Project Name: Creating e-Entrepreneurs

Sponsoring Entity: University of Nebraska Rural Initiative

Amount Requested: $15,200

Project Summary

The University of Nebraska Rural Initiative, in partnership with the Nebraska Information Technology Commission's Community Council and Technologies Across Nebraska, is requesting $15,200 to work with 5 Nebraska regional groups to develop local plans for encouraging entrepreneurship and e-commerce and to provide educational programming on e-commerce, entrepreneurship, and business development.

Needs Assessment

In recent years, rural economic developers have shifted their emphasis from recruiting manufacturers to expanding existing businesses and encouraging the development of new businesses. *Crafting a Competitive Future*, a newly released report from the Federal Home Loan Bank and SRI International is one of many reports recommending that rural communities nurture entrepreneurship.   Business and entrepreneurial assistance is one of the items included in the recently announced Nebraska Economic Development Certified Community Program.

With the emergence of e-commerce in the 1990s, small, rural businesses began to discover that e-commerce offered a way to cost-effectively advertise their products and expand their markets. Early adopters like Papa Geno's and Annie's Jellies developed Web sites to grow their small businesses. Unfortunately, Nebraska firms appear to be adopting e-commerce at a slower rate than firms nationwide.   A 2004 survey of Nebraska businesses found that only 31% of small businesses had a Web site.   In comparison, 45% of small businesses nationwide had a Web site in 2001.

The impact of the Internet on small business goes beyond retail sales.   Nearly half (49%) of all businesses in the eBay/ACNeilsen survey reported that the Internet has helped them reduce costs. Small businesses reported using the Internet to purchase computers and office technology (54%), capital equipment and supplies (48%), and other business-related goods (59%).

Nebraska businesses are interested in implementing e-commerce practices.   Over half of Nebraska businesses indicated that providing detailed product/service information online (66%), reaching new customers (65%), being able to place online orders with suppliers (56%), and improving customer service through the Web (55%) will be important to their businesses in the future.   Over 40% percent of Nebraska businesses reported considering using information technology to expand or restructure in the future.   The biggest perceived barrier reported to using e-commerce practices was the preference of business owners for personal contact with customers (79%).   Other barriers included lack of time to implement and/or maintain a Web site (71%), cost of developing and maintaining an Internet system (68%), and knowledge of e-commerce practices (67%).

There appears to be a significant demand for training on e-commerce. Over one-half of Nebraska small businesses are either very or somewhat interested in learning about the following: using the Internet for customer/information/support (53%), marketing Web sites (53%), Web application development/hosting (52%), and how to find vendors/suppliers through the Internet (52%).

However, the demand for assistance in marketing appears to be even greater. Businesses participating in the Department of Economic Development's Business Retention and Expansion program have expressed the need for assistance marketing their products, in using e-commerce, and in developing Web sites. For the past two years, assistance with marketing has been the most requested service. In 2003, the most requested areas of assistance were marketing, recycling, and computer technology and networking. Twenty-one out of the 367 businesses from 21 counties participating in the Business Retention and Expansion in 2003 program indicated that they needed assistance with e-commerce. In 2002, the areas of assistance most often requested were marketing, followed by telecommunications and Web site development.

There are a number of e-commerce and entrepreneurship development programs offered in the state. The University of Nebraska Rural Initiative's Communities of the Future Team offers e-tailing workshops, the Nebraska Electronic Main Street program, and is developing an advanced e-commerce program. Workshops on using e-Bay are also offered. The NebraskaEDGE has received national recognition as a successful business development program. The Center for Rural Affairs also offers the REAP program to support and nurture entrepreneurs. Many community and state colleges also offer programs.

While individual business development and e-commerce training programs are valuable, a coordinated community effort targeting both business development and e-commerce training is likely to have a far greater impact.

Program Description

The Creating e-Entrepreneurs program will help five rural Nebraska regional groups stimulate economic development by addressing the business development and e-commerce training needs of local businesses and entrepreneurs. Rather than developing a one-size-fits-all program, project partners will work with participating regional groups to tailor the program to better meet the needs of local businesses and entrepreneurs. Involving local community leaders in the development of a plan to support business development and e-commerce will also help build local capacity.

The five regional groups will be selected through an application process. Regional groups can be county-wide, multi-county, or multi-community in scope. Regional groups which have participated in the IT Planning and Mini Grant program, the NebraskaEDGE program, and educational programming offered by the University of Nebraska Rural Initiative's Communities of the Future Team will be invited to apply. The program will be open to other regional groups as well and will be publicized through the Rural NewsBits newsletter, the NEDEV-L list, TANgents, and NITC.news. Regional groups will be chosen by a selection team comprised of

Technologies Across Nebraska members.   The selection committee will choose regional groups based primarily on organization and commitment. Every effort will be made to choose regional groups across all geographic areas of the state.

Regional groups will be able to choose from a cafeteria menu of training options, including existing training programs and supplemental workshops.   Grant funds will be used for the delivery of supplemental workshops or to subsidize the cost of existing training programs.   Up to $3,000 in training will be available per regional group.   A listing of suggested supplemental courses and existing courses is included in the appendix.   A sample budget illustrating the costs involved in delivering a one-day workshop is also included.   The Technologies Across Nebraska Partnership has a strong history of partnering with other organizations. Participating regional groups will also be encouraged to avail themselves of the resources of other providers in the area, including the Nebraska Business Development Center, local development districts, community and state colleges, the Center for Rural Affairs' REAP program, and the Center for Rural Entrepreneurship.

Project Goal

To foster economic development in 5 rural Nebraska regions by working with local leaders to develop a plan for encouraging entrepreneurship and e-commerce and to provide educational programming on e-commerce, entrepreneurship, and business development.

Expected Outcomes

- Five regional groups will develop plans for encouraging e-commerce and entrepreneurship
- At least 10 businesses in each participating region will participate in e-commerce and/or entrepreneurship training
- At least two potential new businesses in each participating region will be identified.
- At least two new business Web sites will be created in each participating region.

Evaluation

Web-based surveys will be used to evaluate the effectiveness of training programs.   Local will also be asked to participate in an evaluation to indicate the value of the program, the number of potential new businesses identified, and new business Web sites created.

Dissemination

The fall 2006 issue of *TANgents* will feature success stories from the program.

Timeline

Mid-June 2005
Publicize program and solicit applications

Early August 2005
Applications due

Mid August 2005
Select regional groups

Late August and September 2005
Set up meetings with local leaders and businesses to develop plans to support e-commerce and entrepreneurship

October 2005- May 2006
Deliver programming

June 2006
Evaluation

Fall 2006
Feature success stories in Technologies Across Nebraska's newsletter, *TANgents*

Budget

$15,200 is requested. $3,000 for each of the 5 participating regional groups would used to provide training.   An additional $200 would be used to contract for a Web-based survey tool.

	Mini Grant Funding Request	Match*	Total
Personnel Costs		$16,500	$16,500
Contractual Services $3,100 for speakers $200 for Web-based survey services	$3,300		$3,300
Capital Expenditures (Hardware, software, etc.)			
Supplies and Materials	$400		$400
Telecommunications	$900		$900
Training			
Travel	$10,000		$10,000
Other costs (room rental)	$600		$600
TOTAL	$15,200	$16,500	$31,700

Sample Outline of a Local Plan

Activity	Costs	Estimated grant charge
Introductory entrepreneurship and e-commerce one day workshop	$35 per participant $2547 UNL Inkind $351 local inkind	$2,616
Indepth Marketing workshop	$20 per participant $351 local inkind 500 UNL inkind	$384
e-commerce training	$50 per participant $351 local inkind $1,500 UNL inkind	
Nebraska Edge Program	$350 per participant $3,000 local contribution 3,000 coalition support	
Local Recognition of local entrepreneurs	$400 local inkind	
Local recognition of best use of e-commerce by a local business	$400 local inkind	

Sample Budget for a One-Day Workshop

Typical Workshop Budget

Income	Grant	Cash	In-Kind UNL	In-Kind Local
Regular Registration Fee:				
15 Registrations - 1 day workshop @ $35		525.00		
TOTAL INCOME	**-**	**525.00**		

Expenses

Personnel:

	Grant	Cash	In-Kind UNL	In-Kind Local
Local Planning: 14 hours @ $36 x 2			1,008.00	
Workshop & Preparation: 20 hours @ $36 x 2			1,440.00	
On-line registration prepm, processing & reporting: 5.5 hours @ $18			99.00	
Local Volunteers: 20 hours @ $17.55*				351.00

Facility Rental:

	Grant	Cash	In-Kind UNL	In-Kind Local
Internet access charges	150.00			
Meeting Room facilities	100.00			

Postage:

	Grant	Cash	In-Kind UNL	In-Kind Local
50 Mailers @ .37 each (brochure)	18.50			

Printing:

	Grant	Cash	In-Kind UNL	In-Kind Local
Brochure (250 per workshop)	12.50			
Handouts ($20 per participant)		300.00		
Registration materials	20.00			
Speaker materials	10.00			
Evaluation forms	10.00			

Speaker fees:

	Grant	Cash	In-Kind UNL	In-Kind Local
Average 4 presenters/panelists per workshop or $100 per hour for consultants	400.00			

Travel expenses:

Local Planning expenses:

	Grant	Cash	In-Kind UNL	In-Kind Local
2 Staff, 500 miles average, costs will vary depending on location	405.00			
Lodging - 2 x $75/night, will depend on location	150.00			
Meals per diem - 2 staff	70.00			

Workshop Expenses:

	Grant	Cash	In-Kind UNL	In-Kind Local
2 Guest Speakers, 500 miles average, costs will vary depending on location	405.00			
2 Staff presenters, 500 miles average, costs will vary depending on location	405.00			
Lodging - 4 x $75/night	300.00			
Meals per diem - 4 presenters and speakers	140.00			

Refreshment/Meals:

	Grant	Cash	In-Kind UNL	In-Kind Local
Ave. $15/pp x 15		225.00		

Registration Materials:

Credit Card processing fees	20.00			
Total Expenses by Source	**2,616.00**	**525.00**	**2,547.00**	**351.00**
Total Workshop Expenses	**6,039.00**			

*National volunteer hourly rate as determined by
the Independent Sector, Washington, DC.

Cafeteria Menu of Supplemental Workshops

E-commerce

Building the Web Store or Intro to e-Commerce 101- Today's businesses have numerous marketing channels to deliver their products.   This session will help you identify how to build or expand your business online. Learn the building blocks of a web store and discover what drives clienteles to purchase from Internet web sites

Marketing Your Web Store - so you have a website for your business but are you getting many hits. Learn many tips and tricks to market your website including the use of key words, page content, titles and descriptions. Learn how search engines work and about how web crawlers deposit information in databases and how they use key words in their searches.

Trends and Opportunities of Being Online – learn about doing business online, trends in ecommerce, web traffic, and online sales. When do people shop online and what are their characteristics. Who is the eCustomer and how do we reach them.

eBusiness the eBay Way - Start a part-time business selling online, or expand an existing business into the Internet market channel through an online auction. eBay$^{\text{O}}$ is by far the most popular online auction available on the Internet today. eBay $^{\text{O}}$has different venues for individuals, communities and business to be able to sell product. Learn the basics of doing business through an online auction.

Master Navigator for Businesses – Learn the basics of getting the most out of your computer, learn the most effective ways to search for business information and utilize email.

Building a Online Storefront using a Template – Learn how to create a simple webpage using Yahoo Site Builder.

e-Tailing Workshops – one day workshops - The workshop is designed for current and new business start-ups that want to sell products and services to customers through a retail website. The goal is to help increase profitability through e-Commerce. Workshop topics include E-Tailing Strategy, What do e-Customers Want?, Building a Web Store, Making the Web Store Run, and Site Marketing: Build It and They Will Come?.

e-Tailing – Selling on the Internet — Beginning - The four- session workshops are designed for current and new business start-ups that want to sell products and services to customers through a retail website. The session topics include Your e-Customer, The e-Store, Website Design Tips, and Marketing Mission – throughout the course you will be incorporating these concepts into your "I" Business Plan.

e-Tailing – Selling on the Internet –Advanced – This five week session workshop if designed for businesses that have been in online with their business for 3 to 5 years and are needing

additional education to move their e-Store to the next level. Curriculum topics include: Advanced Web Marketing, Creating a Customer Communications Center, Online Financial Systems, Security and Using the Internet for Inventory Control., Finding Vendors and Suppliers, Advanced Web Applications and Design.

Entrepreneurial

(Examples of workshops recently offered through the NebraskaEDGE Program. Most of the training was provided through business consultants.)

What Business Should I Start? - Have you ever dreamed of running your own business? Now is the time to make it a reality! Your participation in this workshop will help you discover your unique Entrepreneurial Type, based on your talents, personality, and passions. This session will help you to identify a potential businesses you could start based on your E-Type.

Will My Idea Work? - Putting together a business plan is a significant investment of time and money. An initial evaluation of your business idea will assist you in discovering road blocks. This workshop will help you identify these barriers and support your decision to make the most of your business investment

Creating the Customer Experience - Today's savvy business owners are offering more than just services, they are offering customer experiences. Customer Experience Management (CEM) realizes that businesses who provide their customers with great customer relations are more likely to pick up and retain their customers than businesses who either can't or won't. During this workshop you will learn how you can create a positive customer experience and become more proactive in your marketing strategy.

Building on Hospitality - People who deal with the public know their most important job is to make their customers feel welcome and at home. Hospitality means taking care of people, being a friend and helping them solve their problems. For customers to feel truly "at home" everyone in the organization must provide genuine hospitality. Learn how to integrate hospitality into all phases of your business, from communication to employee interactions. Creating a welcome atmosphere that brings customers to your door.

Proven Principles for Successful Marketing - Exposure is key for any kind of business, but how do you get exposure? How do you get to your target market? This workshop will cover basic marketing principles that will impact your business' bottom-line. Learn how to create a distinct identity for your business; the most effective way to distribute your message; how to build value for what you do; how to connect with your customers; and how to build your business without spending a lot of money. As part of the workshop, you'll also get a professional critique of your current marketing materials, provided you register early!

Other Topics

Workshops on additional topics may also be available upon request.