

A North Carolina Department of Entrepreneurship worth considering in NC

By: Gibbs Knotts and Gordon Mercer

The loss of manufacturing jobs continues to devastate North Carolina communities. Plant closings and the movement of jobs overseas have reached crisis proportions crippling local economies and debilitating thousands of families. The citizens of North Carolina cannot afford to watch job losses continue without a united response. State leaders must be proactive, implement coordinated approach to economic development, and consider creating a Department of Entrepreneurship. Working together, citizens, educational institutions, and government leaders can develop solutions to the state's troubling economic conditions. One of the most promising approaches to the state's economic woes is a focus on entrepreneurship. According to the United States Small Business Administration, small businesses account for half of the private workforce and generate 60 to 80 percent of the net new jobs each year. To discuss a coordinated approach to job creation, more than 500 business professionals, community leaders, students, and university faculty participated in an entrepreneurship conference held this fall at Western Carolina University. Conference sponsors included the WCU Public Policy Institute, the WCU Economic Development Administration, the City of Asheville, and the Asheville Citizen-Times. Conference speakers included some of the region's most successful entrepreneurs including Roger Bartlett of Western Builders, Leanne Campbell of Blue Ridge Motion Pictures, and Payson Kennedy of the Nantahala Outdoor Center. WCU professors Jim and Jo Ann Carland discussed ways to equip entrepreneurs with the necessary skills and elected officials, including Asheville Mayor Charles Worley and Winston-Salem Mayor Allen Joines, highlighted successful efforts to increase entrepreneurship in their cities. Former North Carolina Governor James Martin gave the keynote address at the conference. In addition to hearing speakers, conference participants were asked to complete a survey about entrepreneurship. Results of the survey will help develop strategies to foster small business development in the state. Survey respondents listed the availability of funding, a lack of mentoring, difficulties attracting qualified employees, increasing healthcare costs, inadequate infrastructure, and high local and state taxes as the greatest barriers to starting and succeeding in small business. Although government can play an important role in small business development, only 33 percent of the participants said that local public and elected officials cooperate with entrepreneurs to create a favorable environment for small businesses. Respondents suggested that local governmental leaders focus on downtown development, help in acquiring federal grants, implement sensible zoning, and provide self-sustaining microenterprise funds, and "fast track" licenses and permits. Survey respondents were even less enthusiastic about the level of support provided by state government. Of those surveyed, only 29 percent said that the North Carolina Legislative leaders were committed to creating entrepreneurial opportunities. Survey respondents requested decreased tax rates for small business owners,

incentives for businesses to stay in North Carolina, and streamlined state programs. To consolidate programs, some participants suggested structural changes such as the creation of a cabinet level Department of Entrepreneurship. Others proposed statewide and local Entrepreneurial Councils to advise elected leaders. Educational institutions received mostly positive responses from conference participants. Based on survey respondents, 58 percent agreed that colleges and universities were helpful in starting and expanding small business opportunities. Survey respondents encouraged colleges and universities to offer courses on entrepreneurship, technology, marketing, biotechnology, industrial organization, and small business management. Respondents also requested more on-line degree offerings from colleges and universities. Successful entrepreneurs often describe the importance of networking and mentoring in their development. However, only 32 percent of participants said there were sufficient opportunities for networking and mentoring to help small businesses grow in WNC. Community support is also important in small business development, but just over 39 percent of participants said their communities recognize and celebrate people who create and grow local business. In addition, only 24 percent said that their community had sufficient programs to encourage and support entrepreneurs in their development and growth. Given recent job losses, we think the current situation justifies the creation of a Department of Entrepreneurship in North Carolina. This could be done by consolidating and streamlining current programs. The creation of new jobs should become North Carolina's top priority and major structural changes and new policies need to become one of the top priorities of the North Carolina Legislature. We encourage the North Carolina Legislature to begin hearings on the creation of this new department. This major structural change would help move the entire state of North Carolina into the future. North Carolina has a record of leading the nation in creative approaches to economic development so this priority fits well with North Carolina's legacy. By working together and focusing on local business development, a strategy can emerge that creates jobs in the state and empowers citizens to have better control of their own employment opportunities.

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