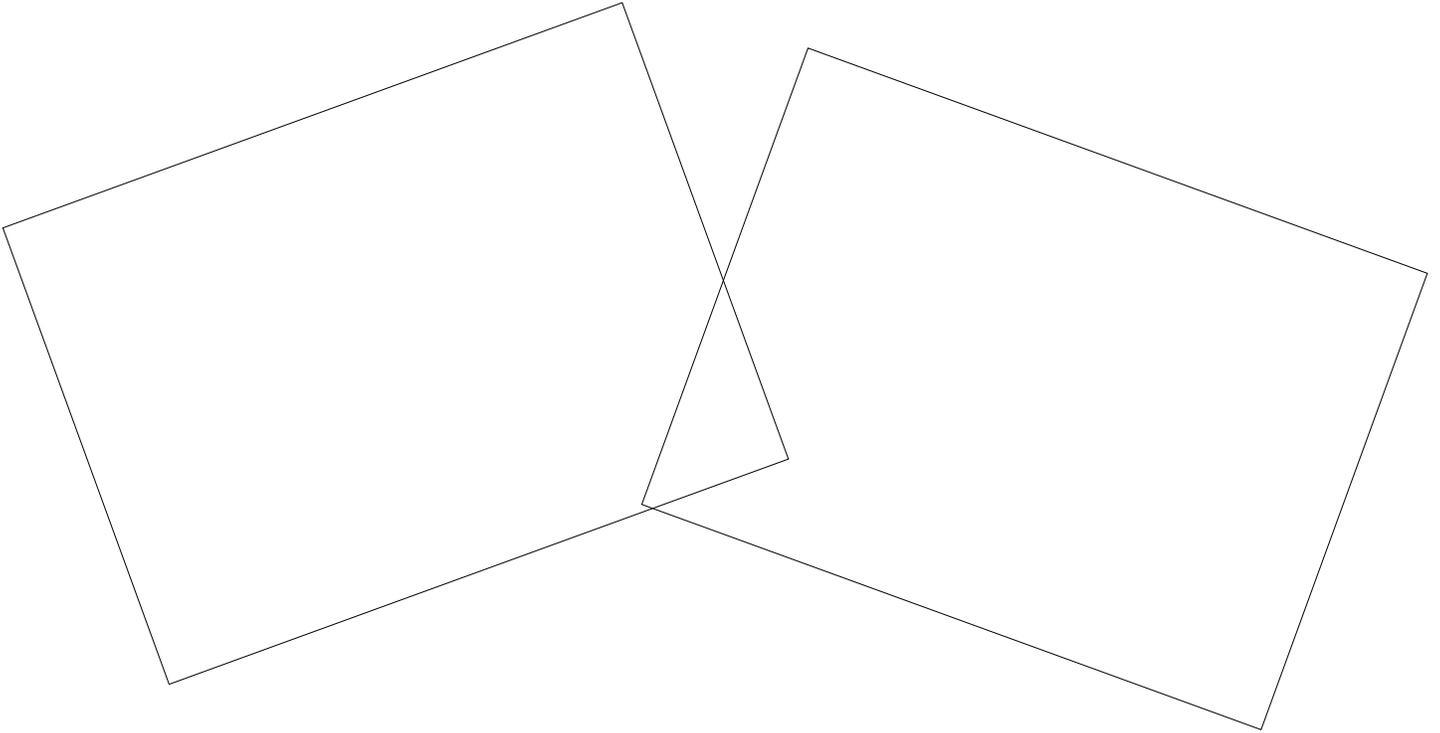




Vol. 10, No. 2

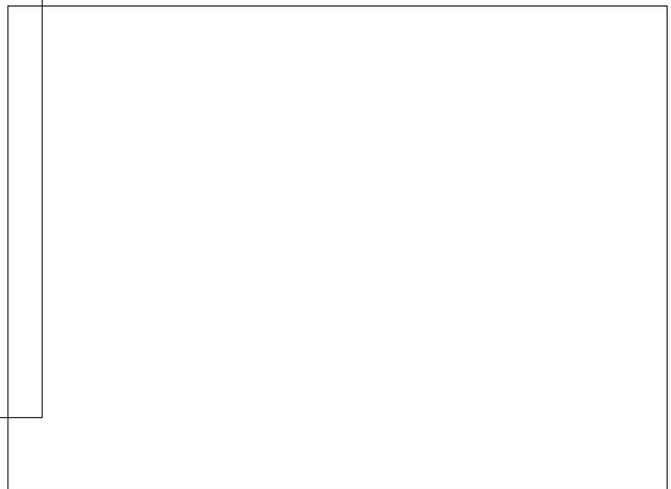
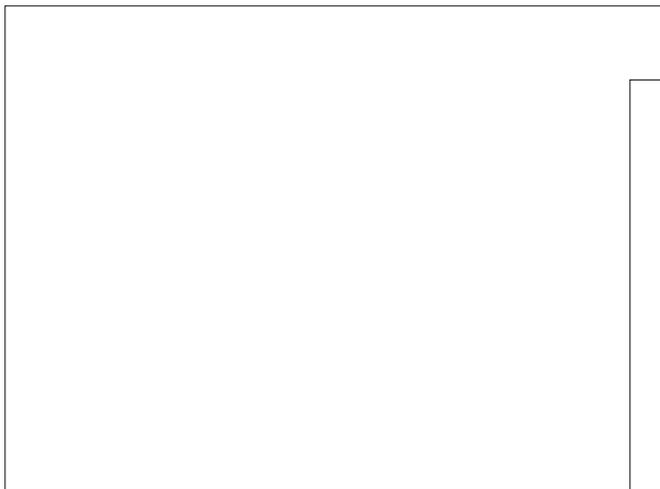
The Newsletter of the Brushy Fork Institute

Winter, 2000



Entrepreneurship for the Public Good

Organizations changing to meet changing needs





Mountain Promise is published for friends and associates of Brushy Fork Institute of Berea College by Brushy Fork Institute CPO 2164, Berea College Berea, KY 40404 859.985.3858 859.985.3903 (FAX)

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Mission of Brushy Fork

For over one hundred years, Berea College has served the people of Appalachia.

The Brushy Fork Institute carries forward this commitment by working to develop strong leadership in the mountains.

Working with both existing and emerging leaders, we draw on local understanding and vision to help communities build for tomorrow.

On the Cover: The Hindman Settlement School in Hindman, KY has worked for almost 100 years to meet community needs.

(Photos courtesy of the Hindman Settlement School.)

Entrepreneurship - for Appalachia's future

by Dr. Larry D. Shinn
President, Berea College

Promoting the entrepreneurial and leadership skills of individuals within the region is key for the future of Appalachia. The Appalachian Regional Commission's (ARC) strategic plan entitled *Setting a Regional Agenda* concludes that "entrepreneurial economies that focus on high value-added goods and services offer the best future for many parts of Appalachia."

The concept of social entrepreneurship takes the principles of entrepreneurship that most often are focused on individual, profit-oriented business and applies them both to economic development and to the public good. As part of our commitment to educate "service-leaders for Appalachia and beyond," Berea College is embarking on a student- and Appalachia-focused initiative that promotes Entrepreneurship for the Public Good (see p. 5).

The initiative includes two important summer components—an innovative and intensive eight-week summer learning program that provides substantive learning opportunities in the basic skills of entrepreneurship and leadership, and a second summer internship program that places students in small businesses or non-profit agencies that have special challenges to accomplishing their objectives.

Through this initiative, we believe that our students from all disciplines will be well equipped to meet the complex economic and social challenges of the 21st century, in the Appalachian Region.

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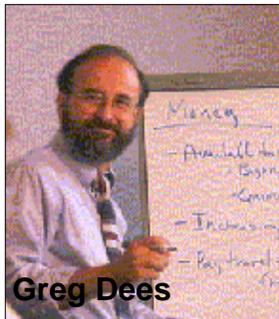
What is Social Entrepreneurship?

On November 5-6, 1999, Berea College invited three experts in leadership and public service studies to participate in the Entrepreneurship for the Public Good Summit in Berea. The following is excerpted from their presentations.

J. Gregory Dees is the Miriam and Peter Haas Centennial Professor in Public Service at Stanford University and its Graduate School of Business, where he teaches courses on Social Entrepreneurship. Richard A. Couto is Professor of Leadership Studies and holds the George M. and Virginia B. Modlin Chair in Leadership Studies at the University of Richmond's Jepson School of Leadership Studies. Vaughn L. Grisham is the Director of the McLean Institute for Community Development and Professor of Sociology at the University of Mississippi, where he has taught for 34 years.

What is a Social Entrepreneur?

Greg Dees: Entrepreneurs are change friendly, opportunity-oriented, innovative, resourceful, value creators. They see resources and they find



a way to mobilize or move them to areas of higher productivity and yield. They find a way to create value.

Social entrepreneurs are entrepreneurs who intentionally pursue the public good. They act as change

agents in the social sector by:

- Adopting a mission to create and sustain social value
- Relentlessly pursuing opportunities to serve their mission
- Continuously innovating, adapting, & learning
- Acting boldly without being limited by resources currently in hand
- Exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created.

They mix commercial and philanthropic strategies to fulfill their mission. Social entrepreneurs will be change agents of a social sector and they will do this by adopting a mission to create and sustain social value -- not just profit for themselves, not just benefit for their customers, but actually benefit society at large.

Richard Couto:

Citizen leaders have two main characteristics. 1. They don't seek leadership - it's a calling, and 2.

They don't work to raise the top of the social pyramid or to see how high they

can go; rather, they work to raise the bottom. A "Social Capital Entrepreneur" is someone who advocates or provides increased amounts and improved forms of social capital to increase and strengthen the bonds of community, and decrease forms of social and economic inequality.

Richard Couto

Vaughn Grisham: They figure out a way to take the human resources and use what they have. That is a great deal of what social entrepreneurship is all about. Identifying what are your resources - your resources are your people.

All the investment goes into people. That's your resource. That's where you put your money. If your only resource is people, you enhance their skills. You do whatever you have to do to raise those skills, including leadership training for everyone. Invest in people - it pays off.

Vaughn Grisham

continued on next page

What is Social Entrepreneurship? (Continued from p. 3)

Why is social entrepreneurship so important?

VG: Social capital, this mobilization of human capital, is essential for the long-range health of an area, including Appalachia. Equally important is a means of enhancing the human capital of Appalachia. It can be a vehicle to promote and sustain social capital both through leadership development and social entrepreneurship.

To be effective, community development must never forget that its basic component is the individual.

Efforts which enrich both human capital and social capital are necessary for long term community/regional development. Helping the people of an area to initiate social action

will change the economic, social, cultural or environmental situation. However, to be effective community development must never forget that its basic component is the individual.

GD: Social entrepreneurs are more likely to search for systematic and sustainable solutions that go beyond charitable relief and explore commercial methods of operation -- adapting or adopting business practices. Entrepreneurs are the change agents, the catalysts in the economy. They sometimes promote change, encourage it, build on it, take advantage of it. They don't simply try to preserve the status quo. They may do this in a non-profit organization or they may set up a for-profit that has a social mission. Social entrepreneurs are intentionally trying to create the public good.

How do we encourage social entrepreneurship in Appalachia?

VG: A leadership development/social entrepreneurship program is an important step in sustaining and building a social infrastructure for Appalachia. Almost all towns and cities pay lip service to the notion that the youth are the hope of the future, but too few provide the training necessary to develop this most basic human resource. The leaders produced can be

the primary resource in doing social entrepreneurship. Trained leadership is essential if there is to be community or regional development. The primary task of leaders is to build the social structures that allow the community/region to act. This is an ongoing process that extends for the course of the lifetime of the social structures. They must help pull together individuals and resources to build a strong area.

RC: The term *social capital* is defined as "the collective goods and normal resources that we invest in one another as members of a community." Where work declines, social capital is withdrawn just like cash capital. We can see this in Appalachia. Where the labor force participation is high, good things are happening. Where labor force participation is low, we have more problems.

Although deficiencies in social capital are clearest in Appalachia, so are the efforts to do something about them, including the remarkable number of community health centers and citizen leaders. Social capital entrepreneurs advocate or provide increased amounts and improved forms of social capital to increase and strengthen the bonds of community, and decrease forms of social and economic inequality. The Berea College Entrepreneurship for the Public Good program can be a resource of social capital for citizen-leaders to bring to their communities.

How can we teach people to be social entrepreneurs?

RC: We need to build a relationship between learning in an academic setting and experiential education in the field. Experiential education and community services serve the central educational, research and service goals of colleges and universities. It's not an add-on - not a "nice thing." It's essential to achieving the mission of colleges and universities. People are making more disciplinary ties between service learning and other academic areas. They have found ways of increasing the rigor and

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Educating Appalachia's servant leaders

Berea's Entrepreneurship for the Public Good initiative

Since its founding in 1855, Berea College has had a unique mission in serving the Southern Appalachian region. The College believes that students should understand the value and importance of work and of self-help and thus requires every one of its students to work in one of the College's 140 labor departments. The non-sectarian Christian foundations of Berea College undergird its service to the Appalachian region and its students and, consequently, service to others is an ethic the College teaches as the foundation of good citizenship.

The primary way Berea College achieves its special mission is through the education of 1500 students each year. Approximately 80% of our Appalachian students return to the Southern Appalachian region to work and live. We are working to create a deliberate and innovative program for creating service-oriented leaders for Appalachia by providing them with entrepreneurial and leadership skills that will make their work and service more effective.

Entrepreneurship in Appalachia

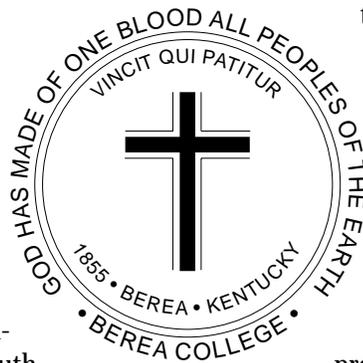
In its strategic plan entitled *Setting a Regional Agenda*, the Appalachian Regional Commission (ARC) concludes, "Entrepreneurial economies that focus on high value-added goods and services offer the best future for many parts of Appalachia" (p. 7). Rather than pursuing the ineffective strategy of attracting large companies to the mountainous and rural regions of Appalachia, the ARC encourages "entrepreneurial thinking" that allows persons to "think 'out of the box' and come up with creative solutions" (p. 22). In the May-August 1997 issue of the ARC journal *Appalachia*, Jesse White, the Federal Co-Chair of the ARC, announced a new initiative in entrepreneurship that will focus on "business development at the local level." The ARC initiative "takes advantage of the entrepreneurial skills of our citi-

zenry, creates more stable jobs, and keeps wealth in local communities (p. 2). The ARC does recognize that "Leadership and civic capacity [are] prerequisites to progress and development" and that "The prosperity of the Region depends on improving the type of education that can change people's lives" (*Regional Agenda*, p. 4).

Berea College has been about the task of providing the "type of education that can change people's lives" for more than 143 years. However, in the context of a rapid change from an industrial economy to a highly technological information and service economy worldwide—and in Appalachia—it is necessary now to provide new educational opportunities that will equip Berea students to be productive agents for economic and social change when they return to the Appalachian region.

Entrepreneurship and Leadership

Entrepreneurship education usually focuses upon creative problem-solving, opportunity assessment, calculated risk taking, and economic strategies that help small or new businesses achieve success. Most educators realize that entrepreneurship is something that cannot be learned in a classroom alone and thus other learning opportunities such as internship programs have been created to provide pragmatic and real-world testing of entrepreneurial ideas and skills. Berea College has one of the oldest summer internship programs in America. This program matches 12-18 students each summer with small businesses or non-profit agencies. Two faculty from Berea's Economic and Business Department provide leadership for this summer program, and a new position in entrepreneurship will assure that new courses in



continued on next page

Berea College initiative (cont. from p. 5)

business, entrepreneurship, and related topics can be developed and that the summer internship program can be expanded.

The ARC entrepreneurship initiative purposely links innovative and entrepreneurial economic strategies with personal “leadership and civic capacity.” A Task Force on Appalachia created by Governor Paul Patton of Kentucky anticipated the ARC’s conclusions when it said in its 1995 report, *Communities of Hope*:

Like other Americans, Appalachian Kentuckians desire a future that provides opportunities for individual happiness and success within the context of meaningful relationships, stable families, and sustainable communities... This civic process will require... educational programs that emphasize lifelong learning, civic responsibility, and civic leadership. (p. 8)

Thus, any educational initiative in entrepreneurship for Appalachia will have to attend to the leadership skills of vision-setting, communication abilities, and collaborative decision-making that will enable entrepreneurs to situate their small businesses within the context of local Appalachian communities and their norms and values.

It is important also that entrepreneurial skills and ideas are applied to non-profit organizations and agencies. This recognition has led to the coining of the term “social entrepreneurship.” Berea College’s Brushy Fork Institute has as its central mission the creation of civic leadership at the local level and among people of all walks of life.

It is important for Berea students to acquire the leadership and civic skills that are now being taught through Brushy Fork. It also has become clear that entrepreneurial skills can also be valuable for students and workers beyond the business world. The creative problem-solving, risk-taking, and pragmatic focus of the entrepreneur can serve persons well in leadership, teaching, professional, and volunteer roles. This program will link entrepreneurship skills and perspectives to those of leadership in order to prepare students who are fully empowered “service-oriented leaders for Appalachia” and beyond.

Innovative Learning and Serving

All Berea students can benefit from this program. Entrepreneurship and leadership skills can be applied in a wide variety of contexts by students of any major or background. What makes the Entrepreneurship for the Public Good program both novel and exciting is its enrichment of Berea’s on-going curriculum in entrepreneurship and leadership while enabling innovative study and experiential learning through internships for students in creative problem-solving skills not otherwise available to them in their chosen disciplines. Students will gain uncommon perspectives and approaches to complex problem-solving that will increase their leadership and serving capacities. Finally, such a program would assist Berea College in educating “servant-leaders for Appalachia and beyond” who are equipped to meet the complex economic and social challenges of the 21st century.

Next issue is on citizen activism in the mountains

Mountain Promise, the newsletter of the Brushy Fork Institute, is published quarterly. Our next issue will examine grassroots citizen activism in the mountains. If you have an article or a story idea, contact:

Mountain Promise

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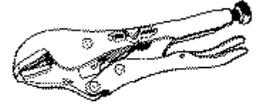
Visit us on the World Wide Web at: www.berea.edu/brushyfork



toolbox

How to hold a summit

Want to hold a workshop and don't know where to start? Here are some things to think about as you plan.



Identify Stakeholders

You know your topic, and you know what your audience needs to learn about it, right? Not necessarily! Since you want your participants to gain practical knowledge from your workshop, you must know what they need.

Step 1: Identify the stakeholders in your issue, and make sure they are represented in the planning stages. Ask for planning committee members from each constituency.

Step 2: Find out what they already know about your issue. What interests them about the topic? Where do they see it fitting into their own work? Answering these questions can help speakers tailor their presentations to participants' needs.

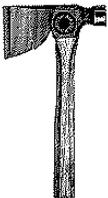
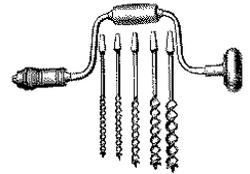
Step 3: Decide as a team what aspects of the issue are most important to cover in the workshop.



Choose speakers wisely

Often, speakers are chosen by their availability, rather than their ability. But there are multiple resources available to help you find dynamic speakers who can fit your schedule and budget. They include:

- ◆ Your stakeholders
- ◆ Local colleges and universities
- ◆ Non-profit organizations
- ◆ Local and State Government
- ◆ Schools



Don't forget the coffee!

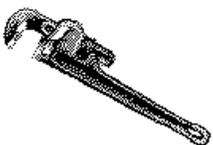
With the multiple concerns of food and lodging, supplies, meeting locations and times, the first step is to develop a logistics checklist. The team should go carefully through the agenda, and make a list of all needs for each section. Important things to remember include:

- ◆ Room reservations – be sure you get times and dates in writing.
- ◆ Meals and snacks – with so many people watching their health, heavy pastries and sweet snacks are no longer the norm. Be sure to offer healthy alternatives like vegetables and fruits, bagels, etc.
- ◆ Flipcharts and easels, markers, stapler, scissors, and other supplies – it's also good to have supplies for participants. Someone always forgets a pen!
- ◆ Audiovisual equipment – be sure to ask all speakers what they need, and reserve in advance.



Remember – guests aren't familiar with your facilities as you are. Plenty of signs at all entrances let people find sessions quickly and easily. And a friendly staff of trained volunteers can overcome any last minute oversight.

If you want to put on a workshop in your area, Brushy Fork has numerous resources to help! Call us at 859.985.3858.



Social Entrepren



Changing to meet changing needs - The Hindman Settlement School

by Mike Mullins,
Director
The Hindman
Settlement School

The Hindman Settlement School's program philosophy is to be a good neighbor by taking the resources that it has to meet needs that are not being met by other agencies or groups. The Settlement's programs change to meet changing needs. The Settlement's philosophy of social entrepreneurship is to be concerned about the welfare of our fellow human beings, and be willing to organize, manage and take risks in order to do something to better their conditions.

Our society is changing, especially in Appalachia. We are in a technological age and we have the opportunity to take advantage of this technology. When the Settlement was

founded in 1902, we basically crawled into the 20th century because of the rugged isolation of the area. But now we have a chance to leap into the 21st century because of technology. We need to embrace this technology and use it as a way of providing opportunities for the people of this area. For example, technology could be used along with special training to help with the many challenges that we are seeing with an aging population. Two of the fastest growing areas of employment are in technology and the service industry. There is a tremendous need to provide service oriented jobs that will allow people from this area to live and raise their families in these hills. Social entrepreneurship should be used to help with the needs of our people while providing opportunities for employment.

The Hindman Settlement School has been entrepreneurial in its fundraising efforts. While we are always on the edge when it comes to funding, we try not to take unnecessary risks. Many non-profits overextend themselves and end up going under. We don't spend money we don't have. That is one of the reasons that we are one of the few Settlement institutions still in operation today. We have had a successful track record in fundraising because we

Famed author, James Still, Hindman resident and long-time affiliate of the Settlement, reads from his work.



The Hindman Settlement School

Located at the Forks of Troublesome Creek in Knott County, Kentucky, the Hindman Settlement School is a private, non-profit education and community service organization founded in 1902. During its early years, it served as a boarding and day school. With the advent of public education, the Settlement has developed programs to meet changing needs. They host the annual Appalachian Family Folk Week, where people live at the Settlement for a week and participate in traditional mountain music, crafts, and dance activities with teachers such as Lee Sexton and Jean Ritchie. HSS also hosts the annual Appalachian Writers Workshop, with such noted participants as James Still, Lee Smith, Chris Holbrook, and George Ella Lyon.

Entrepreneurship in Action

Brushy Fork's Leading Edge by Peter Hille, Director - Brushy Fork Institute

In 1992, Brushy Fork faced a crisis. At that time, nearly all of our funding came from foundation grants, and most of that was from one big grant. And that grant was about to run out. For those of you in the non-profit sector this may sound familiar, as does the usual solution—write more grant proposals! Of course, we did write more proposals, but we didn't just write proposals—we made a plan for a very different kind of economic future.

By 1996, things had changed dramatically. We now had a stable funding base spread into four roughly equal sectors: foundation grants,

government grants, contract income and funding directly from the Berea College budget. We accomplished this by applying fundamental principles of organizational entrepreneurship: building on vision, responding to change, seeking out opportunities and leveraging both current and future assets.

Often when we think of entrepreneurs, we focus on private enterprise, business startups or self-made millionaires. But the same approaches that make businesses grow and thrive can be applied in the non-profit world as well. Greg Dees calls this social entrepreneurship, and here

Hindman Settlement School (cont.)

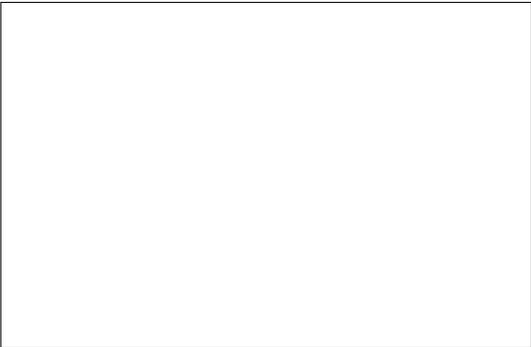
provide needed services in a quality manner and we are very good stewards of the monies we receive.

The Hindman Settlement School has also served as an entrepreneurial partner in a major community development initiative in our county. The Settlement provided the meeting spaces, staff support and several acres of land to help with this initiative. Over the past three years, approximately 100 residents of our county have been involved in a vision to action process. As a result of this process, our county received around \$20 million in monies for a variety of projects. And while the monies are important, the process of empowering the people who have taken ownership of this initiative is just as important. The social capital that has resulted from this process is making a major difference in how decisions are being made. The local power structure is being challenged to do what is best for our people as opposed to doing what is best for themselves.

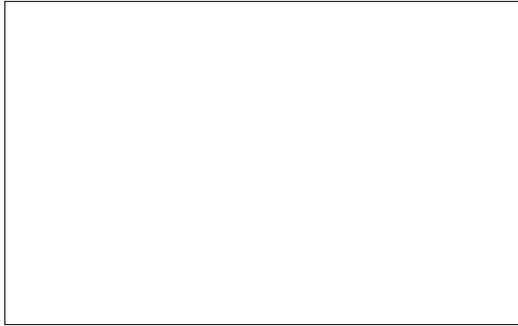
The rural areas of this part of Kentucky do not have a lot of resources to work with. Therefore, it is crucial that the conflicts relating to working together are done away with so that we can develop a sense of community. Once this is part of the dynamic, then social entrepreneurship can take place.

This allows participation by members of the community who have not been part of the process and expands the ownership of the projects to a greater number in the community. They see themselves as major players and their sense of worth relating to community involvement is enhanced. As a result, they become empowered and they will not easily give this up. They see that their ideas are part of the process, and they are willing to work hard to see that these ideas are implemented. And that's what social entrepreneurship is all about. It is an empowerment process.

The Settlement recently hosted a meeting of the National Advisory Council for Arts and Crafts, who met to discuss the new Kentucky School of Craft being built in connection with a Community Development Initiative Grant awarded to Hindman and Knott County. The School of Craft will be located adjacent to the Settlement campus at the Knott County Branch of Hazard Community College. Here, Dr. Ed Hughes, president of HCC, welcomes the Advisory Council and guests.



Brushy Fork's Leading Edge (cont.)



Brushy Fork Director Peter Hille works with citizens in the Pennington Gap, Virginia Economic Renewal program.

at Berea we've been discussing it in terms of entrepreneurship for the public good.

Brushy Fork made the transition from being dependant on one grant to having a fairly stable, sustainable base of diversified funding sources. Two elements of that transition may be useful in illustrating how entrepreneurship applies in the not for profit sector. First is the story of how we made that transition. Second is the implementation of our Leading Edge program of contract services, a key feature of the change to financial sustainability.

Making the change

There is an old joke about how many psychiatrists it takes to change a light bulb—only one, but the light bulb has to want to change. Any organization that seeks to make real changes will need to be motivated, and we were certainly motivated by our precarious financial outlook. Of course, many non-profits are in the same boat. What is often missed is the fact that in the private sector, businesses are always in that very financial situation of having to create income and maintain cash flow. When I was first hired at Brushy Fork, I was told that I could only count on three years employment, the period of the grant we had then. Coming out of the private sector, I thought, "Wow! Three years of guaranteed paychecks!" That was a lot more security than I was accustomed to in the building trades.

A big difference between businesses and non-profits may be that businesses have the clear expectation of making money. They are

constantly looking for ways to streamline, cut costs, increase production, explore new markets and develop new products. In the non-profit world, we focus on our mission instead of our bottom line. Non-profits get accustomed to scraping by and don't expect to thrive.

At Brushy Fork, then under Carol Lamm's leadership as director, we decided to use a strategic planning model drawn from the Wilder Foundation's excellent "Strategic Planning Workbook for Nonprofit Organizations." We began by doing a SWOT analysis: Strengths, Weaknesses, Opportunities and Threats. One of the assets we identified was a staff able to do facilitation and workshop presentations on a variety of topics, as well as organization development training. Combined with the looming financial threat, this was an obvious opportunity to match our talents with a ready market for these services. At the same time, we recognized a potential danger in offering our services for hire: would this dilute our sense of mission and detract from our "real" work? We decided to go ahead and explore the creation of a new program area of contract work, and to watch carefully to see how it developed.

Several other important strategies were included in our 1992 plan as well. To create a funding base that would be sustainable for the long haul, we set a goal of shifting to a balanced mix of grants, contract income, Berea College funding and other support. We decided to pursue more opportunities to work with other departments to better integrate our work with the rest of the College, which was also part of our strategy for seeking funding from the College.

Doing well by doing good

Contract work was not entirely new to us. We had done a few projects with other organizations, but we needed to expand this area of our work significantly. We decided to call this new area our "Leading Edge" program to emphasize the continuity with our work in leadership development. We created a marketing program, developed materials about the kinds of workshops and facilitation services we could offer, and set out to advertise our services.

The Center for Economic Options

By Marilyn Wrenn Harrell
Manager, Research and Development

When you talk about entrepreneurship in West Virginia, it is not long before someone mentions the Center for Economic Options. For over nineteen years, the Center, a nonprofit organization working statewide, has advocated for and supported alternative, home-based microbusiness.

“For many years, the Center was called ‘Women and Employment,’ but we realized that all West Virginians, particularly those in rural areas, need to be able to participate in the



Jason Lynch's business, E. G. Bears, has created income generating opportunities for several other residents of Tyler County--some with physical disabilities--who do piecework on the one-of-a-kind toys.

Leading Edge (cont.)

It took a while for us to get up to speed, but eventually we found we didn't need to continue actively marketing to have as much work as we could do given the size of our staff and our other program work. Within three years we were covering 22% of our budget with contract income. We have done workshops, organization development and other consulting work for foundations, state and federal agencies, non-profits and community organizations throughout Appalachia and, to a lesser degree, around the rest of the country as well. We have also learned several important lessons:

—Doing contract work actually helps us carry out our mission to the region. Despite our concerns about diluting our work, we have found that it actually helps us work with more people and make better connections with other players in the region. Since we began our Leading Edge program we have worked with over 3000 people.

—Contract work leverages our resources well. When we do one of our own workshops, we not only plan and conduct the workshop, but we also have to raise the money, recruit the participants, arrange the logistics, and report to the funders. When we do a workshop for another organization, we can focus on the workshop and do the same amount of training with far less staff time invested.

—Contract work increases our visibility and that of Berea College. We usually have the opportunity to explain a bit about Brushy Fork and Berea to participants. Most of our

contracts now come from previous work we have done. Often people will ask for more information about the College and we have been able to help connect prospective students with the Admissions Office.

—Some work that we could do was beyond our capacity. We set out at one point to do training for the newly forming school councils under Kentucky's Education Reform Act. This work was consistent with our mission and we were well suited to doing it. But we came to realize it could take all the time we could give it and we still might not be making as much of an impact as we could if we channeled that time into other areas. It was a matter of evaluating our limited staff resources in the face of a very large volume of work. We discontinued that project after several months.

The Leading Edge program has been a significant step in the evolution of Brushy Fork. It has provided a key element of our financial stability and enabled us to respond to real needs in the region with a great degree of flexibility. We have also been able to draw on this experience in helping other organizations explore ways to expand their funding base through fees for services. However, there is more to social entrepreneurship than just being creative about making money. Entrepreneurial skills may also be applied to building partnerships with other organizations, recruiting the participants we seek to serve, developing new programs, and accessing new resources to help communities in the region thrive.

Center for Economic Options (cont.)

economy,” stated Pam Curry, the Center’s Executive Director since 1988. “The name was changed in 1993 to reflect this awareness.”

The Center also realized through its years of practical research and strategy development that working with entrepreneurs to develop microbusinesses is perhaps the best way to create wealth for individuals and families.

“Microbusinesses not only allow people to use their skills and abilities, but they enable people to stay in their communities,” stated Curry. “If communities support local microbusinesses, then more money stays in the local economy — everybody wins.”

According to Curry, microbusinesses constitute an important segment of the economy in rural areas. “We know of situations where entire extended families are involved in microenterprise,” she said. “One person may grow and sell herbs and flowers, while their spouse does stonework and their sister-in-law makes arts and crafts.” Curry points out that it is rare to find a family where no one is engaged in some form of entrepreneurship. “In a lot of ways, it is an important part of our culture and heritage.”

Research commissioned by the Center backs up Curry’s intuition. A researcher with Marshall University’s Lewis School of Business found that ten percent of the West Virginia workforce, or over 73,000 people, are engaged in businesses that employ five or fewer people. Curry is quick to point out that these figures only include registered businesses and not the number of people who are engaged in non-registered enterprises. “Ten percent is a lot, but we believe it is the tip of the iceberg,” she said.

At some point, many of these entrepreneurs need assistance, and the Center is ready to help. The Center offers a variety of technical, educational, and financial services including land-owner workshops, networking opportunities, microbusiness training and counseling, marketing and brokering services, and special events. The Center connects related businesses through coordination of the Appalachian Flower, Forest Enterprise, Small Farms Networks. These networks allow rural entrepreneurs with similar businesses to meet and share ideas, learn from

Center for
Economic
Options
Director
Pam Curry



each other, access new sales opportunities and market their products collaboratively to reach markets that one business working alone could not. Through network meetings, the Center provides business and product development training designed to meet the specific needs of the businesses.

In 1999, the Center introduced a custom-designed regional service delivery model - *Options for Businesses and Communities: A Roadshow of Microbusiness Resources*. These events allow the Center to bring comprehensive services to people in rural, mountain communities. “Many entrepreneurs are not located in urban areas,” stated Curry, “and they have a hard time leaving their businesses long enough to both travel and attend training. That’s why we bring the training to them.” Invited by communities and local nonprofit partners, the Center tailors each regional roadshow according to the needs of entrepreneurs and residents of the specific community where it is held. Recognizing the key role that community organizations play in promoting and supporting local microbusiness development, the Center acts as a catalyst for strengthening those organizations and their abilities to serve local entrepreneurs by designing courses for them, as well.

“Marketing is most often cited as the biggest challenge rural entrepreneurs face,” said Curry. “We work hard to find ways to help them market their products and services.” For instance, in 1995, businesses in the Appalachian Flower Network participated in the Center-sponsored Appalachian Flower Showcase. This up-scale showcase attracted regional and high-end buyers from department stores

Creating an Entrepreneurial Environment: The Jackson County Entrepreneurship Center

By Phil Danhauer, Director

What community would not welcome 35 new businesses owned and operated by local residents? The Jackson County Entrepreneurship Center proves that rural communities that have the talent, interest and commitment to start new ventures can create jobs. Jobs creation occurs when individuals who have more than just a financial interest in a community starts a business. This process has multiple benefits because you not only end up with traditional business entrepreneurs but you also create social entrepreneurs. Look at who is active in community affairs — it is the local business owners. However it does require the community to create an entrepreneurial environment.

Statistics show that 43% of the people who start a new venture will start at least one other business. Of the 428 people surveyed by the Kentucky Long-Term Policy Research Center, 34.8% started their businesses with \$20,000 or less and over 55% of all start-up capital comes from family, friends or personal savings. In that survey, the top two significant obstacles in starting a business were lack of financing and government “red tape.” One is real and the

other is a perception. Both can be overcome with a strategy.

A community can create strategies for change. We believe that efforts should be at the local level. Communities can cultivate an entrepreneurial culture through training programs like the one in Jackson County. It removes the fear of the “red tape.” Ours is a 12 week course and we are presently conducting the ninth class with 15 participants in a community of only 13,000 people. The demand is there in your community. If your community has an interactive telecommunications center, you may be able to tie into our classes offered by the Jackson County Entrepreneurship Center. If you are not interested in a 12 week program, contact the Small Business Development Center (SBDC) at EKU about a shorter introduction seminar.

Traditional capital sources such as banks do not meet the needs of start-up ventures. Through a USDA Enterprise grant, we established a micro-loan fund of \$200,000 for higher risk funding of ventures up to \$25,000. If your community does not have a revolving loan program for small business then you are missing

Center for Economic Options (cont.)

and resorts — buyers that individual businesses would have had trouble attracting on their own. The deals that emerged from this event served as catalysts for several businesses to greatly expand. The Showcase served as a model for the 1999 People’s Market Place. For this two-day trade show and training event held at the Charleston Marriott Hotel, the Center targeted a wide-range of wholesale and retail buyers who would be interested in high quality specialty food, gifts, wood products and crafts. Over 60 percent of the exhibitors received major sales estimated to be worth over \$10,000 combined. Many more exhibitors reported making important business contacts.

By providing training, access to high-end markets, and exposure within the community, the Center is able to help rural entrepreneurs develop their skills, and grow their businesses to the level they want. “Everyone can add value to

their communities and economies by supporting their local microbusinesses,” stated Curry. “Our economy has historically been dependent on extractive industries usually owned by out-of-state companies that move out when opportunities elsewhere beckon. It is important for us to understand that we have a viable alternative to working for others — we can work for ourselves.”

Curry believes that this is an important message for young people, too. “If we can engage youth in entrepreneurialism, perhaps they will consider staying in their communities and starting businesses instead of believing their only option is to leave to find work,” she said. “We can re-develop our economic self-reliance, learn about and practice sustainable development, and help our communities be the best that they can be, now and in the future.”

Jackson Co. (cont.)

an opportunity to cultivate home grown entrepreneurs. Contact your local Area Development District for help establishing a program.

Work with your local Board of Education to create micro-enterprises in the schools. Forward in the Fifth of Berea can be a resource for a number of established programs available nationally. We established an Entrepreneurship Club at the high school that focused on individuals starting their own businesses. One of our students, Patrick Tamayo, operated his own snow-cone machine business at the county fair for the last two years.

In Jackson County, we established the "Attic Project" in partnership with St. Paul's Catholic Church that operates a thrift store under the same name. This project collects donated office equipment and furniture which in turn is distributed to new ventures to offset the higher start-up costs. Long John Silver's donated 200 computers to

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The Hindman Settlement School

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The Jackson County Entrepreneurship Center

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this project that were replaced in their stores. Effective strategies are developed by understanding needs and creating programming to satisfy those needs. It's like being in business — understand what your customer wants and provide it to them.

The Jackson County Entrepreneurship Center is operated by the Jackson County EZ Community, Inc. under a contract with ECU's Center for Economic Development, Entrepreneurship and Technology (CEDET). It is an example of a community providing a need through partnerships. As its name implies, CEDET is involved in a number of projects including the development of the Berea Artisan Center.

Provide education, technical assistance and capital funding, and listen to entrepreneurs

in your region. A small program is better than no program. Start where you are and build with what you have right now. Self-employment is an option and as a community leader, you have to "Make It Grow."

Social Entrepreneurship (cont. from p. 4)

relevance of their teaching by making it community-based. At the University of Richmond, faculty and students work together to address the information needs of community groups. This is the form of service-learning with the greatest possibility for integration in the classroom. It also puts the students on the cutting edge of new developments in community research. We also offer summer internships with the component of traveling around and seeing community leaders and institutions in their own context. This is critically important to any successful service-learning program.

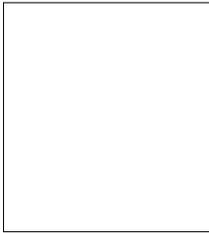
GD: The key to teaching social entrepreneurs is to reinforce the opportunity orientation

rather than stifle it. We teach people to be really good critics, but we're not really teaching them the best side of entrepreneurship, which is how to see the opportunity -- not what can be done and what can't be done, but *how* it can be done, and to think in that kind of how-to way.

Teachers do not often think of themselves as social entrepreneurs, but they are and can approach the subject from that standpoint. The key to teaching young entrepreneurs is to discover that spark in students and light that fire - giving them the skills to be more effective. And it is very important to continue asking "What is the public good? And what role do we play in pursuing that public good?"

EKLN Youth Explore Appalachian Culture

By Jamie Owens, EKLN Student Program Assistant



Being familiar and knowledgeable about our cultural heritage helps to shape our dreams, goals, and who we are as an overall individual, as well as carry these traditions out into our communities.

Our youth leaders are the messengers that will enable the preservation of Kentucky's history. Understanding Appalachia and our traditions as Eastern Kentuckians can play a vital role in helping to preserve our many wonderful traditions in our communities.

With these ideals, the East Kentucky Leadership Network Youth Program recently held its third conference on Thursday, February 24 at Appalshop in Whitesburg, KY. Nestled deep in the heart of the Eastern Kentucky coalfields, Appalshop is a not-for-profit organization with a mission to preserve the art and culture of Appalachia. Appalshop helps to capture the voices of the natives of this area through such mediums as film, pictures, radio, and art. Appalshop has a unique history beginning in 1969 with its work to preserve Appalachian cultural heritage, and fight poverty and cultural stereotypes about Appalachia.

Initially, the program was established to train mountain young people in media production skills. Appalshop sponsors a summer learning program called the Appalachian Media Institute (AMI) directed by Maureen Mullinax. This program is used as a tool to encourage high school students to speak their voice and learn about the film making process through hands-on experience.

Representatives from the program spoke at the workshop and led a discussion after viewing



EKLN participants check out WMMT - Mountain Community Radio at the Appalshop.

two of the AMI films. These films dealt with real issues of this region such as race, gender, sexuality, and domestic violence. One EKLN student commented, "The tapes were good, but they dealt with issues that were very hard to talk about." Most of the students were a little surprised that the films dealt with such controversial issues for our rural culture, but agreed that it was to their personal benefit to have this exposure. Another student commented, "We can't hide our minds in the mountains forever."

This session was followed by a collage of clips from eight to ten Hollywood features, network programs, and the recent HBO film by Rory Kennedy. Kentucky Arts Council Representative Judy Sizemore facilitated discussions regarding positive responses to these harsh stereotypes of the region.

The workshop ended with performances by the Shelby Valley High School Bluegrass Band and local storyteller, Ms. Angie DeBord. The Shelby Valley High School Bluegrass Band allowed our students the opportunity to interpret Appalachian culture in a contemporary voice. The band exemplified some of the roots of our culture, as well as providing some great entertainment.

What is EKLN?

EKLN is a collaboration of organizations involved in leadership development in eastern Kentucky counties for which Brushy Fork serves as the coordinating agency. The Youth Leadership Program, EKLN's first collaborative project, seeks to engage under-involved youth in the civic life of their communities.

Through the program, young people serve on local public boards and are mentored by active board members. These opportunities encourage young people to be active and involved community participants throughout their lives.

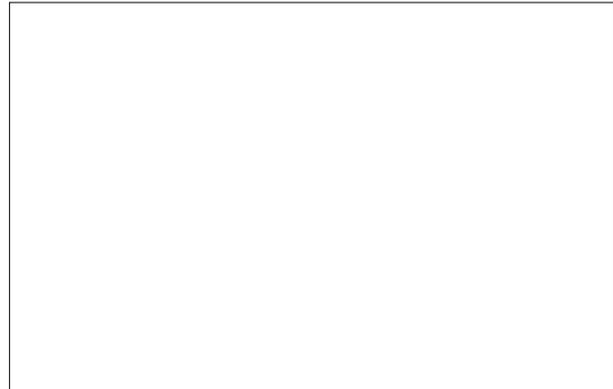
Cooke honored with BF Service Award

David Cooke of Boone County, West Virginia was awarded this year's Brushy Fork Service Award during the LDP return workshop on April 7 and 8. Fellow volunteer Norman Parsons presented David with handcarved wooden salad forks from Berea artist George Oberst at Sugar Hill Studio.

David has been a volunteer facilitator with Brushy Fork for 5 years, and his easygoing manner and listening skills make him a valuable asset to the program.

At the workshop, participants from Berea College, Johnson County, TN, Nicholas and Wayne Counties in West Virginia, and Wayne County, KY shared how much they learned through carrying out their projects.

Look for more details on their successes in our next issue!



Long time Brushy Fork volunteer and former Service Award winner Norman Parsons presents David Cooke (left) with the Brushy Fork Service Award.

New area code!



Brushy Fork has a new area code!

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