different types of entrepreneurs and all are needed for a strong ecosystem (Meyers & Hodel, 2017). Put a checkmark next to the category of entrepreneur you would like to focus on in your community.



Solopreneurs: Individuals who operate independently when selling their product or service like a maker or consultant.

Small Business/Main Street: Also called lifestyle businesses, these are restaurants, boutiques, and other retailers.



Scalable/Innovation Led: Typically technology enabled, these companies have the capacity to expand beyond the community for global impact, like software or commercialized research.

Reflecting on your community, is there a specific group you would like to help? Examples include:

College Students	People of Color	Scientists	Software Industry
Artists	Inventors	Gig Workers	Outdoor Recreation Industry
Legacy Business Owners	Aging Adults	BioMedical Industry	Spanish Speakers

My community is:

The community stakeholder I would like to support is:

Exercise #2:

Ecosystem Evaluation

Vibrant entrepreneurial communities focus on activities and events built around four pillars of ecosystem building (Amerine & Standridge, 2021).

Talent Development: Equipping individuals with the skills, mindset, and resources needed to start and grow their own businesses.

Entrepreneurial Culture: Fostering an environment where individuals are motivated to take initiative, identify opportunities, and create innovative solutions to challenges.

Community Engagement: Active involvement of entrepreneurs, business leaders, and organizations in the communities where they live and work.

Access to Capital: Ability of entrepreneurs and startup ventures to secure funding and financial resources to start, grow, or scale their businesses.

Think about your community and answer the questions to the best of your ability.

#	Question	True	False
1	There are known innovation champions in the school district.		
2	There are colleges or universities in close proximity to my community.		
3	There is support for commercialization and business development in the arts and creative community.		
4	There are frequent business workshops and training available at little or no cost.		
5	There are local networking events that encourage mixing and mingling of students and professionals.		
Talent Development Subtotal:			
1	Local leaders encourage new and innovative ideas.		
2	Entrepreneurs are active participants in community events, clubs, and leadership.		
3	The community is diverse in demographics, beliefs, and experiences.		
4	The creation of starting new small businesses is celebrated and promoted as much as the location of large industries.		
5	There is generally a high level of trust across community organizations.		
Entrepreneurial Culture Subtotal:			

Think about your community and answer the questions to the best of your ability.

#	Question	True	False
1	It is easy to know when entrepreneurship events, programs, and activities are taking place in the community.		
2	There are local entrepreneur support organizations that are well known and accessible.		
3	Facilities exist for local entrepreneurs to receive support and work (e.g. incubator, maker space, co-working space, etc.).		
4	Industry and education leaders collaborate to solve local problems.		
5	Municipal business policies are streamlined and easy to understand.		
Community Engagement Subtotal:			
1	There are lending programs available for non-traditional borrowers (e.g. low/no credit, re-entry, etc.).		
2	There are available trainings to increase financial health and knowledge.		
3	It is easy to connect to an angel or early stage investor.		
4	Entrepreneurs and local researchers have access to SBIR/STTR support.		
5	Support programs that provide non-dilutive funding are actively promoted.		
Access to Capital Subtotal:			
TOTAL			

Exercise #2 Analysis:

Use the subtotals to identify how many points each pillar earned.

Total Points	0-39	40-59	60-79	80+
Ecosystem Stage	SEED	EARLY	GROWTH	EXPANSION

Pillars	TALENT	CULTURE	ENGAGE- MENT	CAPITAL
Points Earned				

NOTES

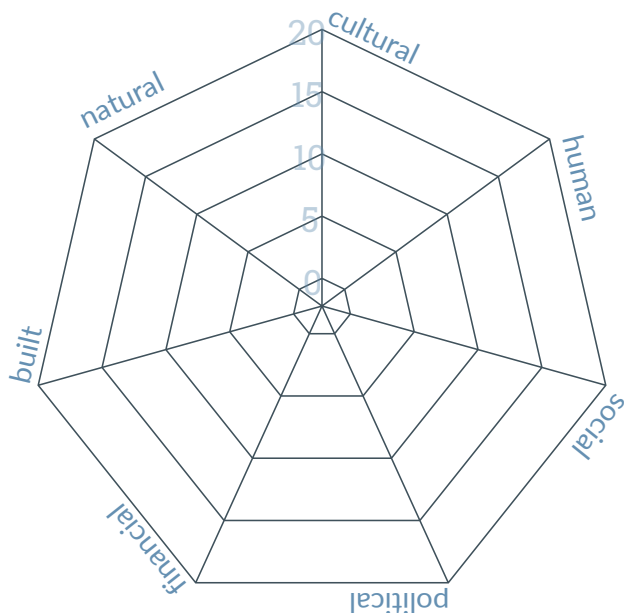
Exercise #3:

Identify Community Assets

Every community has unique assets which Emory and Flora (2006) refer to as Community Capital. These seven asset categories are:

1. Natural: outdoor spaces, rivers, parks, playgrounds
2. Cultural: diversity, art, celebrations
3. Human: workforce, talent, skills
4. Social: clubs, networks, events
5. Political: government, power, influence
6. Financial: lenders, investors, industries
7. Built: infrastructure, sidewalks, downtown

Evaluate how strong your community is in the seven asset categories, with 0 being weak/non-existent and 20 being strong/very active.



Exercise #4:

Linking Pillars and Assets

By utilizing an asset based ecosystem development approach, you can start to create community change immediately by leveraging what already exists (Morrison et al., 2019).

Complete the boxes using answers from the first three exercises in the field guide.

ENTREPRENEUR FOCUS GROUP:
Top Three Community Assets:
1.
2.
3.
Bottom Two Ecosystem Pillars:
1.
2.

What is one activity you have the power to execute that leverages your community assets to strengthen an ecosystem pillar?

Example: My community has a fun coffee shop [built capital] with an engaged owner [human capital]. We scored low in entrepreneurial culture, so we are going to host a networking event at the coffee shop and have the owner speak about her personal entrepreneurial journey.

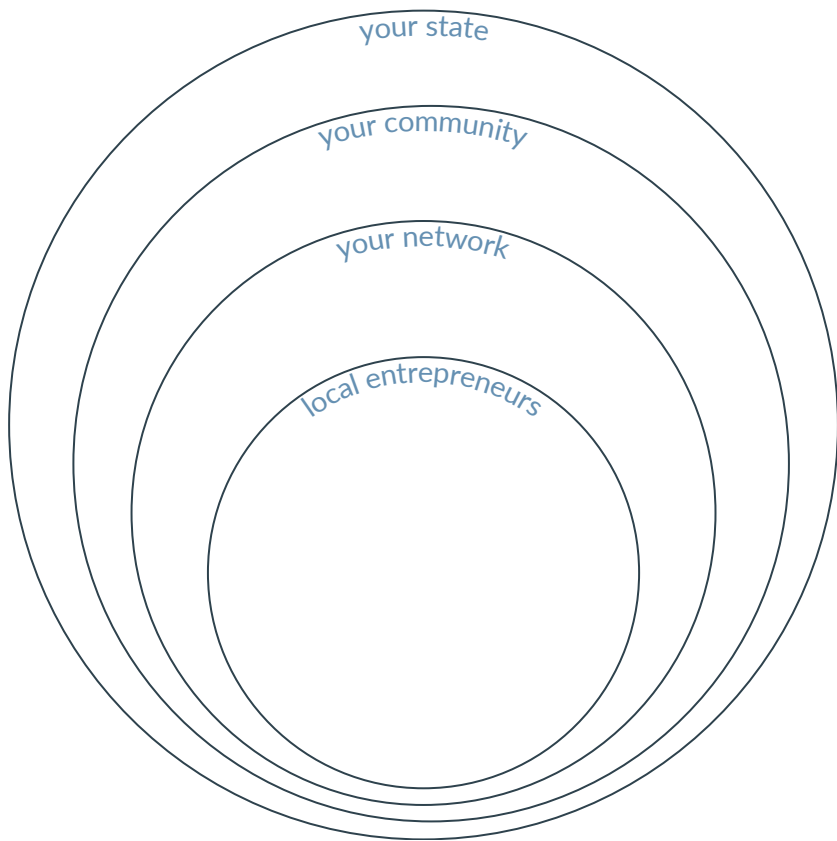
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Exercise #5:

Identify Ecosystem Leaders

Ecosystem building is a team activity and can't be done alone. Refer to your answers in Exercise #4. Who in your community is a leader in one of more of those areas? Who has an interest in the success of one or more of those areas? Who has power to make a change in one or more of those areas?

Consider who can join your quest of strengthening your ecosystem:



Exercise #6:

Identify Funding Sources

Funders support programs that align with their missions and goals. When identifying potential funding opportunities, keep in mind the funder’s purpose and target audience. Your chances of receiving financial support is higher when your audience and goals match the funder.

EXAMPLES	
Organization Type	Mission
Philanthropic Foundation	Build generational wealth for people of poverty.
Corporate Foundation	Improve community quality of place for people with disabilities.
Industry Sponsorship	Increase own brand visibility in the community.
Federal Government	Develop manufacturing capabilities in the biomedical field.
State Government	Create and retain high wage jobs in outdoor recreation.

What is one potential funding source for your entrepreneurship ecosystem building project?

Exercise #7:

Action Plan

Now it's time to put all the pieces together!

Use the answers from the previous exercises to fill in the blanks:

My community is:

The entrepreneurs I
aim to grow are:

My ecosystem's
weakest pillars are:

My community assets
are:

My entrepreneurship
development project is:

The people who can
help me are:

One possible funder is:

congratulations!

You now have the tools to think like an ecosystem builder and a clear next step in giving your entrepreneurs the EDGE they need to succeed!

REFERENCES

Amerine, J., & Standridge, J. D. (2021). *Creating startup junkies: Building sustainable venture ecosystems in unexpected places*. High Point Publishers.

Emery, M., & Flora, C. (2006). Spiraling-up: Mapping Community Transformation with Community Capitals framework. *Community Development*, 37(1), 19–35.
<https://doi.org/10.1080/15575330609490152>

Meyers, M. E., & Hodel, K. P. (2017). *Beyond collisions: How to build your entrepreneurial infrastructure*. Wavesource LLC.

Morrison, E. J., Hutcheson, S., Nilsen, E., Fadden, J., & Franklin, N. (2019). *Strategic doing: Ten Skills for Agile Leadership*. Wiley.

ADDITIONAL RECOMMENDED READINGS

Entrepreneurial Ecosystem Building Playbook 3.0. Ewing Marion Kauffman Foundation. (n.d.).
<https://www.kauffman.org/ecosystem-playbook-draft-3/>

Feld, B., & Hathaway, I. (2020). *The Startup Community Way: Evolving an entrepreneurial ecosystem*. John Wiley & Sons, Inc.

Hwang, V. W., & Horowitz, G. (2012). *The rainforest: The secret to building the next Silicon Valley*. Regenwald.

Arkansas Capital Corporation

Empowering Entrepreneurs since 1957

Through five distinct programs, Arkansas Capital Corporation (ACC) offers innovative services to foster regional economic development and growth. ACC works with partners to expand economic opportunities to underserved and rural communities in the following ways:

- As a federally-certified community development financial institution (CDFI), ACC specializes in lending to individuals, organizations, and businesses in under-resourced communities. ACC partners with banks in conventional commercial, SBA 7a, SBA 504, and USDA Business and Industry (B&I) lending.
- The EB-5 Regional Center Program is a modern economic development mechanism that utilizes creative global strategies and investments to solve the need for flexible and affordable financing for economic development projects throughout the country. Pine State Regional Center (PSRC), an ACC subsidiary, is proud to offer this tool among its pool of financing options for impactful development projects.
- Heartland Renaissance Fund (HRF) is a federally certified Community Development Entity dedicated to stimulating economic activity in disadvantaged areas through use of federal New Markets Tax Credits (NMTCT). Heartland serves a seven-state region consisting of Arkansas, Louisiana, Mississippi, Missouri, Oklahoma, Tennessee and Texas.
- The Governor's Cup and the Youth Entrepreneur Showcase (Y.E.S.) business plan competitions are managed by ACC's 501(c)(3) affiliate, the Arkansas Economic Acceleration Foundation (AEAF). Both provide monetary incentives to attract energized, creative, and innovative young students who have great business ideas or who want to learn more about entrepreneurship.
- ACC has an active community development advisory board composed of a diverse set of professionals who work directly in the entrepreneurial space to help guide in reaching underrepresented populations.

ACC's dedication to supporting entrepreneurs in rural and underserved communities resulted in establishing the EDGE Initiative: Education to Develop and Grow Entrepreneurs. EDGE strives to boost access to tools, resources, and networks for local change agents, empowering them to construct their entrepreneurship ecosystem. ACC foresees a future in which every individual seizes the opportunity to thrive as a successful entrepreneur, and every community possesses the capability to cultivate entrepreneurial citizens, actively propelling positive change and economic prosperity throughout society.



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EMPOWERING ENTREPRENEURS

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