

# Rural Louisiana

a quarterly publication of the Center for Rural Development at Louisiana Tech University

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Louisiana Tech University

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## IN THIS ISSUE: RURAL ENTREPRENEURSHIP

This issue of *Rural Louisiana* focuses on existing programs in Louisiana and around the country that can assist rural entrepreneurs. Entrepreneurs, defined as individuals who start small businesses that they intend to grow into larger companies, have been found by recent research to be responsible for most of the new jobs and wealth generated in the U.S. economy. Although Fortune 500 firms as a whole lost 5 million jobs over the past 20 years, during that same period small businesses and entrepreneurs created 37 million new jobs (National Governors Association).

Currently rural America lags the rest of the nation in the development of entrepreneurial, high-growth firms. This does not have to be. Based on his experience in working with rural communities, Don Macke, Director of Center for Rural Entrepreneurship at the University of Nebraska, believes that rural Americans have stronger entrepreneurial traits and more basic entrepreneurial experience than their urban counterparts. With support, these potential independent business persons can be an economic development resource for rural Louisiana.

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Farmers Market in  
New Iberia, LA



# Rural Louisiana

L A T E C H I N T H E C O M M U N I T Y

## KATHY WYATT TO DIRECT LA TECH SMALL BUSINESS DEVELOPMENT CENTER

Louisiana Tech University has hired Ms. Kathy Wyatt as the new Director of their Small Business Development Center (SBDC), effective March 1<sup>st</sup>.

Ms. Wyatt comes to the SBDC with a great deal of experience in working with the small business community in Northern Louisiana. Prior to her arrival at LA Tech, she was the Community Development Director for the City of West Monroe, LA.

The SBDC is a partnership between LA Tech and the U.S. Small Business Administration (SBA). SBDCs provide management assistance to new and existing small business owners. Assistance is available to anyone who is interested in beginning, improving, or expanding a small business. More information on the SBDC program is available online at [www.sba.gov/starting/sbdc.html](http://www.sba.gov/starting/sbdc.html)

The SBDC at LA Tech serves six parishes in North Louisiana: Bienville, Claiborne, Jackson, Lincoln, Union, and Webster. Other Louisiana parishes are served by other offices. Our website ([www.latech.edu/tech/rural](http://www.latech.edu/tech/rural)) will soon have a link to all of the offices around the state.

For more information contact:

Small Business Development Center  
P.O. Box 10318  
Louisiana Tech University  
Ruston, LA 71272  
(318) 257-3537  
sbdc@cab.latech.edu

## CENIT TRAINS FUTURE ENTREPRENEURS IN IT

The Center for Entrepreneurship and Information Technology (CenIT) is a new interdisciplinary center at Louisiana Tech. The Colleges of Engineering and Science and Administration and Business are jointly administering and staffing CenIT.

Funding for CenIT was provided by the Louisiana State Legislature as a way to promote an Information Technology (IT) sector in the state economy.

CenIT's activities include: creating an environment that fosters a culture of entrepreneurship among LA Tech engineering and business students, research and development of new information technologies, and conducting entrepreneurship activities that are targeted to meeting the needs of technologically underserved communities in Louisiana.

CenIT's website is: [www.cenit.latech.edu](http://www.cenit.latech.edu). Or you can contact the Director of CenIT, Dr. Leslie Guice at (318)257-4647 [guice@coes.latech.edu](mailto:guice@coes.latech.edu)

rural entrepreneurship (continued from page 1)

However, Macke cautions that rural communities "cannot invest most of their development time and resources into industrial attraction and hope that an entrepreneurial strategy will emerge and grow." States and rural communities need to invest real resources into encouraging and supporting their entrepreneurs. Investments include access to capital (including venture capital), education and continuing educational opportunities for entrepreneurs, assistance with networking and mentoring, and a supportive regulatory and licensing environment.

## LA TECH GRANT HELPS LOUISIANA'S RURAL SMALL BUSINESSES GET ONLINE

If you are a rural, small business owner in Louisiana who has considered using the internet to market your products or services take note. The Delta E-Commerce Connection (DECC) at LA Tech can help you.

Through a 5-year grant from the US Department of Agriculture to the LA Tech Department of Agricultural Sciences, DECC is providing one-day training seminars around the state in e-commerce. The project has held three seminars and the next seminar is scheduled for March 25th in Rayville and the following one is scheduled for April 24th in Bastrop. At these seminars participants learn what is involved in selling on the internet, how to set up a website, how to market their goods and services on their site, and some of the costs and

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*Rural Louisiana* is issued in March, June, September and December. All issues are available on our website: [www.latech.edu/tech/rural](http://www.latech.edu/tech/rural).

For more information about the Center, or to subscribe or unsubscribe to the newsletter, contact:

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## L A T E C H I N T H E C O M M U N I T Y

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possible benefits of e-commerce. The seminars are free and open to anyone who is interested.

Any small business owner who attends a seminar, and whose business is located in a rural community, is eligible to apply for direct assistance from the project to develop and host a website for their business. Businesses that are selected will receive: assistance in developing the website, free webhosting for one year, assistance with domain registration and the registration costs paid for for two years, and technical assistance in maintaining and evaluating the performance of the website for one year. By the end of the year, participants should have a good idea if selling on-line makes sense for their business. The project anticipates that it will be able to directly assist 100 small businesses in LA, MS, and AR.

For more information, please contact the project director, Dr. John Nwoha, at (318) 257-2303 or by e-mail at [nwoha@ans.latech.edu](mailto:nwoha@ans.latech.edu). The project's website is [www.deltacom.latech.edu](http://www.deltacom.latech.edu)

### OTHER RESOURCES FOR E-COMMERCE

There is a wealth of information currently available on e-commerce. The list below provides a good starting point for research. Each of these sources will provide you with links to numerous other sources.

(1) Klotz, Jennifer-Claire. (December 2002) **How to Direct Market Farm Products on the Internet**. United States Department of Agriculture AMS/TMP/MSB. Washington, DC.

This 50 page report is a great source of information about what it takes to research a market, develop a marketing plan, and develop a website to market agriculturally-

based products over the internet. Although it was written for ag-related businesses, it is useful for any small, rural business. It provides case-studies of actual, rural businesses and has an excellent list of suggested readings and trainings.

A hard copy of the full report can be ordered for free on-line at

(3) [www.ecomresourcecenter.com](http://www.ecomresourcecenter.com) is a clear, well organized, easy to navigate site, with general information on e-business. For each topic, the site provides links to both commercial and non-commercial sites.

### DELTA E-COMMERCE SITE: THE MONKEY POD

Laura Rainer of Ruston is one of the Delta E-Commerce Connection Project's early participants. Her site is [www.themonkeypod.com](http://www.themonkeypod.com). She is a glass artist and crafts person who designs hand-crafted stained-glass kaleidoscopes. "Although I had been making and selling the kaleidoscopes locally, I saw immediately that the ability to sell on-line would greatly increase my potential customer base," said Rainer. "Although my site is just up and running, I have had over 900 'hits' on it since January!"

Rainer cautions would-be entrepreneurs that selling on the internet is more than just assembling a few products and tossing up a webpage. "I was surprised by the amount of work and planning that went into developing a good site," she said.

Rainer also recommends that would-be new entrepreneurs start small and not assume a lot of personal debt until they are sure that they have a marketable product.

[www.ams.usda.gov/tmd/msb/msb\\_order.htm](http://www.ams.usda.gov/tmd/msb/msb_order.htm). For those with fast modems, the full report is available on-line at [www.ams.usda.gov/tmd/MSB/internet%20marketingf.pdr](http://www.ams.usda.gov/tmd/MSB/internet%20marketingf.pdr)

(2) [www.ecommercetimes.com](http://www.ecommercetimes.com) is a free e-commerce webzine (web-based magazine). It has a small business section with articles targeted to the infrastructure and other needs of small business owners regarding selling on-line.

(4) **National E-Team** is a joint effort of the four regional rural development centers to promote research, education, and outreach on e-business. It is an excellent source of links to on-line training, curricula, and research reports on e-commerce. Their website is [www.srdc.msstate.edu/e-team](http://www.srdc.msstate.edu/e-team).

# Rural Louisiana

## F E D E R A L   A N D   S T A T E   P R O G R A M S

The State of Louisiana and the Federal Government both offer loan programs, grants, venture capital, tax incentives and technical assistance that can be of assistance to rural entrepreneurs. Some programs are targeted to specific geographic areas, industries or populations (such as women, people living in poverty, and small businesses). What follows is not a comprehensive list of all programs available but rather is a cross-section of the types of programs that are out there. We will soon have more information available on our website ([www.latech.edu/tech/rural](http://www.latech.edu/tech/rural)).

### LOANS

The U.S. Small Business Administration (SBA) and the U.S. Department of Agriculture (USDA)'s Rural Development Cooperative-Business Service are the primary federal agencies offering loans to small businesses in rural areas. USDA's loans are specifically limited to businesses in rural locations.

Most of the State of Louisiana's loan programs are housed in the Louisiana Economic Development Corporation (LEDC) which is a division of the Department of Economic Development. However the LA Department of Agriculture also has some loans for agriculture-based businesses.

Both the federal government and the State of Louisiana offer guaranteed loan programs. This program enables private sector lenders to provide financing to small business that would otherwise have difficulty obtaining financing by having the government guarantee repayment of a major portion of the loans in the event of a default.

Both USDA and the State of Louisiana offer direct loans to rural businesses. The SBA does not

currently have funding for direct loans.

USDA and SBA also offer very low-interest loans to non-profit intermediaries to enable them to make low-interest loans. USDA also has a grant program for intermediary lenders.

### GRANTS

The LA Economic Development Award Program provides grants for publicly-owned infrastructure to assist industrial or business development projects.

USDA Rural Development also offers some grants to rural communities for economic development to assist with building infrastructure to support new businesses.

### VENTURE CAPITAL

Louisiana Economic Development Corporation (LEDC) has matching funds to assist with the development of pools of venture capital.

Louisiana also has used tax credits to encourage the development of pools of venture capital. The program is called the Louisiana Capital Company (CAPCO) tax credit program. Funds are targeted to specific industries. Application is made directly to the CAPCO. Information is available at [www.ofi.state.la.us/newcapco.htm](http://www.ofi.state.la.us/newcapco.htm)

### TAX INCENTIVES

Louisiana has a Restoration Tax Abatement program that provides incentives for restoring, improving, and developing existing structures in

targeted areas, including historic districts.

The LA Quality Jobs Program provides tax rebates to encourage businesses to expand or locate in Louisiana. There are restrictions as to what types of companies and jobs are eligible.

There are quite a few new federal tax incentives for businesses located in Renewal Communities in LA (see the box on the next page).

### TECHNICAL ASSISTANCE

The SBA administers a number of programs for the purpose of providing management and technical assistance to current and prospective small business owners. They include the Small Business Development Center program (SBDC) and the Business Information Center program (BIC).

Louisiana's Department of Economic Development has a Small and Emerging Business Development Program which provides managerial, technical and indirect financial assistance to certified small and emerging businesses in the state.

Both USDA and the LA Department of Agriculture can provide technical assistance for individuals interested in food and ag-related industries.

### WEBSITES

USDA Rural Development  
[www.rurdev.usda.gov/rbs](http://www.rurdev.usda.gov/rbs)

Small Business Administration  
[www.sba.gov](http://www.sba.gov)

Louisiana Department of Economic Development  
[www.lded.state.la.us](http://www.lded.state.la.us)

# Rural Louisiana

## L O U I S I A N A N O N - P R O F I T S

### MACON RIDGE ECONOMIC DEVELOPMENT REGION

Macon Ridge is a non-profit based in Ferriday, LA that works to promote and enhance economic development in Northeast Louisiana. Included in its programs are a revolving loan program and small business development assistance. In addition, it offers job training and workforce readiness programs to businesses and communities in their service region.

Macon Ridge also administer the Federal Renewal Community Program in Northern and Central Louisiana (see box below). They can be reached by phone at (318) 757-3033 and their website is: [www.maconridge.org](http://www.maconridge.org).

### ECONOMICS INSTITUTE

The ECONomics Institute is a non-profit organization based at Loyola University, New Orleans. The Institute works to create opportunities in the food and agriculture sector for socially responsible economic development. In particular, the Institute works with small scale producers and entrepreneurs who are adding value to produce by packaging, processing, or marketing it. Most of their work is in New Orleans and the surrounding area. Their phone number is: (504) 861-5898 and e-mail is: [ecoinst@loyno.edu](mailto:ecoinst@loyno.edu). Their website is: [www.loyno.edu/economics.institute/index.html](http://www.loyno.edu/economics.institute/index.html).

### LOUISIANA PLANNING DISTRICTS

Louisiana is divided by legislation into 8 planning districts. Each district is an independant entity, generally organized as a non-profit with representation from both the public and private sectors. The mission of the planning districts is to promote the general welfare of the region by coordinating federal, state, parish and municipal activities.

Although the districts differ in the services that they offer, most provide assistance to communities and businesses in economic development. They are also a good source of information for local and state programs. This website is the main page with links to each of the eight districts: [www.state.la.us/census/plandist.htm](http://www.state.la.us/census/plandist.htm)

### ENTERPRISE CORPORATION OF THE DELTA

The Enterprise Corporation of the Delta is a market-driven community development financial institution working to improve the lives of Delta residents through developing businesses. They offer trainings, technical assistance, loans and venture capital. In LA they work in 11 delta Parishes. They have a Monroe office which can be reached at (318) 340-9613 [egoodwin@ecd.org](mailto:egoodwin@ecd.org). Their website is: [www.ecd.org](http://www.ecd.org)

### RENEWAL COMMUNITIES IN LOUSIAIANA

The Renewal Community (RC) program is a federal initiative, administered by the U.S. Housing and Urban Development Agency (HUD) that provides federal tax incentives in targeted areas to encourage economic development. Included in the program are tax incentives for hiring people from the renewal community, for constructing or rehabilitating commercial property, for environmental clean-up and for equipment purchases.

There are four RCs in Louisiana. Two are made up of urban parishes and two are rural. The Rural RCs are overseen by Macon Ridge Economic Development Region.

For more information, contact Macon Ridge at the number above, or see the following websites:

The official site of the RC in Louisiana  
[www.Renewallouisiana.com](http://www.Renewallouisiana.com)

HUD's website for Renewal Communities  
[www.hud.gov/offices/cpd/economicdevelopment/programs/rc/index.cfm](http://www.hud.gov/offices/cpd/economicdevelopment/programs/rc/index.cfm)



Louisiana's Eight Planning Districts

# Rural Louisiana

## NATIONAL ORGANIZATIONS THAT FOCUS ON ENTREPRENEURSHIP

### THE CENTER FOR RURAL ENTREPRENEURSHIP

The Center for Rural Entrepreneurship is a research and policy based center housed at the University of Nebraska, Lincoln. Its goal is to be the focal point for efforts to stimulate and support private and public entrepreneurship development in communities in Rural America.

The Center's website, [www.ruraleship.org](http://www.ruraleship.org), is loaded with information, including research reports, case studies, and policy information. The Center offers a free electronic newsletter, Rural E News, which describes recent developments in rural entrepreneurship. To subscribe, go to the website.

The website also provides surveys that can be used by communities to assess their current support of local entrepreneurs. The Center can help rural communities assess the results of these surveys. They are available under the Tools section of the website.

Finally, the Center offers a speakers bureau and customized technical assistance as well as policy academies to help communities and states develop entrepreneurially-friendly policies and programs.

Contact: Don Macke, Director (402) 323-7339, [don@ruraleship.org](mailto:don@ruraleship.org)

### EWING MARION KAUFFMAN FOUNDATION

The Kauffman Foundation is a grantmaking institution whose funding mission is to promote "self-sufficient people in healthy communities." The main website for the Kauffman Foundation is [www.emkf.org](http://www.emkf.org).

One of the Foundation's primary focus areas is encouraging and supporting entrepreneurs. To this end they offer a website, [www.entreworld.org](http://www.entreworld.org), that

provides a wealth of information on entrepreneurship programs, policies, training, research, as well as links to other related organizations.

### THE NATIONAL COMMISSION ON ENTREPRENEURSHIP

The National Commission on Entrepreneurship provides local, state and national leaders with the information that they need to develop a flourishing entrepreneurial population in the United States.

Their website, [www.ncoe.org](http://www.ncoe.org), contains access to research reports and data on entrepreneurship, a bibliography of suggested readings, a newsletter, case studies, and links to other key websites.

### NATIONAL GOVERNOR'S ASSOCIATION'S (NGA) CENTER FOR BEST PRACTICES - ENTREPRENEURSHIP

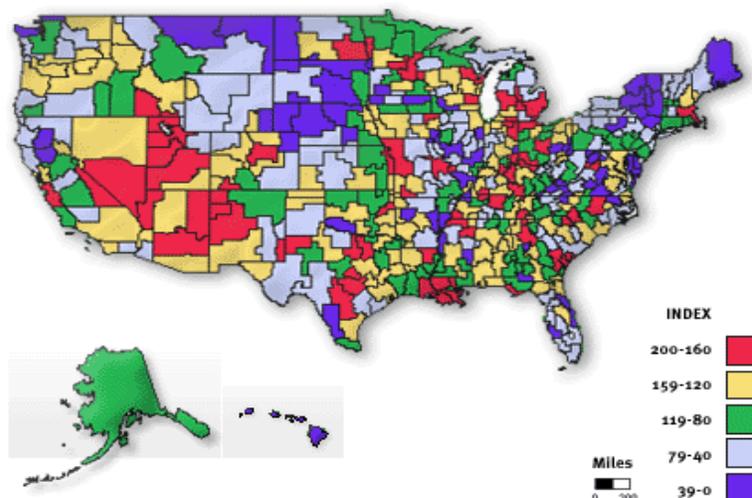
The National Governor's Association has had a major initiative to study and document the state's role in entrepreneurship since 2000. The state governors working on this initiative have attempted to translate their knowledge into policy recommendations.

Their site has a number of reports on the state's role in promoting entrepreneurship as well as links to other sites and reports of interest. [www.nga.org/center](http://www.nga.org/center).

### LANDSCAPE OF HIGH-GROWTH COMPANIES

1992-1997, by Labor Market Area

by The National Commission on Entrepreneurship



# Rural Louisiana

## OTHER RESOURCES FOR RURAL ENTREPRENEURS

### EXAMPLES FROM OTHER STATES

Here are a few examples of programs in other states that are supporting their rural entrepreneurs.

#### GROW Nebraska

GROW is a non-profit marketing association focusing on artisans and home-based entrepreneurs in Nebraska. The core services provided include, jurying, retail and wholesale markets, cooperative advertising, a website presence and educational events. Participants pay an annual membership fee of \$75 to access GROW's services. GROW's website is: [www.growneb.com](http://www.growneb.com).



An entrepreneur works in the ACENet Food Ventures Center incubator kitchen

#### Wisconsin CapVest

Wisconsin CapVest is a venture capital fund in the state of Wisconsin that is specifically targeted to rural, high-growth small business. Once fully capitalized, the fund will be a stable source of funding that will be available through small-town community banks. Their website is: [www.communitybankers.org/fs\\_capvest.htm](http://www.communitybankers.org/fs_capvest.htm).

#### Appalachian Center for Economic Networks (ACENet)

ACENet is a community economic development organization in southeastern Ohio which receives funding from the State of Ohio Departments of Agriculture and Development, as well as other government agencies, foundations and schools.

In 1993 ACENet created the Food Ventures Center where entrepreneurs in Southeastern Ohio could rent kitchens and equipment to turn crops into value-added products without the expense of buying the expensive equipment to test an idea. The Center provides assistance with product development, business and planning assistance, computer training, training on using commercial kitchen equipment, marketing and distribution assistance and venture capital.

In its first three years ACENet provided technical assistance to more than 150 businesses, and 70 entrepreneurs used the facility.

ACENet's website is: [www.acenetnetworks.org](http://www.acenetnetworks.org) or they can be contacted at (888) 4-ACENET or by e-mail at [info@acenetnetworks.org](mailto:info@acenetnetworks.org)

For more examples of innovative programs in other states that are directed at rural communities see:

(1) The National Governor's Association's report, which was issued in February 2003, *Innovative State Policy Options to Promote Rural Economic Development*. The report is available on their website: [www.nga.org/](http://www.nga.org/)

(2) The Center for Rural Entrepreneurship has a series of monographs that describe innovative Entrepreneurship programs. These are available on their website: [www.rureship.org/](http://www.rureship.org/)

### OTHER RESOURCES

(1) [www.myownbusiness.org](http://www.myownbusiness.org) is a free, web-based, training and assessment guide for potential entrepreneurs.

(2) *Building Better Rural Places: Federal programs for sustainable agriculture, forestry, conservation and community development. (USDA/ATTRA, 2001)*

This extremely useful publication, which was a joint effort by USDA and two non-profits, outlines a large number of federal programs that can be of assistance to rural communities.

The report has three sections with federal programs that directly pertain to entrepreneurship: financing businesses and new enterprises, management assistance, and marketing assistance.

The 152 page guide is available online at [www.attra.ncat.org/guide/resource.pdf](http://www.attra.ncat.org/guide/resource.pdf) or you can receive a free copy by mail by contacting: ATTRA, P.O. Box 3657, Fayetteville, AR 72702 (1-800- 346-9140).

# Rural Louisiana

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## UPCOMING EVENTS

### **Save this Date!**

#### **Center for Rural Development Annual Conference**

**“Planning for Change in Rural  
Communities”**

**June 9th 8:30-5:00**

**Louisiana Tech University**

Information and registration information about this conference will be available on our website [www.latech.edu/tech/rural](http://www.latech.edu/tech/rural) or by calling (318) 257-2919.



GTM - Home of the Center for Rural Development at LA Tech

In our June issue:

### **“Planning for Change”**

This issue of the newsletter will be a companion to our annual conference. It will provide ideas and resources for rural communities to use in planning community and economic development projects.