

June 2020

Regional Advisory Councils to Support Nascent Rural Entrepreneurs

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Recommended Citation

Paynter, S. R., Harris, M. L., & Barber, D. (2020). Regional Advisory Councils to Support Nascent Rural Entrepreneurs. *The Journal of Extension*, 58(3), Article 5. <https://tigerprints.clemson.edu/joe/vol58/iss3/5>

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Cover Page Footnote

We would like to thank the Golden Leaf Foundation for their support.

Introduction

Public-private partnerships (P3) between universities and communities can fuel economic development across regions. Since the Morrill Act passed in 1862, P3 have supported economic development and extended universities' reach beyond campus boundaries (Morrill Act, 1862). Notable examples are Silicon Valley, Route 128, and the Research Triangle Park – each near urban areas where technology and innovation drive large-scale development, growing populations, tax revenue, and prosperity.

But rural areas often struggle. In rare instances, troves of entrepreneurs, mentors, and residents in rural communities collaborate with aspiring entrepreneurs. More often, nascent rural entrepreneurs lack role models and mentors to help realize them as change agents in their communities (Kim, Taylor, & de Guzman, 2018). Many rural entrepreneurs lack formal business education, instead relying on community partners and mentors (Crawford & Barber III, 2020). In many sparsely populated areas, networks struggle to convene outside small towns making engagement across a region difficult.

Universities can serve as conveners and intermediaries. Relationships between local leaders in business, industry, government, and civic organizations in rural communities can guide campuses on their economic vision, workforce needs, and willingness to support new businesses. These P3 are a way that university extension efforts can permeate local economic development strategies. Extension efforts must include tools and programs to encourage entrepreneurship when reimagining rural development (Scorsone, 2003).

Through the Rural Innovations Strengthening Eastern NC program (RISE29), regional advisory councils strengthen the entrepreneurial network and campus connections. RISE29 interns and staff provide support services, sustainability planning, business plan development, and other activities that support growth and expansion. Through RISE29 internships, ECU students learn about communities and business opportunities through working in local organizations and existing businesses in the region. These businesses may range from microenterprises in core industry sectors to innovation ventures with high growth potential. RISE29 may serve as a model for rural networks to boost entrepreneurship and economic activity.

Rural Economic Development

Rural economic development strategies must create and sustain a sense of well-being and improve living standards for rural populations (Aggarwal, 2018). This implies rural development must encompass a multi-dimensional and interactive restructuring process for true transformation to happen (Hoggart & Paniagua, 2001). Experienced rural business and public sector leaders have to find ways to recruit and retain residents and grow their workforce.

A new vision of rural economic development suggests that communities no longer build wealth through siloed industries, but rather partner across sectors for innovation in products and services. The knowledge economy is about solution creation. It relies on new ideas, energy, and global spirit to connect rural areas to faraway customers that inject new dollars into a rural economy. The focus turns to people (Feng, 2014). The availability of financial resources, social

capital, public expenditures and natural amenities are significant in explaining why some counties have more microenterprises than others (Rupasinga & Contreras, 2014).

In 2016, Millennials became the largest part of the U.S. labor force and Gen Z is growing its presence (Pew, 2018). These generations demand different professional experiences. Their world view is just that – global. They value positive change, education, diversity, risk tolerance, and experience (Pew, 2020) - hallmarks of entrepreneurs. Successful rural economic development strategies must acknowledge these shifts and support robust entrepreneurial ecosystems. But how?

The good news is that the framework is there. Rural development and entrepreneurship are linked (Debroy & Kaushik, 2005). By developing entrepreneurial capacity of rural communities through policy, finance, technical assistance, managerial support, and more, start-up activity grows (Aggarwal, 2018). Entrepreneurs in rural communities find their quality of life worth more than the challenges of doing business in smaller places (Lee & Cowling, 2015). On average, rural businesses are less affected during recessions than urban counterparts (Battisti, 2013). New ventures tend to rely on the strength that comes from internal markets in rural areas (Lúcia & Teixeira, 2018). The challenge is in the sustainability of recruiting and retaining talent.

Connecting Entrepreneurs, Communities, and Campus

East Carolina University (ECU) earned both the Carnegie Foundation’s Classification for Community Engagement and the Association for Public & Land-Grant Universities’ Innovation and Economic Prosperity (IEP) designation. This combination signifies the university’s commitment to rural economic prosperity through mutually beneficial engagement. RISE29 is an example of this commitment.

RISE29 began in 2018 with two goals: 1) job creation and retention and 2) launching start-up ventures in rural communities. RISE29 advisory boards are a type of P3. Each county affiliated with RISE29 has one. They select target projects within each partner county. The goal is to connect human capital at ECU with regional economic opportunities. Advisory council members support student interns and nascent entrepreneurs through individualized mentoring, resource identification, and launching new businesses.

Success depends on connection between advisory councils and ECU. Advisory council members are leaders in local government, nonprofits, and industry plus small business owners who value entrepreneurship as part of a comprehensive economic development strategy. The councils develop a list of promising businesses that need consulting work and target areas for new ventures that might fill community need. They “sell” their communities to ECU students who are, in turn, exposed to the quality of life.

RISE29 advisory councils fundamentally believe in nexus of entrepreneurship, small business development, and universities as regional economic partners. Importantly, they sit in the drivers’ seat in this program. The advisory councils prioritize community economic development goals and match client recruitment and new business growth strategies to them. With RISE29 staff, they invest time and other resources in supporting the growth of small business and building a culture of entrepreneurship. They give the university connection to local efforts in a way that synchronizes efforts of campus and community.

Conclusion

Too often, university programming lacks authentic community engagement, which erodes trust and credibility. Advisory councils in RISE29 are the primary mechanism to engage university extension efforts in building an entrepreneurial network. They offer communities a path into the university on their terms. That subtle, but critical, link may make the difference in rural economic prosperity, one small business at a time.

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