

OPEN-SOURCED ENTREPRENEURIAL DEVELOPMENT

CREATING AN ENTREPRENEURIAL COMMUNITY

BURT CHOJNOWSKI

BRAINBELT CONSULTING, INC.

BUILDING COMMUNITIES FROM WITHIN

CANTON, MO

MARCH 9, 2006





BURT CHOJNOWSKI

- **MOVED FROM CALIFORNIA TO THE 'BRAIN BELT' IN 1996**
 - **HELPED FOUND, FUND AND START A DOZEN IOWA COMPANIES**
 - **RAISED \$75 MILLION OF PRIVATE EQUITY FOR IOWA COMPANIES IN LAST 9 YEARS**
- **MEMBER OF IOWA CAPITAL INVESTMENT BOARD, COMMUNITY VITALITY CENTER, IOWA CULTURAL COALITION, AND FAIRFIELD ENTREPRENEURS ASSOCIATION**



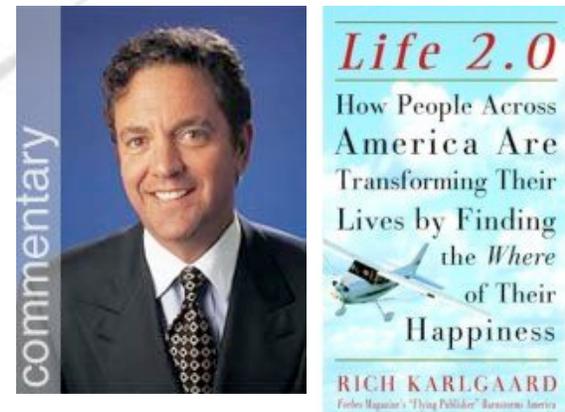


BRAIN BELT'S COMPETITIVE EDGE

- **INTERNET AND OVERNIGHT DELIVERY ALLOWS YOU TO LOCATE ANYWHERE**
- **LOW OVERHEAD, GOOD WORKERS HASN'T JUST LEVELED THE PLAYING FIELD FOR RURAL AREAS**

IOWA RANKS 3RD LOWEST IN NATIONAL COST OF DOING BUSINESS INDEX

- **TILTED IN FAVOR OF BRAIN BELT BECAUSE OF QUALITY OF LIFE**
- **CONCENTRATION OF INNOVATION AND RESEARCH**



BUSINESS 2.0

SILICON VALLEY WANNABEES

- 1) SILICON ALLEY NEW YORK
- 2) SILICON BOG IRELAND
- 3) SILICON GLEN SCOTLAND
- 4) SILICON MESA ALBUQUERQUE
- 5) SILICON VALAIS SWITZERLAND
- 6)  VALLEY FAIRFIELD, IOWA

TOP RURAL ENTREPRENEURIAL COMMUNITY

- **2003 GRASSROOTS RURAL ENTREPRENEURSHIP AWARD**
 - NATIONAL CENTER FOR SMALL COMMUNITIES AND KAUFFMAN FOUNDATION
- **2004 ENTREPRENEURIAL COMMUNITY OF THE YEAR**
 - COMMUNITY VITALITY CENTER

KAUFFMAN
Foundation



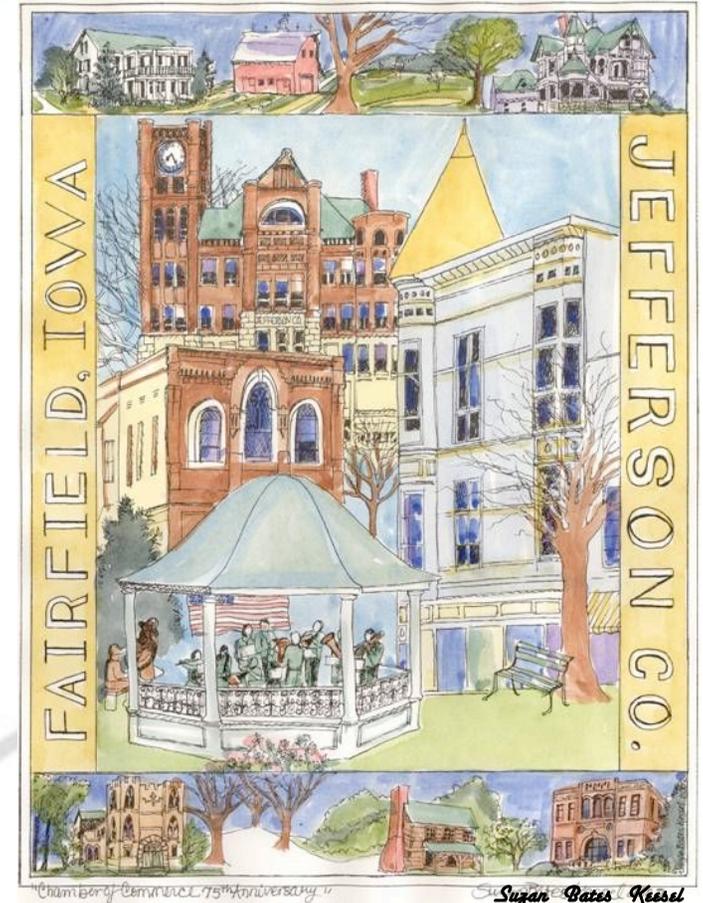
Center
for **RURAL**
ENTREPRENEURSHIP
*"Helping Rural America Realize its
Entrepreneurial Potential"*

Community
Vitality
Center



FAIRFIELD METRICS

- POPULATION: 9,400
- 60 MILES FROM NEAREST INTERSTATE
- EQUITY INVESTMENTS: \$250 MILLION
- NUMBER OF NEW JOBS CREATED; 3,000
- RANKED IN TOP 5 COUNTIES IN U.S. IN PER CAPITA GIVING
- MORE RESTAURANTS, PER-CAPITA, THAN SAN FRANCISCO
- NUMBER OF HQ COMPANIES – 60
- NUMBER OF NEWSPAPERS: 3
- MOST HOMES AND BUSINESSES HAVE HIGH SPEED INTERNET ACCESS



ENTREPRENEURS

EARLY STATE - STARTING UP

2ND STAGE - GETTING TRACTION

SERIAL STAGE - EXIT AND DO IT AGAIN

COMMUNITIES



EARLY STAGE - 1980's

- **LOTS OF TRIAL AND ERROR**
- **EARLY STAGE - RODE THE WAVE OF DEREGULATION**
 - TELEVISION ADVERTISING
 - TELECOMMUNICATIONS
- **CHAIN REACTION OF NEW VENTURES**
 - INFOMERCIAL
 - SOFTWARE
 - CALLBACK AND INTERNATIONAL TELECOM
 - SALES & MARKETING COMPANIES
 - BIO-BASED PRODUCTS



2ND STAGE - EARLY 90'S



- **FAIRFIELD ENTREPRENEUR ASSOCIATION (FEA) STARTED IN 1989**
- **ATTRACTED MAJOR OUTSIDE INVESTORS**
- **LEVERAGED INTERNET - INFRASTRUCTURE BUILT BY LOCAL ENTREPRENEURS**
- **DEVELOPED GLOBAL AND DIRECT MARKETING EXPERTISE**

FAIRFIELD ENTREPRENEUR ASSOCIATION PROGRAMS

- **CAPITALIZE ON LOCAL ENTREPRENEURIAL ASSETS**
ECONOMIC GARDENING
- **PEER-TO-PEER SUPPORT**
- **BUSINESS NETWORKING AND MENTORING**
- **WORKSHOPS, SEMINARS AND CONFERENCES**
- **BOOT CAMPS FOR DIFFERENT TYPES**
- **AWARDS**
- **TV PROGRAMS, LIBRARY RESOURCES**
- **'TOWN TURNED INTO INCUBATOR'**



WHY E-NETWORKING WORKS

- **90% OF WHAT ENTREPRENEURS LEARN - THEY LEARN FROM THEIR PEERS**
- **SUCCESSFUL ROLE MODELS AND MENTORS**
- **RE-DEFINE FAILURE AS A STEP OF INNOVATION**
- **SENIOR MANAGEMENT DEVELOPMENT**



BENEFITS OF E-NETWORKING

- **TAP INTO POWER OF COLLECTIVE WISDOM**
- **SPURS COLLABORATION AND CLUSTERING**
- **SUCCESSFUL ROLE MODELS AND MENTORS**
- **CATALYST FOR ESTABLISHED BUSINESSES TO GROW**



SERIAL ENTREPRENEURIAL COMMUNITY - LATE 90's



- **TELEGROUP IPO AND USA GLOBAL LINK SPAWNED COOLCALL AND A DOZEN OTHER TELECOM AND SOFTWARE COMPANIES**



CONTACTED SMART INVESTORS INCLUDING BAND OF ANGELS, GE.COM AND SAM ZELL

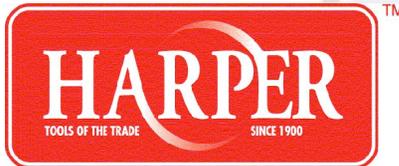
The Sky Factory

- **BOOKS ARE FUN EXECUTIVES STARTED A DOZEN MORE COMPANIES**
- **SENIOR MANAGEMENT EXPERIENCE, SERIAL ENTREPRENEURS AND ACCESS TO START-UP CAPITAL**



SUCCESS IS CONTAGIOUS

2002 FAIRFIELD ENTREPRENEUR OF THE YEAR – BARRY HARPER



- **100 YEAR OLD COMPANY - 10 YEARS AGO – \$3 MILLION IN REVENUES**
- **TODAY - GROWING 30% IN 2005 TO \$100 MILLION**
- **DOUBLING WORKFORCE IN 2005**

2003 FAIRFIELD ENTREPRENEUR OF THE YEAR – ERIC SCHWARZ



- **20 YEAR OLD COMPANY – 5 EMPLOYEES AND \$500K REVENUES 10 YEARS AGO**
- **TODAY – 160 EMPLOYEES, \$150 MILLION IN REVENUE, \$16 BILLION UNDER MANAGEMENT**
- **BROKE GROUND ON NEW OFFICE CAMPUS FOR 308 EMPLOYEES**



OPEN SOURCING WITH OTHER COMMUNITIES

- **NATIONAL RURAL ENTREPRENEURIAL
GATHERINGS -**
 - **RUPRI, CENTER FOR RURAL ENTREPRENEURSHIP AND
KAUFFMAN FOUNDATION - KANSAS CITY - FEB 2005**
 - **FARM FOUNDATION, COMMUNITY VITALITY CENTER AND
FEA - FAIRFIELD - JUNE 2005**
- **2006 - MAY 5-6, PROPOSED**

TOP PERFORMING REGIONS AND ENTREPRENEURIAL COMMUNITIES

- **CLUSTERING**
- **NEW INTERMEDIARY ORGANIZATIONS**
- **STATE WIDE PROGRAMS**
- **PEER MENTORING AND NETWORKING**
- **CHAMPIONS**

- **NORTHERN INITIATIVES – UPPER PENINSULA, MICHIGAN**
- **ACENET – ATHENS, OHIO APPALACHIA**
- **STATE OF GEORGIA**
- **DOUGLAS-COFFEE COUNTY**
- **AG VENTURES ALLIANCE**
- **MASON CITY, IOWA**
- **TUPELO, MISSISSIPPI**
- **WEAVERS GUILD – NEW MEXICO**
- **FAIRFIELD, IOWA**

Farm Foundation

**Community
Vitality
Center**

ENTREPRENEURIAL GATHERING CASE STUDIES SUPPORTED BY

FARM FOUNDATION – WWW.FARMFUNDATION.COM

COMMUNITY VITALITY CENTER WWW.CVCIA.ORG

7 STEPS TO CREATE AN ENTREPRENEURIAL CLASS

- 1. RECOGNITION AND AWARDS**
- 2. SUPPORT AND ACCELERATION OF 2ND STAGE COMPANIES**
- 3. PEER MENTORING AND NETWORKING EVENTS FOR EARLY STAGE ENTREPRENEURS**
- 4. BOOT CAMPS FOR ENTREPRENEURS**
- 5. WORKSHOPS AND SEMINARS**
- 6. BOOKS, MAGAZINES AND VIDEOS IN LOCAL LIBRARY**
- 7. LEARN FROM SUCCESSFUL COMMUNITIES**



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WIKIPEDIA

A NEW YORK TIMES BESTSELLER
"An extraordinary and deeply grounded... The Wisdom of Crowds by
Richard H. Thaler... The Wisdom of Crowds: Why We Make Decisions"
— The New York Times

**THE WISDOM
OF CROWDS**

**JAMES
SUROWIECKI**

WITH A NEW AFTERWORD BY THE AUTHOR



