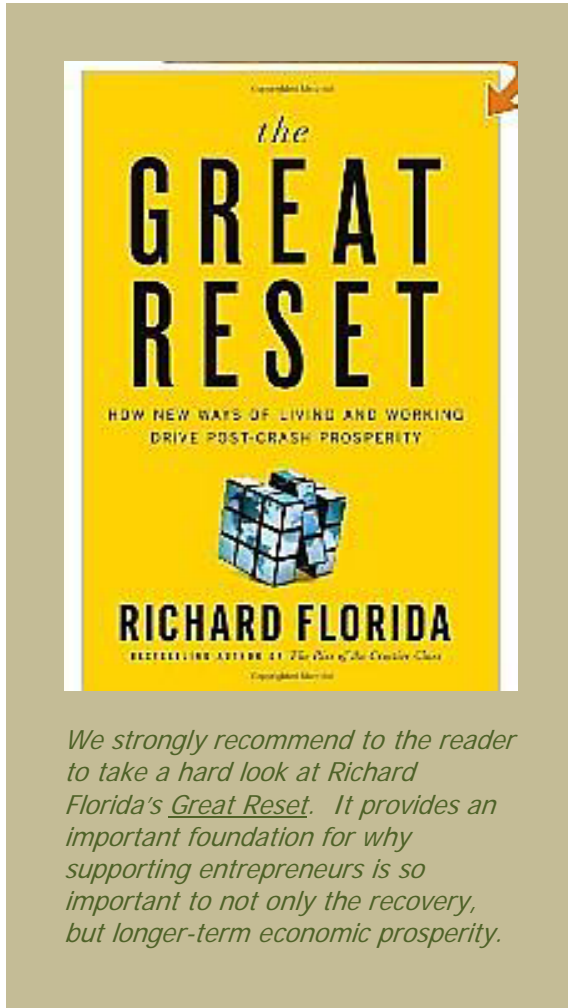


ENTREPRENEUR DEVELOPMENT OPPORTUNITIES *In the New Post-Recession Economy*



Great Recession Great Reset

In the depths of the Great Recession when hope of recovery seemed bleak we ran across Richard Florida's 2010 book The Great Reset, How New Ways of Living and Working Drive Post-Crash Prosperity. This is the same Richard Florida who has written and lectured across the world about the rise of the creative class.

In the Great Reset Florida explores how America returned to prosperity following the Long Depression of the 1870s and the Great Depression of the 1930s. He argues that out of all the pain and destruction associated with severe economic downturns new opportunity space is created that enables fundamental change and innovation in economic, social and civic arenas. This opportunity space is the green house for new and sustained prosperity.

Florida suggests that the Great Recession is really comparable to a depression in terms of its depth and duration of impact. He argues that when there is a recession we have a recovery or a return to a pre-recession like normal. But with a depression we have a reset when things fundamentally change.

Entrepreneurs – including business, civic and social entrepreneurs, are central to bringing about fundamental change and innovation enabling local, regional and national recovery and longer-term prosperity. **This paper explores entrepreneurial talent emerging from the Great Recession.**

Focusing on Where there are Opportunities!

Over the years the Center has had the opportunity to talk with, interview and survey thousands of entrepreneurs. Our findings agree with other research that a central key to the personal success of entrepreneurs centers on their ability to focus on the **right opportunities**.

Borrowing this lesson from successful entrepreneurs, communities and regions can enhance your economic development success by taking the time to identify your **genuine** entrepreneurial development opportunities. Some opportunities may be obvious, but most are more hidden like diamonds in the rough. It will **take thinking outside of the box** and a systematic process for identifying where your likely opportunities for development are located within your community.

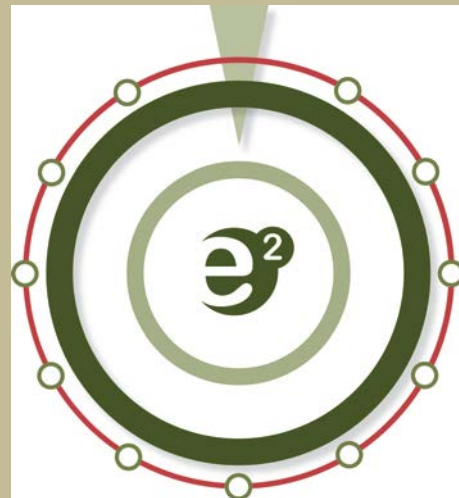
One key attitude to explore is looking for under-developed talent. Borrowing from sports, the arts or science – communities should begin looking for under-developed talent. Individuals or teams with potential that are motivated to get better as entrepreneurs. Focusing on under-developed talent may provide one of the cost-effective opportunities for growing your economy by enabling under-developed entrepreneurial talent to shine. The following link [Growth Entrepreneurs](#) will take you to a paper that Don Macke with the Center and Christine Hamilton-Pennell with Growing Local Economies recently completed that takes a deeper dive into this world of **growth-oriented entrepreneurs**.

Now let us explore the emerging world of entrepreneurial development opportunities evolving as the Great Reset assets itself in redefining economic, social and civic reality in communities across North America.

A Compass to Guide You

*Resources are tight, expectations for impact are great and your community needs to be really **smart** in where you invest in economic development. A key to success with entrepreneur-focused economic development is identifying and targeting certain kinds of entrepreneurs that want your help, can benefit from your help and hold the potential to grow creating economic development impacts:*

New Investment
New Jobs & Better Careers
Expanded Local Tax Bases



Emerging Entrepreneur Development Opportunities



Based on our field research we have identified eight unique emerging entrepreneur development opportunities within the United States. These are described in the following chart:

<p>Economic Restructuring The Great Recession led to business failures, reshaped markets and threatened the future of many existing businesses. Within the Great Reset there is fundamental economic restructuring that is driving entrepreneurial behavior and opportunity.</p>	<p>Under-Utilized Talent Unemployment and under-employment is at record levels. There is tremendous under-utilized talent right now looking for opportunity. Some of this talent will engage in entrepreneurship and others can provide energy for other ventures becoming more entrepreneurial.</p>
<p>Restarts Deep and long lasting recessions coupled with slow and uncertain recoveries create damage where businesses and careers fail. Across America there are millions of people trying to restart their lives by finding a new career to creating one by starting a business.</p>	<p>Immigrants Immigration has been a source of creative energy in North America for centuries. Immigrants are typically motivated to creating a new and better life in America. By leaving their home countries they illustrate a higher tolerance and capacity for risk taking. Many will become entrepreneurs.</p>
<p>Retired Maybe Pre-Great Recession the certainty of retirement by successful persons was relatively high. The damage done by loss of a job, decreased retirement savings and future uncertainty is driving many retiree track folks back into the economy. Some will become entrepreneurs, others will become investors and some will become key talent in newer ventures.</p>	<p>Government Resets Government is contracting and defense spending is likely to moderate. For those ventures that meet the needs of government and national defense they are looking at repositioning into new products and markets as a way to manage likely decreased or collapse of government and defense demand for their goods and services.</p>
<p>Glass Ceilings America is a land of opportunity, but gender, education, race, language and other factors still create glass ceilings in many careers. Where glass ceilings exist there is rooted motivation for engaging in entrepreneurial activity.</p>	<p>Technology Technological innovation and commercialization has long been an economic driving force. The need for new technologies continues to create new entrepreneurial energy and opportunities. With technology think more broadly.</p>

Now let's drill down a bit and be more specific about the kinds of entrepreneurial opportunities embedded in each of these eight theme areas:

Economic Restructuring

<p>Supply Chain Companies</p>	<p>There are hundreds of thousands of well-established and historically successful supply chain companies that are connected to major economic players like the auto industry, finance, electronics or even defense. During the Great Recession major player failed or nearly failed. Others have been moving off-shore in such key areas such as consumer goods, clothing and electronics leaving their supply chains without work. The leadership teams of supply chain companies are not typically entrepreneurial since these are mature relationships, but with the Great Reset there is lots of rethinking about how these supply chain companies need to reposition, diversify what they are doing and how to find new customers. They are reaching into the entrepreneurial space.</p>
<p>Market Challenged</p>	<p>Many smaller businesses that have often a long history of success are now challenged in this economy. Everything from once prosperous real estate developers to those in the hospitality industry to main street USA are facing new challenges with tighter credit, less affluent consumers and more intense competition. Many are looking for answers and open to help on how to control costs, build new markets and return to more consistent profitability.</p>
<p>Virtuals</p>	<p>New technology (particularly information technology – think smart phone), deregulation, out sourcing and other factors are creating opportunity for small and entrepreneurial virtual ventures. These ventures may not be large and are often tucked away in a basement or strip mall store front filling emerging market niches. Some grow up and become regional and national brand names (think Angie's list).</p>
<p>Natural Resource</p>	<p>The world's population continues to grow and particular consumers in the BRIC (Brazil, Russia, India & China) are becoming middle class consumers. The world's supply of natural resources – ranging from corn to oil to rare earth metals – is not growing as fast. There is a natural resource boom occurring in rural landscapes possibly best illustrated by the oil boom in Western North Dakota or the natural gas boom in Pennsylvania. These developments are creating a wide range of entrepreneurial opportunities.</p>

As you review these more detailed descriptions of where there is likely entrepreneurial energy and activity give some thought to whether there is play in your community or region. Also give some thought to how your development efforts might match up and support these entrepreneurs.

Next we want to explore the massive potential associated with those we are identifying as under-utilized talent. Remember the old public service announcement by the National Negro College Fund – *A mind is a terrible thing to waste?* Now take that idea to a much large scale and contemplate the millions of Americans with motivation, talent and some skills seeking only a chance to have a career and succeed in their life.

Under-Utilized Talent

<p>Unemployed & Under-Employed</p>	<p>We see the stories every day about the millions of American who have lost their jobs and are unemployed. There are also millions more Americans who have a job, but are under-employed. They are working in part-time jobs when they want full-time jobs. They have jobs that do not match their skills, education and career dreams. For some they will give up the job track and explore creating a new future for themselves as an entrepreneur or within a new entrepreneurial venture.</p>
<p>Revolving Doors</p>	<p>There is massive restructuring occurring in the economy today. Downsizing, outsourcing, merger and acquisitions are common. Thousands of highly motivate and very skilled workers are facing a constant revolving door where for a few months or year they have a great career and then their employer enacts outsourcing or the company is sold and their talents are no longer needed. The revolving door can drive this talent to consider an alternative path engaging in entrepreneurship.</p>
<p>Educated & No-Where to Go</p>	<p>Each year America graduates thousands of highly educated young people and even older adults. Right now the economy is not creating enough job slots to absorb all this educated, but less developed talent. They have nowhere to go. They are motivated and have skills, and some will become frustrated seeking employment and engage in entrepreneurship.</p>
<p>Veterans</p>	<p>They serve their country. In doing so they acquire unique skills and experiences. They are now coming home as America winds down two long-lasting wars. Some are “wounded warriors” and all are seeking a chance to make the transition from the military to a good career in the civilian economy. Unemployment rates among former military are higher than the national unemployment rate. Like others in this group, some will gravitate towards entrepreneurship as a way up and to a desired life.</p>

If you have spent any time learning about entrepreneurship and entrepreneurs you will be familiar with the idea that failure is part of the entrepreneurial process. Failure can be devastating and destroy lives. But failure can also be a learning opportunity and create deeper passion for realizing future success. Out of failure often comes a more genuine insight on what we need to change to become more successful. Blind spots and denial are addressed positioning a person for doing better next time around. Our next them area illustrates those we call restarts.

Key Insight...

While failure is a recognized part of entrepreneurship, an important support system goal should be to help entrepreneurs avoid catastrophic failure where permanent damage is done. Many ventures can wind down in a productive way leaving the door open for new efforts based on insight and new opportunities.

Restarts

Displaced Talent	They are talented and motivated, and they often have valuable experience and skills. But their jobs and careers have been displaced through business failures, downsizing, acquisition or outsourcing. It is a very tough job market for displaced workers and particularly those that have been out of work for a very long time. For some they will turn to the idea of starting a venture or joining an entrepreneurial startup as a way to put their talents back to work.
Failed & Restarting	People fail and people in businesses fail. Sometimes the failure is catastrophic and other times things simply run out of gas forcing change. Either way the downside of the 9-11 and Great Recessions are lots of business failures. Many of these businesses were doing well and even great before the recessions (think of real estate developers in Florida) but got caught when the economy went bad. Because they know success, they are likely to restart and re-enter the entrepreneurial space in time.
Transitions	America went on an economic roll beginning with World War II and extending all the way into the 1970s. There were good times in the 1980s and the 1990s were particularly strong. Many people entered business (ranging from lifestyle stores to family owned manufacturing businesses) during these growth times and now they are aging and want to retire. Across America there are millions of businesses that are up for transition. New owners represent the potential to bring new ideas.

Immigrants

<p style="text-align: center;">Driven</p>	<p>Over the generations America has been renewed and reinvented by waves of immigrants. Many if not most lacked advanced education, skills and even a command of the English language. But they had passion to better their lives and were driven to take the risks of coming to a new land. These driven immigrants are often entrepreneurial and represent opportunities to drive new economic activity in the communities where they migrate.</p>
<p style="text-align: center;">Skilled & Educated</p>	<p>For at least two generations America has been a destination for higher education and educated immigrants. These visitors (often wanting to immigrate) and immigrants are educated and often highly skilled. Many are in the areas of new economy like software development, bio-engineering and information technology. Some of these skilled and educated immigrants are entrepreneurial while others are talent for entrepreneurial ventures.</p>
<p style="text-align: center;">Safe Harbor</p> <p>Safe harbor immigrants tend to locate in "gateway" cities like New York, Miami and Los Angeles.</p>	<p>Despite all its challenges, America has been and continues to be viewed as one of the safer countries in the world. Some who live in other countries and have achieved professional and business success are drawn to the U.S. as a safe harbor. Establishing family members in the U.S. provides a hedge against political and economic instability at home. Programs like the U.S. EB-5 policy promoted immigration access through U.S. business formation or investment stimulating and supporting entrepreneurial ventures.</p>
<p style="text-align: center;">Refugees</p>	<p>America is an active global player creating waves of refugees associated with past and current wars and countries where views can threatened life. Some refugees are well educated while others are not. But refugees are generally motivate to realize success in their new homes. In some cases they pursue entrepreneurship as a pathway over-coming</p>

Retired Maybe?

Too Young	With better health and longer anticipated life-spans many retiree age persons are feeling they are too young to retire or retire full time. They want to remain active in their career. Some are forced to leave wage and salary jobs (forced retirement) and will deploy their motivations and skills in entrepreneurial ventures whether as entrepreneurs or employees to entrepreneurs.
Uncertain	Retirement expectations and planning has been up-ended with the Great Recession, transition from defined benefit to 401k retirement plans and longer post-retirement life spans. There are growing numbers of theoretical retirees (now 60 or 65) who are reconsidering retirement plans. Some are feeling the need to remain active. Some are re-entering the entrepreneurial space (given the tough job market) to keep active and generate necessary income.
Investors	For those who have achieved economic success and begun to retire they may become active as investors in entrepreneurial ventures.

Government Resets

Contractors	As we discussed in the opening to this paper the Great Recession is creating a Great Reset. Resets following major events like depressions enable fundamental change in economy, society and government. Clearly the role and size of government is under intense debate as part of this reset. Bottom line, government is a huge consumer at federal, state and local levels. Government is beginning to contract and this is impacting those well-established companies that sell regularly to the government. As government business slows, many of these companies will become more open to entrepreneurship seeking new markets and profits centers.
Defense Suppliers	America is one of the largest (both absolute and relative) investors in national defense globally. Thousands of private companies are part of the Defense Department's supply chains. But America is winding down two of its longest and most costly wars. As these wars are concluded spending for defense is likely to slow and even decline impacting defense related business. Like other government contracts, defense contracts will be pushed to be more entrepreneurial in finding new non-defense markets.
Higher Education	Public and private higher education is big business in the United States. There has been dramatic growth in higher education since World War II starting with the stimulus of the GI Bill, millions of new Baby Boomers seeking higher education and waves of international students. Like other sectors such as government and defense, higher education is looking at possible slower growth rates and contraction in some markets. These trends are likely to create some interesting entrepreneurial opportunities within higher education but also from those being displaced from it.

Glass Ceilings

Immigrants	We have already profiled immigrants. But it is important to note that many immigrants also face real glass ceilings that slow or stop their progression in wage and salary jobs. Like with other facing glass ceiling, immigrants may become frustrated and seek perceived greater opportunities and rewards through entrepreneurship.
Women	Women still make less than men with equivalent education and experience working in similar jobs. Despite remarkable progress in the wage and salary job world women still face the frustration of glass ceilings. For some entrepreneurship may be a way to greener pastures.
Minorities	America is one of the most diverse societies on the planet. But like women there continues to be discrimination that creates glass ceilings for some minorities. Business ownership has long been a pathway to greater success for minorities in the United States.
Persons with Disabilities	Like others facing glass ceilings, persons with disabilities often face real barriers to personal and economic success in more traditional wage and salary jobs and careers. Business ownership or outsourced contracting may offer unique entrepreneurial opportunities for some disabled persons.
Lacking Credentials	For some, they may have credentials back home or life experience that makes them qualified for better jobs, but they lack U.S. credentials blocking career pathways. For those lacking credentials necessary for certain careers, entrepreneurship offers an alternative path to greater personal success.

Technology

Those in American society who innovate with technology there has always been opportunities for entrepreneurship. We do not begin to cover all the pathways for technology related entrepreneurship in this paper, but the following table offers some of the more recognized currently blooming in the Great Reset economy.

Green	Growing concerns over climate warming and ecological sustainability is driving remarkable energy and innovation in what is often called “green” technology. Whether related to smart electrical grids or high efficiency construction, green technology covers a diversity of entrepreneurial activities all focused on the environment.
Bio-Technology	Human kind continues to learn from nature and adapt nature’s knowledge into new products, services and approaches. Collectively these activities all connect with bio-technology. Research, development and commercialization of bio-technology is driving a wide range of entrepreneurial opportunities.
Information Technology	The inter-net, the world wide web, cellular telephones and now applications are a fast growing part of our lives and economies. Within information is an explosion of entrepreneurial opportunities – large and small – reshaping the economy and society.
Pharma	One can argue that pharma is part of bio-technology. No argument here. But we specifically call out pharma as a fast-growing technology area that will become particularly important as a key driver to quality of life and life span today and in the decades ahead. While most pharma is the domain of very large national and international companies, there are a relatively large number of smaller entrepreneurial ventures innovating and selling into large pharma.

[The Center for Rural Entrepreneurship's](#) vision for rural America is one of vibrant communities and regions that embrace entrepreneurship, that find new sources of competitive advantage in their inherent assets, and that invest in a new more sustainable future for both present and future generations. The Center's mission is to help our local, regional and state partners achieve this future. We are committed to connecting economic development practitioners and policy makers to the resources needed to energize entrepreneurs and implement entrepreneurship as a core economic development strategy. We value collaboration and work with partners to bring the latest research, practice and policy innovations to leaders across rural America.

[The Rural Policy Research Institute \(RUPRI\)](#) provided founding support to create the Center for Rural Entrepreneurship in 2001. RUPRI's mission is to provide independent analysis and information on the challenges, needs, and opportunities facing rural people and places. The work of the Center for Rural Entrepreneurship, along with other centers and collaborations, helps RUPRI achieve this mission.