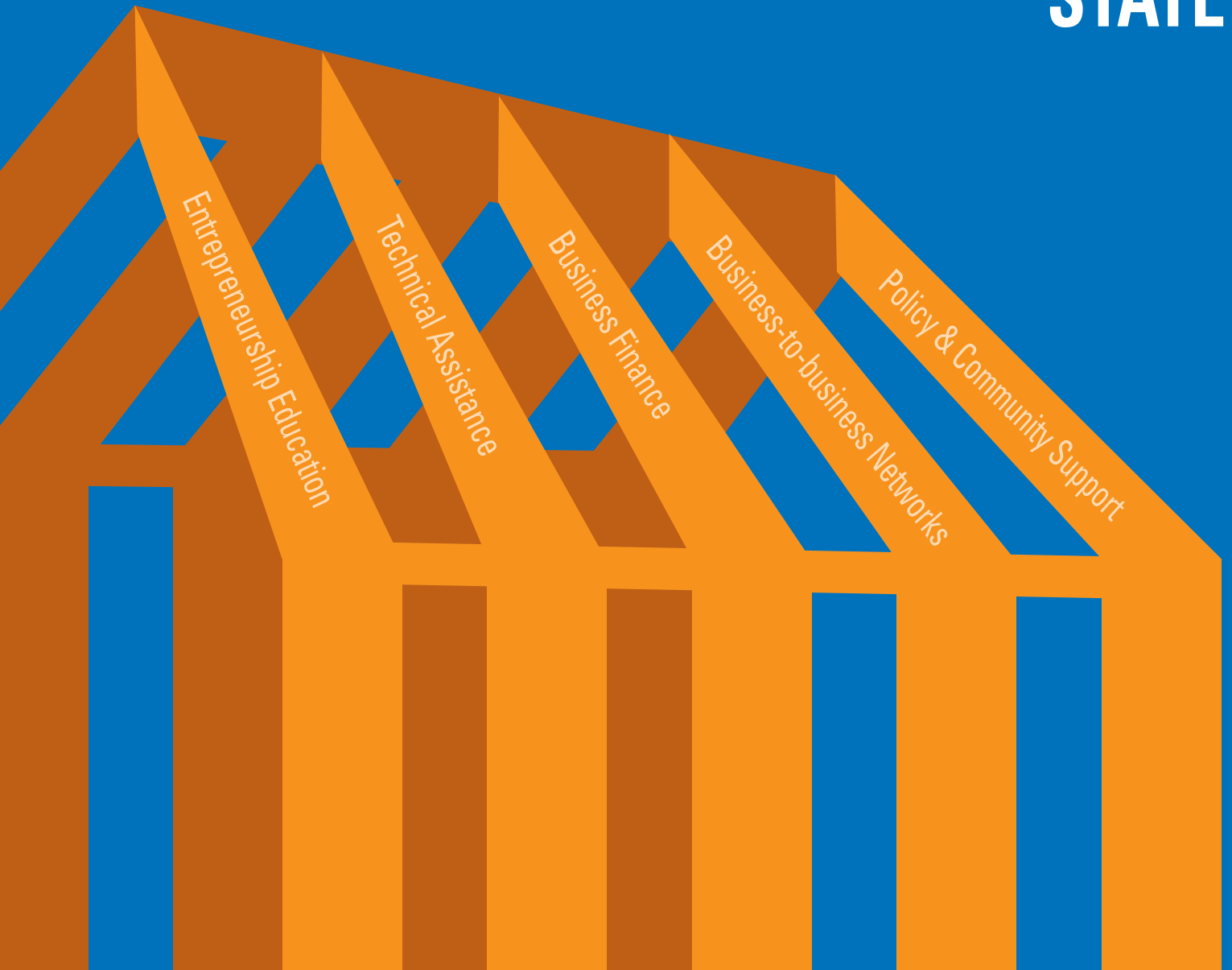


North Carolina the
**ENTREPRENEURIAL
STATE**



A Framework for Moving Forward

NORTH CAROLINA: THE ENTREPRENEURIAL STATE

A Framework for Moving Forward

As the 21st century opened, North Carolina stood at a crossroads. Agriculture and traditional manufacturing, two major economic sectors, were experiencing serious pressures, and even the new economy's electronics manufacturers faltered in the 2001 recession. In sharp contrast stood small businesses and entrepreneurial ventures.

Always strong but often overlooked, these small companies and startups account for a significant and growing portion of the state's economy. Of North Carolina's 223,000 business establishments, for example, 95 percent employ fewer than 50 people. Three-quarters employ fewer than 10. Yet all together, they account for more than 1.4 million jobs statewide.¹ Over and above these employer businesses are 551,000 self-employed individuals, whose numbers grew by nearly 20 percent between 2000 and 2004.²

Recognizing the potential to build on this entrepreneurial foundation, leaders of more than 50 organizations gathered in April 2006 for the state's first Entrepreneurship Summit. They determined that North Carolina was well positioned to become the nation's leading state in entrepreneurship. It was clear, however, that achieving this goal would require a number of steps to improve services and programs for entrepreneurs and to create an environment that encourages business start-ups and growth. These leaders dedicated themselves and their organizations to the creation and implementation of an action agenda that will put North Carolina at the forefront of entrepreneurship development.

They organized their work around five key imperatives.

- Foster entrepreneurship education at all levels. High-quality educational programs should be available to help people make informed choices about creating and managing businesses. This includes introducing grade-schoolers to the possibilities of entrepreneurship, challenging young people with business acumen and ideas, and providing targeted training for adults launching or already engaged in business operations.
- Broaden financial options for start-ups, research and development, and business growth. Significant gaps remain in North Carolina's business finance system. Rural entrepreneurs in particular need greater access to debt and equity capital. The problems may be addressed through fund development, changes in the tax code to encourage investment, and programs to support research and development. A concerted effort also is needed to improve financial literacy among adults and youths to better prepare them for the challenges of business ownership.
- Invest in a high-quality, integrated system of support services. At different times in the life of their businesses, entrepreneurs may need training, technical assistance, professional services or the advice of peers. These services should be available and easily accessible in every area of the state. North Carolina's existing system of services includes valuable components, but it is largely fragmented, under-funded and under-marketed.
- Strengthen business-to-business networking opportunities. Business people may learn best from each other. Formal and informal networks allow entrepreneurs to share experiences, ideas and resources, to trade goods and services, and to collaborate on new ventures.

Communities across the state need to find ways to link entrepreneurs with one another and with the business attorneys, tax experts and other professionals whose services are vital to success.

- Enhance the environment for entrepreneurship. Strong entrepreneurial sectors do not arise in a vacuum. State officials need to re-examine policies, programs, regulations, tax structure and the insurance system to ensure that North Carolina is hospitable to small businesses and entrepreneurs. Policy-makers should explicitly address the needs of entrepreneurs, which may vary significantly from those of large corporations. Communities, too, must understand and adopt the economic development strategies that will encourage business start-ups and growth, whether it means improving infrastructure or increasing public awareness of entrepreneurs' contributions to the community.

For the past year, work has progressed on these five imperatives. Committees have agreed on strategies, and individual organizations have responded with concrete solutions. This first round of initiatives and an outline of the major challenges ahead are summarized in the following pages. This is only a beginning. Individuals and organizations alike are committed not only to this agenda, but to making North Carolina a stronger state and ensuring the vitality of its economy through entrepreneurship.

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¹ Source: N.C. Employment Security Commission, 2006 data.

² Source: U.S. Census, 2000 and 2004 data.

STANDING COMMITTEES ON COMMERCE, SMALL BUSINESS AND ENTREPRENEURSHIP

Lead Organizations: House and Senate of the North Carolina General Assembly

Purpose: For the first time, the House and Senate have established committees with the express responsibility to consider issues relating to small business and entrepreneurship on a par with other aspects of commerce and economic development.

How it will work: The committees will consider bills filed in their respective houses and referred to them by the Speaker of the House or President Pro Tem of the Senate. In this first year, the committees are expected to hold hearings and invite testimony to increase understanding of their new areas of responsibility.

Committees membership:

	House	Senate
Chair	Margaret Highsmith Dickson	R.C. Soles Jr.
Vice chairs	Becky Carney, Bill Daughtridge, Edgar V. Starnes, W.A. Wilkins	David W. Hoyle, Tony Rand
Members	Lucy T. Allen, Cary D. Allred, Curtis Blackwood, R. Van Braxton, Larry R. Brown, Debbie A. Clary, Nelson Cole, Bob England, Jean Farmer-Butterfield, Mitch Gillespie, Bruce Goforth, Ty Harrell, William C. McGee, Wil Neumann, Bill Owens, Earline W. Parmon, Louis M. Pate Jr., Garland E. Pierce, Ray Rapp, Karen B. Ray, Ruth Samuelson, Fred F. Steen II, Cullie M. Tarleton, Edith Warren, Ray Warren	Tom Apodaca, Doug Berger, Philip E. Berger, Harris Blake, Julia Boseman, Walter H. Dalton, Katie G. Dorsett, Tony Foriest, James Forrester, Linda Garrou, W. Edward Goodall, Steve Goss, Malcolm Graham, Kay R. Hagan, Neal Hunt, Jim Jacumin, John H. Kerr III, Vernon Malone, Martin L. Nesbitt Jr., Robert Pittenger, William R. Purcell, Larry Shaw, Richard Stevens

Contacts: For the House committee, Rep. Margaret Highsmith Dickson, chair, at 919-733-5776 (Raleigh), 910-485-3870 (Fayetteville) or margaretd@ncleg.net. For the Senate committee, Sen. R.C. Soles Jr., chair, at 919-733-5963 (Raleigh), 910-653-2015 (Tabor City) or rcsolles@ncleg.net.

NORTH CAROLINA CONSORTIUM FOR ENTREPRENEURSHIP EDUCATION

Lead Organizations: University of North Carolina System
North Carolina Community College System
North Carolina Department of Public Instruction
North Carolina Independent Colleges and Universities

Purpose: The consortium will work to create a continuum of entrepreneurship education from kindergarten through graduate school and into the workforce. The ultimate goal is to prepare North Carolina's citizens — from their earliest ages and throughout their lifetimes — with the habits of mind and skill set to be agile, quick, creative individuals who can compete successfully in a global economy. With the formation of the consortium, North Carolina joins Illinois, Nebraska and West Virginia in creating statewide entrepreneurship education organizations.

Who will participate: The leaders of each of North Carolina's four educational systems will designate two representatives to form the consortium. In addition, President Erskine Bowles (UNC), President Martin Lancaster (community colleges), Superintendent June Atkinson (public schools) and President Hope Williams (independent colleges) invite the leaders of other organizations engaged in entrepreneurship education to join the consortium. These include N.C. REAL, N.C. Junior Achievement, 4-H, the N.C. Rural Economic Development Rural Center, Golden LEAF, teacher/faculty organizations and other stakeholders.

Why a consortium and how it will work: After the 2006 Entrepreneurship Summit, Superintendent Atkinson and President Lancaster served as co-chairs of the entrepreneurship education working group. This group recognized a large gap in the number and availability of entrepreneurship educational programs across the state. It called for a coordinated effort of all relevant organizations to develop a curriculum and professional development program that builds logically and progressively for lifetime learning.

As it answers this call, the consortium also will address specific needs cited by the working group:

- improved communication and articulation among all the grade and age levels involved with entrepreneurship training,
- creation of a forum to stay abreast of entrepreneurship issues and share best practices,
- better preparation for teachers and faculty to integrate entrepreneurial thinking skills into the curriculum, and
- demonstration of how entrepreneurship education affects student performance, for example, in inspiring youth to create businesses, creating better employees, encouraging innovation and retaining students in school.

These same priorities drive the national Consortium for Entrepreneurship Education, which has developed standards of content and practice for educational programs. The North Carolina consortium will explore the use of the national standards to ensure quality and consistent curricula.

The consortium will issue a progress report at the 2008 North Carolina Entrepreneurship Summit.

Funding: The consortium is being launched with existing funds of the participating organizations. Additional funds will be sought as work continues.

Contact: Trey Michael, Marketing Education Consultant, N.C. Department of Public Instruction, at (919) 807-3877 or amichael@dpi.state.nc.us

RURAL VENTURE FUND

Lead Organization: N.C. Rural Economic Development Center

Purpose: The Rural Venture Fund will offer a new source of capital specifically designed for qualified businesses in economically distressed counties of North Carolina. Investments will carry the expectation of a return, but on less demanding terms and over a longer period of time than available with traditional business financing. Through their growth, these businesses will create jobs and build wealth where they are needed most.

Who is eligible: Applications to the Rural Venture Fund will be limited to existing businesses located in Tier 1 counties, as designated by the N.C. Department of Commerce. Eligible businesses must demonstrate growth potential and must show that the owner would not receive financing from traditional sources.

Why a Rural Venture Fund and how it will work: Future economic growth in poor, rural counties depends on the success of small businesses. In the state's 40 most impoverished counties (Tier 1), 30,252 jobs have been lost since 2001 in large part because of textile, manufacturing and agricultural losses. By contrast, nearly 80,000 self-employed people generated approximately \$3 billion in business receipts in 2004. In addition, 26,733 establishments employed fewer than 50 people, accounting for 95 percent of all businesses with employees.

Many of these companies are solid businesses with steady growth and job creation potential in need of capital investment. Yet in the search for capital, they face disadvantages. Compared with high-growth urban companies — the focus of most equity investors and commercial banking institutions — they carry higher risks and offer lower anticipated rates of returns. Many seek lower amounts of capital, in the tens of thousands rather than millions of dollars. For potential investors, this would translate into higher costs per dollar invested. Furthermore, rural business owners tend to be unwilling to sell their companies, limiting one route by which investors could realize quick profits.

With its “patient capital” approach, the Rural Venture Fund enables the Rural Center to provide financing for this underserved market. It is being established with initial funding of \$3 million and will offer a variety of investments, from equity to subordinated debt. It should be fully operational within three months.

Target companies for investments will typically be classified as higher risk and in need of capital in the range of \$50,000 to \$350,000. They will be required to show growth potential and evidence they would not receive financing “but for” this fund.

The fund will be established as a program of the Rural Center. An advisory board, selected by the center, will approve all investment decisions. A subcommittee of the advisory board will conduct an initial review of applications and make recommendations to the full advisory board on a quarterly basis.

Through a collaboration with the University of North Carolina System, several UNC business schools will serve as points of intake for applications or deal identification, conduct investment-related research and data accumulation, and provide specialized technical assistance to companies doing business with the fund.

The center will employ a professional staff to market the program, identify companies with investment potential, close the deals, facilitate technical assistance and education, coordinate fund activities with participating business schools and the advisory board, and provide on-going monitoring and evaluation. The Rural Venture Fund will assist clients in the successful management of their long-term growth through targeted technical assistance.

The Rural Venture Fund will become the Rural Center's third finance program for small businesses and entrepreneurs. The Microenterprise Loan Program provides loans of up to \$25,000 in combination with business planning and technical assistance. The Capital Access Program allows commercial banks to approve certain higher risk loans with the backing of a special loan loss reserve.

Funding sources: Golden LEAF and the Rural Center have provided initial capital. Fundraising will be on-going with a total goal of \$7.5 million.

Contact information: Patrick Woodie, Vice President for Business and Natural Resources, N.C. Rural Center, at 919-250-4314 or pwoodie@ncruralcenter.org.

E-BUSINESS & WEB-CASTING MANUALS AND TRAINING SESSIONS

Lead Organization: The e-NC Authority

Purpose: The e-NC Authority is developing an e-business manual, a web-casting manual, and free training sessions on those topics for small businesses in rural North Carolina. In a 21st century business climate, no matter the product or service, engaging in technologically enhanced business practices is vital to long-term success and sustainability.

Who is eligible: Upon completion, the manuals will be posted on the e-NC Authority website (www.e-nc.org), giving free access to the business community and general public. The e-business training sessions will be targeted to entrepreneurs, small business owners, students and business service providers statewide. The web-casting training sessions will be targeted to service providers.

How it will work: The e-business manual will help entrepreneurs and small business owners understand how they can implement e-commerce and web-based tools to grow and sustain their operations. Among other topics, the manual will provide information and tips for effective networking and marketing through Internet searches, developing a strong web presence and selling products and services online. Both experienced users and newcomers will find the manual and training materials helpful in moving their business to an e-commerce environment.

To complement the manual, the e-NC Authority is working with the Rockingham County Business & Technology Center to develop e-business training materials that can be used by other service providers to help small businesses and entrepreneurs across the state. Training sessions about the development of e-business practices will be conducted by the Rockingham County Business & Technology Center staff and offered:

- Tuesday, Aug. 7, 2007, at Rockingham County Business & Technology Center in Wentworth, Rockingham County
- Wednesday, Aug. 22, 2007, at Northeast Technology & Business Center in Williamston, Martin County
- Thursday, Sept. 20, 2007, at Blue Ridge Business Development Center in Sparta, Alleghany County
- Wednesday, Oct. 24, 2007, at North Raleigh Hilton, in conjunction with the Rural Partners Forum of the North Carolina Rural Economic Development Center

The web-casting manual will show small businesses how to use this relatively new communication tool for commercial benefit and growth. The convergence of consumer technologies is proving that people are changing the way they do business, shop, entertain themselves and take care of their personal and financial health. Web-casting is a valuable method for reaching specific audiences with a specific message – be it the promotion of a new product or the dissemination of investor information. This manual will outline the equipment and steps needed to create a web-cast and post it online. Hands-on training sessions about creating web-casts will be held:

- Wednesday, Aug. 29, 2007, at New Ventures Business Development in Wadesboro, Anson County
- Tuesday, Sept. 11, 2007, at Blue Ridge Business Development Center in Sparta, Alleghany County
- Tuesday, Sept. 18, 2007, at Northeast Technology & Business Center in Williamston, Martin County
- Tuesday, Nov. 27, 2007, at the Southeast Information and Communication Technologies Symposium, tentatively scheduled to be held in Fayetteville

These efforts continue the e-NC Authority's ongoing partnership with the e-NC's Business and Technology Telecenters. Since 2001, the e-NC Authority has provided funding and other resources to create telecenters in seven rural North Carolina Tier I and 2 counties. These telecenters broker success for local businesses by providing technical, educational, financial and legal resources, initial start-up counseling, low-cost office space and public access to the Internet. The authority works with the telecenters and other organizations across the state on initiatives that focus on technology-based economic development and the value of access to high-speed Internet connectivity.

Funding Sources: The Kellogg Foundation and the e-NC Authority.

Contacts: Details about the training sessions and how to order printed copies of the manuals will be posted on the website (www.e-nc.org). Further questions about the e-business manual and training sessions may be directed to Angie Bailey, by e-mail at abailey@e-nc.org or by phone at 919-250-4314. Questions about the web-casting manual and training sessions may be directed to Donna Sullivan, by e-mail at dsullivan@e-nc.org or by phone at 919-250-4314.

N.C. LAWYERS FOR ENTREPRENEURS ASSISTANCE PROGRAM

Lead Organizations: North Carolina Bar Association Foundation
N.C. Bar Association Business Law and Corporate Counsel Sections

Purpose: The N.C. Lawyers for Entrepreneurs Assistance Program (N.C. LEAP) will provide free, business-related legal services to low-wealth entrepreneurs. The project will enlist and enable business lawyers (and other lawyers who have related practices) for the pro bono projects.

Who is eligible: N.C. LEAP will work with low-wealth entrepreneurs who need legal advice on one or more business-related issues but cannot afford a business lawyer. Ability to pay will be judged primarily by annual household income, adjusted for family size. Entrepreneurs living in an urban area will be eligible if household income is at or below 80 percent of the median for the metropolitan statistical area. Entrepreneurs in rural communities will be eligible if household income is at or below 80 percent of the statewide median. On a case-by-case basis, N.C. LEAP will assess the eligibility of entrepreneurs who have an annual adjusted household income of 80 to 120 percent of the applicable standard. In all cases, persons wishing to receive services through N.C. LEAP must certify that they cannot afford to pay for legal services.

The following is an example of how the eligibility criteria work. In 2003, the annual median income for a family of four in the Raleigh-Durham-Chapel Hill metropolitan statistical area was \$68,800. Thus, in 2004 an entrepreneur with a family of four would be eligible for services through N.C. LEAP if her household income were \$55,040 or less. Entrepreneurs with a family of four with household incomes of \$55,041 to \$82,560 would be considered on a case-by-case basis.

How it will work: Interested individuals should visit the N.C. Bar Association's website (www.ncbar.org) and click on the link to N.C. LEAP for more information. The website will contain an application. Individuals without access to the Internet may call the Bar Association Foundation (919-677-0561 or 800-662-7407) for more information.

N.C. LEAP will coordinate the efforts of attorneys who have volunteered to provide pro bono services and will attempt to match an attorney with each qualified applicant.

N.C. LEAP anticipates working with organizations throughout the state that support entrepreneurship. Organizations wishing to partner with N.C. LEAP should contact the director at the address listed below.

Funding sources: N.C. LEAP has received the majority of its initial funding from private donations from law firms and for-profit companies operating in North Carolina, dues allocated to the program by the Business Law Section of the N.C. Bar Association, an earmark from the N.C. Bar Association and grants from the N.C. Bar Association Foundation.

Contact: Applicants, attorneys willing to provide pro bono legal assistance, leaders of other organizations interested in working with N.C. LEAP and other interested persons should contact Milan Pham at the N.C. Bar Association Foundation at 919-677-0561 or 800-662-7407 or by e-mail at mpham@ncbar.org.

SMALL BUSINESS ENTREPRENEURIAL ASSISTANCE GRANT PROGRAM

Lead organization: Division of Community Assistance, N.C. Department of Commerce

Purpose: This new grant program will provide funding to help local governments create place-based economic development strategies. The primary goal of this special Community Development Block Grant (CDBG) initiative is the creation and retention of jobs benefiting low- to moderate-income persons.

Who is eligible: Priority will be given to county and municipal governments that are eligible to apply for North Carolina Small Cities CDBG funding and meet one of three other criteria:

- Tier 1 county as designated by the Department of Commerce
- municipality in a Tier 1 county
- participant in the department's 21st Century Communities Program

How it will work: With a total of \$1 million available for 2007, the Division of Community Assistance anticipates awarding five to seven grants of \$150,000 to \$250,000 each. Grants will be awarded to projects that focus on expanding small entrepreneurial businesses and promoting an environment that supports small business and entrepreneurship. Grantees will have 24 to 30 months to complete projects once funds have been obligated.

The application process will involve several steps, beginning in April with a workshop titled Gearing Up: CDBG Small Business Entrepreneurial Assistance Grant Program. At this workshop, interested local governments will receive complete information on program expectations, potential eligible activities, how to complete a pre-application process and the due date for pre-application forms. A panel of experts convened by the Division of Community Assistance will conduct the pre-application review.

In early summer, selected pre-applicants will be invited to submit full proposals and to participate in the final application process. This process will include a detailed application with clearly defined objectives and measurable outcomes, and on-site visits by Division of Community Assistance staff.

A public announcement/award ceremony of selected communities is anticipated by late summer.

Funding source: The North Carolina Small Cities Community Development Block Grant program, a federally funded program administered by the Division of Community Assistance, N.C. Department of Commerce.

Contacts: Local governments, consultants and regional councils of government will receive details about the Gearing Up workshop. Additional questions may be directed to Valerie Everette at 919-733-2850 extension 246 or veverette@nccommerce.com or Vickie Miller at 919-733-2850 extension 233 or vmiller@nccommerce.com.

NCSU ENTREPRENEURSHIP INITIATIVE

Lead organization: North Carolina State University

Purpose: The Entrepreneurship Initiative encompasses several new programs at NCSU, including a proposal for cluster-based economic development activities. The university also will make existing outreach programs that support entrepreneurial development more visible and thus more accessible. Through these efforts, it seeks to leverage and expand its capacity to foster entrepreneurship, develop high-growth-potential companies and commercialize new technologies, leading to job creation and retention across the state.

Who is eligible: Efforts will concentrate on commercial startups and microenterprises in North Carolina, employing one to five persons, with growth potential.

How it will work: The largest single component of the initiative is a proposal to create a program in entrepreneurship and regional cluster-based economic development. It focuses on high priority regional industry clusters: nonwoven and other advanced textiles, medical devices and advanced medical care, value-added agricultural and aquacultural products, and advance manufacturing of aerospace, automotive and marine products.

To support enterprise and cluster development, the university proposes adding specialists in industrial extension, cooperative extension, business development and trade in its outreach offices; speeding up the assessment and commercialization of new technologies; and coordinating its research and outreach efforts more closely with those of the state's economic development partnerships.

The university also will make a concerted effort to connect entrepreneurs in high technology industry clusters to university research and extension support, both on and off campus. A new website for the Entrepreneurship Initiative will serve as a portal to these resources.

These efforts build on the university's existing network of field professionals. The Cooperative Extension Service places faculty in every county in the state, and the Industrial Extension Service operates at 21 locations. In addition, the N.C. Small Business and Technology Development Center works in close partnership with all 16 UNC campuses. These programs will enhance the Entrepreneurship Initiative in other ways, as well. For example:

- NCSU is committed to expanding its team of community economic development field faculty, to provide business and financial literacy to entrepreneurs and assist them in qualifying for loans and investment capital.
- The Cooperative Extension Service — through field and campus faculty and the program for Value-added and Alternative Agriculture — assists agriculture producers and other potential entrepreneurs by providing business management resources and by networking entrepreneurs with appropriate technical faculty and resources at NCSU.
- The Small Business and Technology Development Center (SBTDC) statewide is focusing business services in low-wealth counties, identifying Tier 1 counties for intensified levels of support and working with county leadership and UNC partner campuses.
- The SBTDC is also partnering with the private sector to create new capital funds in five regions of the state, increasing the access of small businesses to seed money investments and second-stage investment capital.

- The Industrial Extension Service has launched its new focused campaign to have a \$1 billion impact for North Carolina by expanding its Lean Manufacturing and Six Sigma programs to improve production quality processes, especially in the health services sector.
- The Industrial Extension Service also supports the N.C. State Centennial Campus Technology Incubator, where 63 micro-sized firms are thriving through access to SBTDC counseling, university research programs and an entrepreneurial ecosystem.

As part of the academic side of the Entrepreneurship Initiative, the university has created a new major in entrepreneurship, expanded a minor in social entrepreneurship and added more courses in innovation, new product development and marketing both internationally and domestically.

A seed grant program of the Office of Extension, Engagement and Economic Development spans education and outreach. The office is dedicating \$50,000 a year for the next three years of the program to new initiatives in entrepreneurial education and extension activities on and off campus.

Funding sources: The proposed entrepreneurship and regional cluster-based economic development program is contingent upon a \$2 million request before the N.C. General Assembly.

Contact: James J. Zuiches, Vice Chancellor, Office of Extension, Engagement and Economic Development, Campus Box 7012, N.C. State University, Raleigh, NC 27695-7012; 919-513-0388 or james_zuiches@ncsu.edu. More information also is available at the website: www.ncsu.edu/extension.

ASU CENTER FOR ENTREPRENEURSHIP

Lead Organization: Appalachian State University

Purpose: The center will support new academic programs and coordinating activities for the increasing number of students interested in entrepreneurship at Appalachian State. It also will sponsor external workshops and seminars to support entrepreneurial growth throughout the region.

Who is eligible: Academic programs are open to all students at Appalachian State. All other programs are open to the public.

How it will work: Located in the Walker College of Business, the center consolidates and increases the college's existing entrepreneurship activities. It helps provide real-world entrepreneurship experiences, supports research and expands educational opportunities and interactions with successful entrepreneurs in the region and around the world.

On campus, the primary thrust is to increase opportunities for business and non-business majors to learn about entrepreneurship. As part of this:

- A concentration in entrepreneurship has been approved for business students beginning next fall.
- Five new courses in entrepreneurship have been created and are open to students in all majors: Understanding Entrepreneurship, Harnessing and Managing Creativity, Entrepreneurship Practicum, New Venture Creation and International Entrepreneurship. In the international course, students and faculty travel and work with students from overseas universities on new business ideas.
- An Entrepreneurship at Appalachian State Initiative steering committee has been convened to develop plans for making more entrepreneurship programs accessible to non-business students, including a possible minor in entrepreneurship. The committee is composed of faculty and staff members from across campus.
- A Young Entrepreneurs Symposium will be held on March 1 as part of EntrepreneurshipWeek USA. Six Appalachian graduates in their 20s will discuss how they have launched successful businesses.

Popular programs that will be continued include the annual Carole Moore McLeod Entrepreneur Summit, the "Pitch Your Idea in 90 Seconds" student business contest and the Association of Student Entrepreneurs club.

Another key part of the Center for Entrepreneurship's mission is to work with regional partners to support programs that engage more faculty and students externally in service to the broader community. Ongoing programs include:

- The Watauga Entrepreneur Development Partnership provides a series of community workshops with classroom training and mentoring to help aspiring entrepreneurs launch their businesses. Walker College of Business faculty members partner with the Appalachian Regional Development Institute and Watauga County to provide these workshops at no cost to participants. To date, workshops have already resulted in at least 10 new businesses.

- The High Country Business Network brings together successful entrepreneurs with startups through bimonthly meetings.
- An Entrepreneurship Practicum course has been developed and delivered in partnership the Small Business and Technology Development Center where teams of senior entrepreneurship students work on semesterlong projects with SBTDC clients.
- The Appalachian Enterprise Center, a joint effort between Watauga County and Appalachian State, combines resources for small businesses and a business incubator in one facility. The center houses the Appalachian Regional Development Center, AdvantageWest, SBTDC, SCORE and the Appalachian Energy Center. Incubator space will become available this summer and student ventures will be welcome. In the few months since the AEC has opened, it already has become the nerve center for economic development in the area.

Funding sources: Private donors, Appalachian State University, Watauga County, N.C. Rural Economic Development Center, AdvantageWest, Fund for Improvement of Post-Secondary Education

Contact: Bryan Toney, Director, Center for Entrepreneurship, Walker College of Business, Appalachian State University, Boone, NC 28608; 828-262-6196 or toneybc@appstate.edu. Additional information also is available on the center's website: www.entrepreneurship.appstate.edu.

ECU'S T2BRIDGE PROGRAM

Lead Organization: College of Technology and Computer Science, East Carolina University

Purpose: T2Bridge is a focused outreach program that provides one-on-one support to companies interested in licensing technologies with U.S. Department of Defense resources or translating their own innovative products or technology for use by the military.

Who is eligible: The program works with private sector businesses, with a focus initially on the Carolinas. Plans call eventually for serving the entire southeastern United States.

How it works: T2Bridge assists companies in several ways:

- Patent matching. The Department of Defense holds hundreds of patents on products ranging from medical to materials, many of which have potential commercial applications. The program will help match promising technologies with companies capable of realizing the commercial potential.
- Accessing military labs. Defense department laboratories may be used by the private sector to accelerate innovations that meet the department's needs. T2Bridge will help connect companies with those resources and arrange necessary agreements.
- Innovation acceleration. The program can provide services that help small- to medium-size companies translate existing technologies into military applications, develop the capacity for military-scale production and place the products in the military procurement system.
- Encouraging other R&D. The program will assist research-oriented companies in obtaining military and other federal funding to develop new technologies.

A cooperative effort between East Carolina University and Concurrent Technologies Corp., T2Bridge currently has two employees located at the Pitt County Economic Development Office in the Greenville Innovation Center. Plans also call for T2Bridge and the North Carolina Small Business Technology and Development Center to jointly fund an additional position to support mutual goals related to developing military contracting and manufacturing in North Carolina.

T2Bridge is patterned after TechLink, a technology transfer program operated by Montana State University and cosponsored by the Department of Defense and NASA. The two programs will collaborate on several aspects of their operations.

In addition to launching T2Bridge, ECU supports entrepreneurship through an investor network and seminar series. The Eastern N.C. Investor Network is a group of accredited investors who meet monthly to examine equity investments in private companies. Although the focus is on eastern North Carolina, the group also will consider deals from outside the region. More than 100 investors belong to the network. The Innov8r Series of monthly seminars educates entrepreneurs in the best business practices for taking new products or ideas to market.

Funding sources: Funding for T2Bridge has been provided by the ECU, Congress in a direct appropriation and the U.S. Department of Defense.

Contact: Dr. Ralph Rogers, College of Technology and Computer Science, Science and Technology Complex Building, Suite 100, East Carolina University, Greenville, NC 27834; 252-328-9603/9604; rogersr@ecu.edu. For further information concerning the Innov8r Series or Eastern N.C. Investor Network, contact Marty Hackney, Regional Director, Entrepreneurship Initiative, East Carolina University, 300 East First Street, Greenville, NC 27858, 252-328-6650 or hackneym@mail.ecu.edu.

WCU CENTER FOR ENTREPRENEURSHIP AND INNOVATION

Lead Organization: Western Carolina University

Purpose: The Center for Entrepreneurship and Innovation will serve as a hub to stimulate and commercialize new ideas and create new business ventures in western North Carolina. The long-term goal is to help reverse the loss of jobs and enterprises in the region.

How it will work: The center will be housed in WCU's College of Business and charged with providing entrepreneurship programs on and off the campus. It will build upon the university's existing undergraduate and graduate programs in entrepreneurship and support faculty research focusing on issues of innovation, new venture creation and growth, commercialization and technology transfer, and identification of funding sources.

Planned initiatives include an enhanced entrepreneurship curriculum; an innovation and entrepreneurship "boot camp" for faculty; a commercialization laboratory to support new ventures; collaboration with external agencies; and an innovation roundtable allowing successful entrepreneurs to share their success stories.

Who is eligible: The Center for Entrepreneurship and Innovation is intended to bring university faculty and entrepreneurs together in ways that spur new venture creation. WCU faculty are eligible to attend the innovation and entrepreneurship boot camp and to use the commercialization laboratory. Successful entrepreneurs are encouraged to participate in the innovation roundtable.

In addition to activities of the center, the College of Business offers a master of entrepreneurship program. With a strong distance-learning component, the master's program is accessible not only to students in Western North Carolina but anywhere else in the state and beyond. The program was named best in the nation in 2005, just two years after its inception. It claimed first place in a recent nationwide competition sponsored by the U.S. Association for Small Business and Entrepreneurship.

Funding sources: The WCU board of trustees approved the creation of the Center for Entrepreneurship and Innovation.

Contact: Bill Studenc, Senior Director of News Services, Office of Public Relations, Western Carolina University, 420 H.F. Robinson Building, Cullowhee, NC 28723, 828- 227-3083 or bstudenc@wcu.edu.

ELINGBURG DISTINGUISHED PROFESSORSHIP IN BUSINESS INNOVATION

Lead organization: Western Carolina University

Purpose: The Wesley R. Elingburg endowed professorship will allow the university to recruit a nationally recognized expert to the faculty to build a culture and practice of entrepreneurship on campus and within the western region.

How it will work: With an endowed chair, the university can offer not only prestige but a higher salary or other benefits to help it attract faculty of the highest caliber.

The Elingburg professor will work closely with WCU's undergraduate and graduate programs in entrepreneurship. He or she will be an important link among the College of Business, the master of entrepreneurship program and the new Center for Entrepreneurship and Innovation.

Funding sources: Wesley R. Elingburg, a 1978 graduate of WCU's bachelor's program in business administration and accounting, contributed a series of gifts totaling \$250,000. The University of North Carolina Board of Governors matched those gifts with \$250,000 through a program initiated by the General Assembly to encourage private support of public institutions of higher education. The matching funds make it possible for the university to create the \$500,000 Wesley R. Elingburg Distinguished Professorship in Business Innovation.

Contact: Bill Studenc, Senior Director of News Services, Office of Public Relations, Western Carolina University, 420 H.F. Robinson Building, Cullowhee, NC 28723, 828- 227-3083 or bstudenc@wcu.edu.

NEXT STEPS TOWARD ENTREPRENEURIAL LEADERSHIP

The organizations and individuals engaged in this process have made a strong beginning. Important new programs are being initiated now. Equally significant are the strategies outlined for the next set of actions. The agenda includes:

Foster entrepreneurship education at all levels.

- Integrate financial literacy and entrepreneurship education at the K-12 level, in colleges and universities, and in adult education.

Broaden financial options for start-ups, research and development, and business growth.

- Support the creation of regional or sub-regional seed stage or angel funds for startups with growth potential.
- Foster entrepreneurship through changes to the state tax code:
 - Provide capital gains tax breaks for founders and angel investors in qualified ventures.
 - Continue and expand the current Qualified Business Venture Tax Credit Program.
- Establish a North Carolina Technology Investment Fund to provide flexible matching funds to attract new federal research and demonstration centers to the state, leverage private funds and create linkages with higher education centers.
- Move the Small Business Innovation Research Matching Funds Program to the recurring portion of the state budget, and increase the program's visibility.

Invest in a high-quality, integrated system of support services.

- Put in place web-based portals that will allow business owners and prospective entrepreneurs, no matter where they live, to find and evaluate the tailored information and resources they seek.
- Develop better evaluation systems of services by measuring how they benefit small businesses and entrepreneurial activities.
- Increase state funding to technical assistance agencies based on their benefits.

Strengthen business-to-business networking opportunities.

- Build regional networks of rural entrepreneurs and help these new networks apply lessons from experienced groups.
- Recruit successful entrepreneurs to be mentors and coaches for start-up businesses.

Enhance the environment for entrepreneurship.

- Develop guidelines for community-based entrepreneurship initiatives.
- Create a new independent entrepreneurship policy think tank with a governing body made up of entrepreneurs.
- Explore policies and reforms that can improve access to affordable health insurance for small businesses, their employees and the self-employed.
- Evaluate and address the data and research needs to better track small business and entrepreneurship and their impacts at the state and local levels in North Carolina.

Clearly, though much has been done, even more work lies ahead. Moving North Carolina from its current, promising position to the forefront of entrepreneurial leadership will require the dedication of many more people and organizations. To join in the effort, please contact:

Leslie Scott
Institute for Rural Entrepreneurship
N.C. Rural Economic Development Center
4021 Carya Drive
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The mission of the Rural Center is to develop, promote and implement sound economic strategies that improve the quality of life for rural North Carolinians, with special focus on individuals with low to moderate incomes and communities with limited resources.

A program of the Rural Center, the Institute for Rural Entrepreneurship works with numerous partners to stimulate and support the development of micro, small and medium-sized enterprises in North Carolina's 85 rural counties.

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