

**e-CITIES: TWENTY-FIRST CENTURY
THINKING
FOR SMALL TOWN LIVING**

Kentucky Science and Technology Council

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FOR MORE INFORMATION CONTACT

KRIS KIMEL AT KENTUCKY SCIENCE AND TECHNOLOGY CORPORATION h PO Box 1049, LEXINGTON, KY 40588h
KKIMEL@KSTC.ORG h PHONE/606.233.3502 h FAX/606.259.0986h WWW.KSTC.ORG

e-CITIES:

Twenty-first Century thinking for small town living

CONTENTS / PAGE

ABOUT THE SPONSORS / 2

INTRODUCTION / 5

WHY CARE? / 6

WHAT IS AN e-CITY? / 6

WHY ARE e-CITIES IMPORTANT? / 7

ENTREPRENEURIAL PROCESS IN e-CITIES / 10

ELEMENTS OF AN ENTREPRENEURIAL ECONOMY / 11

SAMPLER FOR DESIGNING e-CITIES: / 12

GOVERNMENT / 13

PEOPLE / 15

PLACES / 16

DEVELOPMENT / 17

TECHNOLOGICAL INFRASTRUCTURE / 18

LEADERSHIP / 19

FIRST STEPS/NEXT STEPS / 21

APPENDICES:

COOL!IDEAS FROM KENTUCKY INC. '98 / 23

KSTC/LAJOLLA INSTITUTE MEETING PARTICIPANTS / 32

INTRODUCTION

Although we don't think about it much, there were two kinds of dinosaurs. There were the big ones that led pretty self-contained lives, and there were small ones that had to spend most of their time scurrying around, trying to avoid being eaten by the big dinosaurs. But when the world changed it was the adaptive processes of the small dinosaurs that allowed them to evolve. Small places have to be like the small dinosaurs – they have to be quick and responsive to survive.

David Freshwater, TVA Rural Studies

There is a growing recognition that the nature of our economy has changed in many ways, but perhaps the most important is the compression of time. Things that once took several hours or days now take place in minutes or seconds. We no longer expect to wait for services or goods to be produced or delivered to us, and trends develop and fade in the blink of an eye. While large urban centers were the first to experience these changes they have now diffused across the country so that e-mail, next day delivery, just in time inventories, chain stores and fast food are as ubiquitous in much of rural America as in New York City. However this faster world that consumers and businesses now live in often finds itself at odds with a slower and less responsive set of local institutions that comprise local government and all the civic organizations that administer the rules in communities. This presents a major problem for the 10,000+ local governments that have the primary responsibility for improving the quality of life in nonmetropolitan America.

Two immediate consequences come from the discord between what people want and what their city/county government can provide under often outdated rules. The first is an impediment to economic development as local institutions act as a brake on peoples' aspirations. This in turn can lead to conflicts among different parts of the community and lost opportunity. The second is a weakening of local government because people and business see it as either irrelevant to their lives or an obstacle. Because local government in smaller places draws most of its participants as volunteers from the community it can only be fully effective if it has the interest and support of the community. For smaller communities this is a critical issue since many of the functions that are the responsibility of professional staff in a larger place can only be accomplished in a smaller place if a steady stream of informed volunteers appears and replaces itself on an ongoing basis. Today as more responsibility is being transferred to local government from federal and state authorities, the ability of a city/county government to mobilize volunteers and garner public endorsement of local decision makers becomes critical to delivering what people want, thus making that place desirable.

Communities have always engaged in competition, whether it is among local sports teams or in vying for economic development opportunities. However the intensity of the competition has been increased because of the expansion of market forces and increased economic integration. Few places can still rely solely on traditional resources or activities to bring about long-term prosperity. Now natural resources are less important than man-made ones. Even when natural resources are a significant element of location decisions, generally there are a number of places

with comparable resource levels. The competitive edge comes from man-made, value-added opportunities created by the community itself, making a community's natural resource base a less critical factor in its future.

While place still matters to people, they now have much more discretion in which place they will live. For communities to prosper in the future they will have to be places that people want to choose.

Steve PonTell, La Jolla Institute

While in the past a community may have been able to afford to take a relaxed approach to dealing with its citizens and firms, this is now a recipe for economic decline. This implies that local governments and institutions have to find ways not only to be responsive to the articulated needs of the populace, but also to work toward identifying the unarticulated wishes of people and firms so that they all can be proactive in building a better community.

WHY CARE?

Kentucky can't ignore the fact that small entrepreneurial firms are the nation's most productive generators of wealth and high-wage employment.

From *Creating an Entrepreneurial Economy* (KSTC)

A growing group of civic, business and government leaders are spending more and more time to create a *future vision* for nonmetro areas across America starting with their own neighborhoods. They envision vibrant communities with wildly successful schools able to engage broad-based civic partnerships. Where hubs of entrepreneurial *vivre* bustle from homegrown, yet value-added knowledge-driven businesses. Where enlightened government leaders not only embrace change but also help to cause it. They do this not at the expense of long-held traditions but by building new ones based on the collective know-how of the community.

The goal for this paper is to synthesize the many debates, hopes and dreams for this *future vision*. To start, described herein is an approach to government and civic action that recognizes the importance of adapting to a continuously changing world. This is not a list of best practices that can be followed, because practices can only be judged as appropriate or inappropriate in a given context. This paper is a way to conceptualize how civic leaders can think about managing more effectively their position in the knowledge economy.

WHAT IS AN e-CITY?

Entrepreneurial cultures grow and adapt, they are not planned.

From *Creating an Entrepreneurial Economy* (KSTC)

We now live in an age of entrepreneurship, extending the notion of entrepreneurship beyond the traditional concept of the rugged founder of a small business. It also includes large multinational corporations that behave in innovative and non-traditional ways to identify and take advantage of

opportunities. Yet we have not been as willing to impose the same standard on city/county government. To be sure the efforts to reinvent government by reducing costs in the form of delays and duplication, and to reward outputs rather than inputs as advanced by Osborne and Gaebler and by Vice-President Gore's efforts to reinvigorate the federal bureaucracy are steps upon the right road. But what is missing is a well-articulated statement of what makes a city/county entrepreneurial.

To a great extent the lack of a concise definition of entrepreneurship reflects the complexity of the problem. While it is relatively easy to develop a list of terms that convey a piece of the statement it is much harder to draw a box around some of the characteristics and say that those inside the box define entrepreneurial behavior. Thus it may be that while we can describe the characteristics of entrepreneurial behavior we cannot define it. Nevertheless in an effort to move the discussion forward, we view entrepreneurship as a process in which there is *an unconstrained pursuit of new ideas resulting in an innovative creation* (KSTC 1998):

- unconstrained by current resources and past traditions but by no means ignoring them
- so that new ideas can emerge – and lots of them!
- with intense ideation to finally get to true creations (policies, programs, products, services, etc.) that are responsive to the changing world and take advantage of new, often unanticipated opportunities.

All economies have some amount of different types of capital (human, financial, intellectual and social). When these elements are densely interconnected, large amounts of information and resources flow rapidly and effectively through an economy. This creates a large scale entrepreneurial economy with high levels of experimentation, collaboration, innovation, risk-taking, economic diversity and resilience. Such an economy generates increased business formation and growth rates, new product or service development, value-adding, and locally owned business assets. It develops a large number of rapidly growing export businesses, which may amass loosely into collaborative/competitive business sectors. It adapts rapidly to changes in markets and other economic conditions. The question is, how do you grow these elements when they are only minimally present?

From *Creating an Entrepreneurial Economy* KSTC

WHY ARE e-CITIES IMPORTANT?

While a rising tide lifts all boats, you first have to have a boat, and one that is close enough to the edge of the water that the tide has some effect on it. While there are global forces in the world that have an effect upon everyone, the magnitude of the effect can vary on individuals and individual places in important ways. To some extent the way a place, family or firm is affected is determined by external forces, which makes at least some of the effects beyond their control. However there are always some aspects over which an individual or a community can exercise some control. Identifying and acting upon these aspects can influence how much benefit the changes in the tide bring for that place.

It may be that in some regions entire rural territories comprised of numerous small communities appear to do quite well, while other regions are being left behind. But economic statistics can be deceiving. They may show that a given region (city, county, state) is prospering, but a closer look will reveal areas within the region that are in desperate need of help. The wonderful success that a part may be experiencing can mask the struggle to survive for others.

So let's contemplate for a moment which towns are going to be the *Ghost Towns* of the future? It is an apt analogy, and important to consider. These *Ghost Towns* will be created for reasons similar to those that have devastated communities in the past. They've either stopped producing goods important to the economy or their base of economic activity was depleted one way or another. Also, many historic Ghost Towns were created because the community was passed up by the means of participating in the economy of their day. This has meant the railroad passed them by, or the interstate was routed away from town. Today and in the near future, modern Ghost Towns may be created because a community has not adapted to realities and innovations of today's global, technology-driven economy where "smart" people, not the extraction of the earth's natural resources, create the bulk of new wealth.

This serious situation in small town, rural America has very important economic, political, and social ramifications. What happens when all boats do not rise with the tide? How do you train and educate people in the areas "left behind" so that they can catch up? How can these communities become e-CITIES before they become another statistic from past economies?

It is easy to see a growing division in America and in the rest of the world. There are communities and economies that are innovative, entrepreneurial, and that exemplify the qualities of an e-CITIES. Yet there are too many communities that are struggling to get closer to the tide. This division, or contrast, will become increasingly relevant as economic globalization continues and more, but not all, communities fall behind. The challenge for all communities is to understand, adapt, and reengineer themselves to the nature of this economic change. Are these communities going to be winners in the new economy, or losers? Are they going to be one of the nodes on the network for the global knowledge economy, or are they going to get passed over?

One of the great unknowns in our understanding of small places is why some prosper and others do not. In all the industrialized countries, when you look at either county or small city data you find that some places are performing far better in a relative sense than many larger metropolitan centers in terms of generating new employment and improving income. These places can be found in all regions of the country and have a wide variety of local economic bases. Thus we cannot conclude that it is a particular location or type of economic function that makes a community thrive. Perhaps more interestingly when you look at the communities that are in close proximity to high performance places you typically find some that are doing fairly well and others that are struggling. This provides even more confirmation that it is something within a place, most notably its people and their attitudes toward change, rather than just its location or its specific mix of businesses that leads to success. Certainly some places start with better

resources or more advantages than others, they are closer to the low tide line so they are the first to be lifted, but we see examples of strong economic development even in relatively inhospitable locations – where people are not constrained by their communities apparent limitations.

With most economic strategies there is not a forward thinking intentionality. That is, once you land the contract for Factory ABC in your community, then you're done. So it's constant repetition of the same activity.

Steve PonTell, La Jolla Institute

In the past nonmetropolitan areas, particularly in the south, have relied upon a development strategy that has sought out firms in larger places and lured them to the community with promises of cheaper land, a lower wage bill and support from local government in the form of reduced taxes and limited regulation. For the last fifty years this strategy has shown considerable success as can be seen by a slow but steady convergence of income and employment levels between metropolitan and nonmetropolitan places. However there is growing evidence that the old strategies of recruitment vs. creating wealth from inside the community have become less effective in achieving a competitive edge.

What smaller places were able to do in the past was take advantage of relatively long product cycles. These allowed firms to develop a new product line, and establish a market in a higher cost urban environment and later move production to a lower cost area in nonmetropolitan America before either scrapping production or moving to an even lower cost overseas location. Now product cycles are much faster so that even if a community wins the lottery and attracts a firm, it is unlikely to remain in the community for as long a time period. More importantly, the nature of our economy has changed in a way that reduced the relative role of manufacturing and increased the role of services. Now the traditional attractions of smaller places - cheaper land, lower wages and passive government are less valuable.

Ultimately the most important asset of an e-CITY may well be a creative government. Passive government is non-responsive government - it cannot react to change in a timely manner let alone anticipate change and recognize opportunities that come with it. While there is little support anywhere in the country for implementing a system where government plays a leading role in the economy, there is a pressing need for government that plays a supporting role in the change process. Unlike the wisdom of the old saying, “the best government is the one that governs least,” the best government may well be the one that provides - on a timely basis, perhaps even before the general population knows they have the need - the mix of information, goods and services that its citizens require to make them competitive.

Government programs for improving an economy's entrepreneurial qualities are often delivered in a non-entrepreneurial manner (typically they are not market priced, or customer driven).

From *Creating an Entrepreneurial Economy*, KSTC

Compression of time makes it important for government to go well beyond replying quickly when its customers ask for something. Although this is essential, response time will never be fast enough for citizens to gain the competitive edge unless government begins to anticipate change and opportunities on the horizon. This is a major challenge for smaller places where there are few or no professional staff.

To say Local Government has to pick up new ways to govern and new ideas, and pursue these unconstrained in order to be competitive, is a fine mission statement for city employees. However, that definition would be scary to the general citizenry. It would be viewed like a bureaucracy run amok. People would feel these innovations and new programs would come at their expense, in fact, many people want to diminish the role of government in their lives. This is a problem. People want less government and yet they want their entire services and city infrastructure to be in top shape. So, how these new ideas for e-CITIES are packaged is very important for the audience out there, the residents and the businesses.

Kurt Chilcott, Community Development Corporation

ENTREPRENEURIAL PROCESS IN e-CITIES

In the next few years the rewards for being at the top or ahead of the entrepreneurial learning curve are likely to increase. As the pace of change gains speed it will be increasingly difficult to react in time to gain or maintain a competitive edge. An appropriate analogy is to think about driving a car by looking only through the rear view mirror. As long as the road is straight the task is difficult but not impossible. However if the road begins to curve then knowledge of the road behind you is far less help in anticipating the future. Similarly the learned responses that stood local government in good stead in more predictable times are not of much value now and will be even less useful in the future. e-CITIES don't live in the past, they take the past with them into the present on their way to their future vision.

What relevance does an entrepreneurial process hold in the context of local government? This somewhat foreign notion applies in that the role of an entrepreneurial government or other form of local organization is to improve the quality of life of the community – only now there's no denying it's life in an ever-changing global environment.

Like people, all communities have the potential to be competitive. The town or county that becomes an e-CITY will have to be entrepreneurial, that is, knowledge-driven. These "smart" communities will place a premium on education and ideas, just as they do for proper financial resources and business plans. It is through increased knowledge that the ability to identify emerging trends and new opportunities develops. Knowledge and education are vital components in efforts to take advantage of the opportunities that a community identifies. Entrepreneurial communities will exhibit a relentless and persistent ability to innovate. The priority on innovation will be diffused throughout the social, economic, and political background of the city.

What the world of work needs is learners not just knowers.

Peter Drucker in *Preparing Schools and School Systems for the 21st Century*

One of the characteristics of all forms of entrepreneurship is an ability to manage risk. Entrepreneurs are often characterized as risk takers but they are much better described as risk managers. One of the key attributes of an entrepreneur is to assess the underlying risk in any action and then find a way to deal with it if the projected returns are acceptable. For local government this is a relatively unfamiliar function. Yet they already are in the risk management game. When a local government provides financial or other incentives to a business that moves into the community, it is betting that the new company will generate more future tax revenue than is being given up now. Similarly when a city or county makes an infrastructure investment it has to project future utilization rates that, if significantly inaccurate, will adversely affect the costs of the project.

An e-CITY also will be fast. Today, with product life cycles collapsing, and with faxes and electronic mail omnipresent, business and communication have become almost instantaneous. Consider for a moment that Sony releases about four new products daily. As one company CEO recently stated, the speed at which a product is developed is becoming as important as the price of that product. This might also be true for cities and communities. Cities, communities, leaders, and must understand that they don't have forever to change and adapt before they will be, perhaps are being, passed by.

The ability to move quickly is one of the greatest assets a small community can possess.

Frank Benest, City of Brea, California

Moving fast is an important skill, but moving in the right direction is even more important. One of the distinguishing features that separate successful from unsuccessful entrepreneurs is identifying a product or service for which there is, or will be, a demand. This requires that the community is both visionary and to some extent lucky, since timing the introduction of new ideas is almost always important. Certainly there is no crystal ball that will allow a local government or civic group to foresee the future, but the goal of e-CITIES is to position themselves so that when change materializes they know it and are prepared to seize available opportunities.

ELEMENTS OF AN ENTREPRENEURIAL ECONOMY

Excerpt from *Creating an Entrepreneurial Economy* (KSTC)

Human Capital. The environment has autonomous agents — people "with the personal characteristics (determination, self-motivation and work ethic) that favor entrepreneurial success — as well as investors, accountants, attorneys, bankers and others who understand the entrepreneurial process. . . . Entrepreneurial know-how is a community resource that resides in a place's professional firms (accountants, lawyers, bankers, executive recruiters, and others with experience advising and working with entrepreneurs); in business schools; in support agencies (such as Chambers of Commerce and Small Business Development Centers); and, most importantly, in the community's pool of experienced entrepreneurs."

Financial Capital. Access to resources — especially money in various forms — is "the lifeblood of new and growing businesses. This includes everything from R&D and seed funds to startup and later-stage venture capital to equipment leasing and bank debt."

Intellectual Capital. Organized ways of generating new ideas are crucial. This is the "basic raw material of the entrepreneurial venture — ideas for new or improved products or services with real potential to become successful businesses. . . . Institutional sources. . . . include universities, private and public research labs, and large corporations." However, intellectual capital includes much more than high-technology ideas. Only a small fraction of the nation's fastest growing small businesses are in the high technology sector.

Social Capital. These are the collaborative relationships — the connections, networks, bonds, agreements, shared understandings and values — among people in an area. Families, occupational associations, ethnic communities, and professional networks form some of this social glue. From this social environment or culture flow "the attitude and atmosphere of a place. It includes such things as the social acceptability of entrepreneurship (including recognition of success and acceptance of failure), the presence of entrepreneurial successes to serve as role models, and the active involvement of community leaders in support of entrepreneurship."

SAMPLER FOR DESIGNING e-CITIES

Entrepreneurial development efforts must cast the wide net...

From *Creating an Entrepreneurial Economy*, KSTC

e-CITIES with vibrant entrepreneurial economies require a mixture of interrelated design elements to be created and flourish. These include factors involving local government, people, place, development strategies, infrastructure and technology, and leadership, all of which will be discussed below. But first, a list of broad elements necessary for the design of an e-CITIES:

- Public policies that encourage, rather than discourage, entrepreneurship, innovation, and business expansion.
- Communities with strong leadership and dynamic local and regional support systems that listen carefully to different opinions and ideas.
- A leadership structure that has a stable rate of turnover so people are neither thrown out too soon, nor left to hold a position that no longer excites them.
- A culture that supports and celebrates creativity, entrepreneurship and the pursuit of new ideas in all aspects of the community.
- Schools that educate young people on the importance of entrepreneurial thinking and recognize their vital role in creating new ideas and opportunities in the future.

-A range of organizations providing the capital required to support new and growing enterprises.

-The technological and scientific capacity to support the start up and growth of innovative companies.

GOVERNMENTS OF e-CITIES

We have a Pentium economy in a Model T organizational structure.

Steve PonTell, La Jolla Institute

City/County governments must play a leading role in the formation of e-CITIES. But governments alone can't achieve this. The active participation of citizens and all community players is essential. Governments from the Mayor to the Council and city employees can help forge collective action with a variety of community players: business, associations, education, clubs.

Every city or county has its own unique set of goals or aspirations, and they might share some with neighboring jurisdictions, but each place is unique. Government's role is to help the citizenry to realize their collective aspirations. This might mean that the government both helps create aspirations and facilitates the realization of its citizenry's aspirations. Government can help its citizens find answers to the question, "How do we get there?"

I believe that one of the major roles of government is not only reconnecting citizens with government, but also reconnecting citizens with citizens. Unless we focus on the community-building role of government, I don't know if we can be successful with any programs or future goals regarding e-CITIES.

Frank Benest, City of Brea, California

Government can help its citizenry to more closely identify with their city, almost like an affiliation to brand name consumer products. This comparison might seem odd at first, but when citizens think about their city's name they should automatically think of a host of positive attributes and future potential.

In an e-CITY the principle concern of an elected official should be the economic development of that community. Certainly there are many other tasks that will need attention, but the issue of economic development is the unifying theme. There should be an effort to maximize residents' wealth (with the term "wealth" broadly defined to address human, financial, intellectual and social capital), and maximize value to the city's shareholders (a.k.a. residents).

Because of the reality of accelerating change in society and the economy, in order to remain competitive a community needs to generate and promote new ideas that will result in a return to

the community. There has to be sensitivity to “New Basics”, that is, new ways of thinking and governing while still attending to traditional city responsibilities. A community’s government plays the lead role in explaining why the community can’t pursue “business as usual” anymore if the community expects to succeed and thrive.

One of the problems with local government is that it’s so overwhelmed with day to day issues and complications that city staffs never get to sit back and take stock of where they are and where they want to go. One town that decided to do something about this situation is Brea, California (population 35,000). Brea decided to have planning sessions dedicated solely to a discussion of the future of the city. They tackled the assumption that most small community employees feel their job is just to provide services. The city and its employees now believe their role is to solve problems and focus on the integrative role of local government to create vision, engage people, then forge collective action toward fulfilling common goals.

Brea has been striving to “break out of the box”, so to speak. Just because functions X, Y, and Z have always been performed this way, it doesn't mean they can’t execute them differently in the future. In fact, Brea believes small communities have the power to change, but they may not understand how, or they may not recognize it.

The future for local government lies in transforming passive consumers of public services into responsible citizens.

Frank Benest, City of Brea, California

Brea has been breaking out of the box by instituting many innovative policies over the past several years, many of which embody the forward thinking steps necessary to maintain a competitive edge and form the basis of an e-CITY. The city’s basic philosophy is no rule or regulation is beyond scrutiny; all aspects of government have been looked at with an eye toward efficiency, progress, and utility. What follows are selected highlights from Brea’s conclusions, philosophy, mottoes, and new government policies:

- Things are moving so fast in society that if you're going to be competitive as a city you have to stop, or minimize, the non-value-added activities that many community governments perform and maintain for simply historic reasons.
- Creatively use the government budget process.
- Identify underutilized civic assets.
- Market those assets to create a profit for your city.
- Sell services and talents to other governments to subsidize services and opportunities in your community.
- Retool organizational values to promote risk taking and encourage entrepreneurial zeal while letting city employees know its OK to make mistakes; without mistakes, you really aren't taking risks and learning from them.
- Brea instituted a money back guarantee program to its citizens. If you are promised something from city hall (a permit, information, action on an issue) and they don't

perform on time, you get your money back (fees for permits and other expenses) and the job will still be performed. Time is money for both residents and the business sector.

-Brea instituted a guaranteed second opinion process if a developer, a business, or a resident has a problem with a city staff person, then they can ask for a second opinion on their project, problem, or question.

-If somebody needs a decision from city staff or gives city offices a call, they can immediately get all the players around the table and discuss the issue. This simply isn't possible in a large city.

-Brea evaluates its entire staff on one core value: Customer Care. They feel that in order to be competitive in the market place, they have to provide the best customer care.

-Every employee, from City Manager to the janitors, gets evaluated on their commitment to learning and improving themselves, in order to keep competitive. City employees must add to their traditional knowledge and skills required of their jobs through continued training sponsored by the city.

- "We'll compete against anyone".

- "Our bench mark is the world".

- "Work hard, but have a good time doing it".

- "Take great pride in being an Enterprise Community".

-For more information about Brea, and to learn how they advertise themselves, access their impressive website, <http://www.ci.brea.ca.us>

PEOPLE OF e-CITIES

Regardless of how new and re-engineered a community's infrastructure may be, and no matter how dynamic a community's city government may be, the potential for an e-CITY is significantly lowered if the residents and business people of that community aren't fully engaged and willing to take risks.

A diversity of people, not just traditional community leaders, will have to exhibit an openness to change and be willing to learn from mistakes and failures as they move ahead down new paths. And yet, a sense of "being in it together" helps in this process. Additionally, when various sectors of the community come together, when communication is open and flows easily, and when a common and safe environment is created in the community, people will feel more comfortable to look at issues and projects in new ways.

And yet, the recognition and respect for differences and conflict is important; everything is not going to be all peaches and roses as people venture down these new paths and break with old secure habits.

One of the challenges of communities is to get passion ignited by important issues, such as education. For example, if you go to California's Silicon Valley the conversation almost immediately turns to education: "What schools do your kids go to? "What teacher do they have? Education is a critical part of their culture, and it's reinforced into the fabric of the community. In fact, the San Jose Mercury News runs a feature of

a teacher, a school, or an education program on the front page of its paper every week. So, what people in a community think is important, what ignites their passion is going to be what drives action. So this is very important to talk about on the community level: What are we passionate about? And, how can we begin to inject into the community's consciousness some new things that are going to be important to the future?

Steve PonTell, La Jolla Institute

PLACES IN e-CITIES

While place still matters to people, they now have much more discretion in which place they will live. For communities to prosper in the future they will have to be places that people want to choose.

Steve PonTell, La Jolla Institute

It is easy to convince yourself in this age of technology that place doesn't really matter anymore. Consider that with the proper equipment and infrastructure anyplace can be a workplace. This is true in some respects, but really, today place matters more than ever. Therefore a community must ask itself, are we a place people and businesses (even our existing residents) will choose? What type of people and businesses will choose our community? What are the ingredients of the natural and built environment, infrastructure, amenities, education that will make our community a place people and businesses will be attracted to (and make a commitment to) and that will propel our community on the road to becoming an e-CITY?

The role of “sense of place” in Kentucky, and other rural regions of the United States, is very strong. People tend to have strong connections to their community and a keen sense of what makes their home and surrounding countryside special. This sense of place, and pride of place, is essential in the creation of e-CITIES. A feeling of ownership can help people, and entire communities, declare “This place is mine, and I'm not going anywhere else – so how can I contribute to keeping the competitive edge of my community.” That attitude will not only demonstrate to other people, but also to potential businesses, that their community is worth a serious look.

In addition to individual and combined connections to their community, the working environment of *place* is crucial. Yet another description of e-CITIES are *places* that work. That is, not only do they possess an appropriate infrastructure and the technological amenities, but there is variety and diversity in the town's downtown business area. They are functional yet comfortable. Instead of “Technology Parks” isolated on the outskirts of town, the working heart of e-CITIES will weave together human-friendly spaces, public art, pleasing architecture and design, and green spaces – all contributing to the collective attitude about innovation and openness to new ideas.

When a business is considering a new location, all the communities within that region are included on the long list to start with. But when you go down the inventory of the things that are important to that business, only one community, one place, is left standing. What is that final thing, or things, the winning community possesses? Every community that is interested in being a player today is revitalizing and risk-taking.

When all the fluff drops away, what is it that sets a winning community apart from the others? You don't have control over many things, geography for example. But of the things you do have control over, which are the ones that will help you stand out? To win?

Arthur Byrn, Mayfield, Kentucky

The discussion of place is relevant to entire rural regions where clusters of small communities are confronting similar challenges. You can look at the rural parts of Kentucky and many other states and see natural regions developing. In western Kentucky, for example, the town of Mayfield started thinking about how to improve its technological infrastructure. It soon realized it wasn't alone in its needs so it brought in neighboring but somewhat distant towns to join their effort. Communities are attempting to look at the bigger picture while trying to retain the sense of place of their small towns. It might be that through this process and a broadening of vision, communities will discover there are some things individual towns can't do alone and that is when they might decide to work regionally. With other projects they may be fully capable of handling the challenge by themselves and won't need a regional effort.

Technology offers many opportunities for playing in the knowledge economy. A community's well maintained state-of-the-art technological infrastructure could help residents connect to neighbors near and far as they build local knowledge-driven companies, while preserving the sense of place/locale that draws people to the community in the first place.

DEVELOPMENT IN e-CITIES

One historical development mantra was: "Any job is a good job. Anything we can get is fine. That is no longer true. Perhaps the most important fact to realize regarding development in e-CITIES is that today development is a lot more than simply recruiting a businesses into your community or laying down new cables and wires.

Development is a Pipeline Process, if you don't view it this way as a continuous movement forward toward improvement, then you are bound to repeat the past.

David Freshwater, TVA Rural Studies

Some believe communities need to reinvest a little bit at a time into new technologies. If those communities are going to keep competitive they must walk before they run and the problem with many rural areas is that they are simply paying wages and attempting to maximize immediate returns without an eye to the future. Small incremental reinvestment strategies for communities, over the long term, can make remarkable changes.

This also is true statewide. If you compare the recent history of South Carolina with Kentucky, for example, you'll discover that the two states started out at the same basic point of development with similar economic activities revolving around the garment industry and the manufacturing of wood products. However, through a conscious strategy of incremental economic development South Carolina is now at the point where they are attractive to the more

knowledge-intensive, technology dependent industries. But they only did this by going through various stages of development.

Others argue that the incremental strategy sounds fine, and perhaps it was appropriate, say 10 or 20 years ago, but if a community is attempting to play “catch up” today and follows that scenario, they'll be left behind. The economy and technology are simply moving too fast.

What are the alternatives? How do you quickly enhance wealth creation in small communities, because ultimately wealth creation is a big measure of economic growth and a development catalyst?

Perhaps part of the answer to those questions can be found in a new way of approaching the relationship between communities and potential business partners. The La Jolla Institute reports that about 80 percent of corporate executives continue to be fixated on “the deal” when they are considering locating a business in a community. That is, they are strictly focused on the costs and the speed of the process. However, perhaps some 20 percent of them are starting to engage in a more long-term, strategic conversation about relationships with communities. They care about the quality and nature of the development, and they realize that if it is good for the company but not good for the community, then it will eventually be a failed venture all around.

And, there are communities that are beginning to look at more strategic relationships with corporations, not just the “any job is a good job” attitude. Communities realize that when they attract a company to their town, it's possible to tie incentive payments to infrastructure improvement and actions the company will take internally to train and further educate the local work force. This way, if the company moves out of town in 10 or 15 years, at least the community's infrastructure will not be woefully outdated and its people will have some additional skills they can use to either create their own businesses or look for new employment.

This new synergy between corporations and communities can be a vital component in future development in e-CITIES. One possible development “wish list” might look like this:

- Generate jobs that are appropriate to the current skills of existing community residents.
- Look for development scenarios that move the place toward the next economic niche, that is, be forward looking in regards to which development path you choose.
- Seek development that builds skills to match recognized and future economic opportunities.
- Cultivate investments in infrastructure that complement and support business.
- Pursue development of the business component of the community so you enhance the total quality of community life. Attract businesses that are “environmentally friendly” or

that support the arts, etc. You want to be a place that people choose, so you have to develop in such a way that it enhances the area's characteristics.

TECHNOLOGICAL INFRASTRUCTURE OF e-CITIES

Most communities are good or adequate at handling traditional infrastructure needs for sewer, water, roads, etc., but when it comes to technology for future needs and uses they are typically seriously unprepared. However, a modern technological infrastructure can provide stimulus and resources for entrepreneurs to start new businesses and for existing firms to expand. A strong infrastructure can also help local professionals such as engineers, doctors and lawyers to remain in the community and encourage professionals such as writers and consultants to work or locate in the area. This stimulates growth from "within."

Communities must develop a firm understanding of their current technological capabilities. What are the ongoing needs of businesses and individuals in your community that must be met in order to compete as part of the global economy? What are the capital improvement programs planned by the various technology providers and what type of conversation should the community be having with them about either additional capabilities, or timing, or impediments, in order to move forward?

e-CITIES facilitate information access to take full advantage of the global information economy. These communities know where their "on and off ramps" are to the information highway. To be a player in today's economy, communities must pay attention to their technological infrastructure, including an understanding of the fast pace of technological obsolescence. But if you have the greatest wires and cables in the world, and that is all you have, that is not going to be enough. Therefore, technology is increasingly necessary, and yet it's not the entire story.

LEADERSHIP OF e-CITIES

The role of leadership in e-CITIES is critical. There is a particular need for leaders who can build coalitions and ensure that the constituents within the community are all moving toward the same *future vision*. They must take an active role in educating their citizenry about new ideas and new possibilities. A common vision and set of goals is necessary to advance. In many communities, there is no alignment, in fact, just the opposite is typically true. Some people, for example, are pro-growth, others are anti-growth, some are pro-environment, others are anti-environment. Leaders must understand forces at work, know how to lead, and know when to step out of the way and let unforeseen (but positive) developments take place.

There are no short-term solutions to the problems facing rural communities and the problems facing the leaders of these communities.

Kris Kimel, Kentucky Science and Technology Corporation

There is a serious concern on the part of local government officials, citizens, and researchers regarding where the leaders of the future will come from. And, what are the organizational infrastructures necessary to sustain future leadership? Perhaps the first order of business will be to rearrange the traditional roles of government, thereby making government an attractive option for civic leaders and others who have shunned the traditional leadership function in the bright light of public office in the electronic age.

One of Kentucky's major problems is low expectations. This might be a big problem in rural development where leadership is key. It is not a problem with talent or ability, but with basic tools and understanding. How can local leaders learn how to "envision the future" when they are strapped with daily problems? And, the public often scoffs at leaders who talk about vision and the future. Residents often just want their amenities to run smoothly and have the potholes filled.

Sylvia Lovely, Kentucky League of Cities

Unlike large cities, where you have a clear distinction between business leaders and professional politicians, in small communities political leaders tend to be the business leaders. Also, people involved in their communities will tell you that if you believe that the city council is really running things in small communities, you are wrong. You might have a mayor, and a wide range of active committees, but often it's the group of people meeting over coffee in the morning who are making things happen in the town just as much as the elected leaders. Success often depends on how well these two elements can be combined. And how can city councils evolve into the equivalent of an intelligent board of directors full of proactive ideas, enthusiasm, and guidance?

Part of this equation between leadership and e-CITIES hinges to a large degree on listening; the e-CITY is a community that listens. How does it listen? It creates forums, discussion groups, and people simply go out and talk to other people. Success requires that actions be taken based on that listening.

Leaders can also help the community develop an authentic understanding of itself. That is, study and understand its economy, history, status, strengths, and weaknesses, and what are the real opportunities for its future. Part of this understanding will be a realistic perspective of where you fit into the global economy – and where you want to fit. What does your community add to the global economy? For example, if leaders decide they want to be part of fast growing businesses in the economy, the conversation needs to start with: what are the related skills and assets of our community and what actions are needed to strengthen this competitive advantage? What are the realistic steps we can take toward achieving our goals? e-CITIES will eagerly create a state of readiness for the future and will not maintain a fear of change. e-CITIES understand why the world is changing, that it will never go back to the *Model T* organization – that there is only the future.

Questions leaders should be ready to help the community ask itself include:

-Where are we on the continuum of development and what direction are we moving?

- Are community leaders, not just elected officials, coming together behind a unified plan?
- Is there a *future vision* being catalyzed?
- Are residents getting the skill sets and training they need to move forward?
- Is there an appropriate investment in the community's technological infrastructure, and is the traditional infrastructure deteriorating?

FIRST STEPS/NEXT STEPS

There are a variety of steps that could further the understanding of, and the potential for becoming e-CITIES. Leadership is a principle factor in the creation of e-CITIES and engaging the community in the entrepreneurial process. Leadership has to be engaged and creative. Communities have to develop that *authentic understanding* of where they are on the development continuum; they must ask themselves "Where are we?" and "How does our community report card look?"

It is the hope of Kentucky Science and Technology Council and La Jolla Institute to collaborate on developing tools and strategies to test e-CITIES at sites in both Kentucky and California in the near future. By looking at such emerging communities in different states researchers will be able to compare and contrast successes, failures, barriers, and opportunities facing these communities.

Additional ideas, such as the ones below, could assist the discussion of e-CITIES. Others to consider can be found in the Appendix, which lists the results from the *Cool! Idea Fair* held at *Kentucky Inc. '98: Building Entrepreneurial Communities*.

- Help towns and leaders understand why e-CITIES are important. Why is the world changing?
- Support communities to keep pushing the envelope...they *can* do the work, they *have* to do the work.
- Role modeling is a very important way to learn, so perhaps the Kentucky League of Cities and similar organizations in rural areas around the United States can identify a nearby city that is evolving into an e-CITY (or perhaps in a neighboring state), so communities can learn about and visit concrete models of e-CITIES.
- Create an institute where people can go to learn leadership skill, and have a type of support network where leaders will be called by specialists - a kind of professional peer

support group - asking how things are going. “How did the latest city meeting go?”
 “What was on the agenda?” “What are your most serious challenges right now?”

-Engage leadership from other sectors of society and the community to become involved.

-Work with journalists in the community to have them begin to explore the ideas around e-CITIES.

"In many ways it's easy to come up with new ideas for e-CITIES and the transition to the new economy, but it's the execution of ideas that is critical. The challenge for communities, then, is to identify which ideas are relevant to them, and then ask: How do we execute them?"

Steve PonTell, La Jolla Institute

"How are we going to accommodate the increased growth that we predict by the year 2020 into existing communities and keep that economic success that we are generating now? With the diversification of the economy, and a move away from the defense and aerospace, how are we going to move into telecommunications, biotechnology, electronics, software, and other computer related businesses. That's the major challenge facing the San Diego metropolitan region, and it's a challenge very similar to what many rural communities are facing, its simply on a different scale. How do you obtain it if you don't already have it? How do you maintain economic success once you have it? And, how do you maintain a high quality of life for your residents during this process?"

Kurt Chilcott, Community Development Corporation

APPENDIX: COOL!IDEA™ FAIR THE RESULTS ARE IN...

Kentucky Inc. '98

An entrepreneurship initiative of the Kentucky Science and Technology Corporation

What follows are the results of the Cool!Idea™ Fair at *Kentucky Inc. '98: Building Entrepreneurial Communities*. This was a one-day event held in November by Kentucky Science and Technology Corporation, in collaboration with Kentucky League of Cities and Kentucky Chamber of Commerce. Participants representing local government, business, education and other community sectors were invited to share their ideas and experiences for advancing their communities' active participation in the knowledge economy. *Kentucky Inc.* defines entrepreneurship as *the unconstrained pursuit of new ideas resulting in an innovative creation* (KSTC 1998). Thus the purpose of the fair was to support the generation of ideas for nurturing thriving, entrepreneurial communities. Please feel free to submit reactions and additional ideas to kkimel@kstc.org. Words in brackets refers to other categories to which the idea may apply.

LOCAL GOVERNANCE

- “Community Task Forces.” Under the leadership of our local Chamber of Commerce, our community has developed strategic task forces to address community problems/concerns. There are six task forces which deal with broad issues of education, transportation, economic development, etc. and the membership on the task forces is comprised of a broad cross-section of our community — local government, business leaders, etc. Upshot strong collaboration.
- Create advisory committee on entrepreneurship.
- Maintain user-friendly city government agencies.
- Visioning process to involve creative citizens as a catalyst for change.
- Communicate better with citizens, e.g., fax broadcast to many community leaders or anyone who want meeting agendas, etc., offer prerecorded messages, use email.
- Invite people who truly “care” about the health of their communities to the table on a regular basis. The general citizenry are eager to have people who are policy makers to listen to the ideas they have about building economy in conjunction with maintaining the health of the community.
- I feel I should conduct maybe “conduct” is not the proper word organize a meeting for brainstorming with education, industry, Chamber of Commerce and other agencies, government, and civic organizations to discuss entrepreneurial building in our community. I must start instilling this idea in the four men elected to serve with me.
- Create environment in which school system, Chamber of Commerce, Downtown Henderson Project, Occupation Community Pride, local business, citizens, EDC all have ways of giving input to elected and appointed officials.
- All areas whether education, government or business working together to develop quality communities. [Business, Education]
- Form a network of business service providers (private sector, nonprofit and government) to learn from one another, help realize our competitive advantages and refer clients to each other based on our areas of expertise. This could be an electronic network. [Technology, Business]
- Host a mayor’s conference where mayors gather to exchange ideas. Example: In Madisonville we have a telecommunications center and could downlink across the state to include as many mayors as possible.

- The office of the mayor (anywhere) should appoint an advisory committee of entrepreneurs in order to make city governance more entrepreneurial. [Business]
- Involve city government in budget and evaluation process that will encourage entrepreneurial environment.
- Empower neighborhoods to be entrepreneurial places where ideas are generated with mechanisms to be heard, connected and addressed!
- Create “think tank” to give ideas.
- Partner with public libraries to expose and educate citizens to the benefits of online resources. [Education]
- “Dream Team Madisonville” (any city). Give citizens a forum or opportunity to meet and brainstorm or dream about where they want to see the city go and grow.
- I want to create a feedback method. We have a high degree of intelligent citizens who could contribute to better government.
- Create a forum for city, county, school officials to come together on a regular basis to think, reflect, plan, dream and problem solve.
- In city government: Have department heads set aside time for meeting with employees in department – If department can be more efficient – money goes back into department. Time used to be used for meetings in work day – relaxed, social think tank.
- Mandated (by state law) that before a Kentucky community/county can qualify to receive state economic development incentives, that community/county must have in place a comprehensive consensus-built/driven economic plan (ten year), not planning or zoning/land use planning but an economic plan to insure that new/expanding business fits an overall economic strategy in that community/county.
- Pass state law that would require cities and counties to plan how to provide services that do not overlap. Smart growth concepts force them to work together.
- Lexington was an early innovator in merging city and county governments. Today, however, we see little innovation in local governance. Why not bring about some entrepreneurial change from the mayor’s office with regard to managing today’s problems and visioning for its future.
- Select a visionary type city manager.
- Everybody has a learning plan! This is excellent for it will provide a sense of ownership which is needed for sustainability/promote democratic governance.
- Collaborative efforts among agencies to provide services across government boundaries.
- Kentucky has too many counties (120). Merge counties to more effectively and efficiently provide services to their citizens.
- City and county governments working together more to build entrepreneurial communities by using the potential of their people.
- Consolidate staff/functions/space of Chamber, Tourism, Main Street, Economic Development to create flow of information and cooperation among entities.
- Look at creating a unified utility billing among electric, water, sewer, gas phone, cable TV. Also look at selling meter reading services to other utilities.
- Combine city organizations under one umbrella: tourism, Chamber of Commerce, industrial. One director, one board of directors.

- To strive among all employees of a local and/or state government that all real and imaginary barriers or subdivisions must be “torn down” to achieve a philosophy that without a total team/cooperative effort in each and every aspect of our service, we will ultimately fail our each and every objective.
- Pair retail businesses with nonprofit service organizations, such as libraries, that will bring in more customers. Example: a library reference center at the mall or IRS tax forms at the grocery.
- Relocate local governmental and quasi-governmental entities in one building (but not to necessarily consolidate or merge the groups). This could foster cooperation and free up space for other business and government use.
- Bring as many agencies together as possible in one building.
- Renovate upper floors of downtown business turning them into upscale apartments. This fills the need of good housing for mid to upper income. This brings activity back downtown. Property owners seen reluctant to invest in downtown. The city government must do it if it is to be done.
- Use buildings in our community as ideas for new business. Use buildings for things needed in the community. [Business]
- Employee training by “retail” specialists to recognize taxpayers as consumers.
- Develop entrepreneurial training centers. Devise seminars that will assist in the overall problems many entrepreneurial people face. The seminars or classes can show ways to overcome various problems that come up. [Education]
- Teacher internships in local government as well as the private sector. [Education]
- “Free up” local officials on a regular basis to have quality interactions with students and educators looking for connections and commonalities. [Education]
- “Permit” (allow and encourage) city employees, especially those with technical expertise, to go into schools and talk about their responsibilities and knowledge to inspire students to know more about the inner workings of government and the services the city provides. [Education]
- Twenty-four hour local government “hot line” on service concerns, problems.
- Local governments should accept credit cards for payment of fees, taxes, permits, licenses, etc.
- Sell fire protection to nearby community thus generating new money for the city.
- Identification of underutilized assets. Not currently employing this idea at local level but are most interested in implementing some form of this?
- One of the greatest barriers in attracting high volume telecommunications using businesses into rural communities in Kentucky is the lack of long distance points of presence. Since the Kentucky Information Highway makes available long distance service to local governmental agencies, they (the communities) can use that economical asset to provide that advantage to new businesses interested in locating in their community. [Technology, Business]
- One idea: An organized effort with our newspapers, particularly, but all media, to celebrate our entrepreneurial successes as part of building entrepreneurial culture in Kentucky.
- Do an inventory of some exciting initiatives in Kentucky and go directly to media to get publicity for them. One of Kentucky’s problems is a “sense of low expectations.” We need to develop a “can do” spirit.

- Reward the cities that create a high expectation for our local governments. Raise the bar and take the risks. Reward the cities or counties through extra state money. [Money]
- Survey community for needed services and then assist new entrepreneurs to get them started!
- If we have good government at the local level, we can attract entrepreneurs.
- Organization. Even in a small setting with two employees or less: regular staff meeting promoting service to public use as a cheerleading session; call the employees Department Heads; each department must give report. Purpose: Even though small in size, create service of large organization.
- Run government as business: measure profit and loss, make accountable.
- Develop a way for local government to work from the bottom up instead of the top down.
- Accelerate through subtraction give up low value things to take on new important chores. Nice idea but how do you do it without people thinking they will get screwed?
- Mayor of a flooded area I would like to see if we could develop a camper park, RV park, etc. in our community using utilities left from FEMA trailer park used to house flood victims. I feel this project would be enhanced by those in camper clubs who would work to construct a shelter and a campground we have no hotel in our community. My city must work to left itself up not count on someone to come and save us.
- To package and market our wholesome low income area as a choice place to live.

BUSINESS

- Make entrepreneurship a more understandable concept. Through web sites, encourage people to investigate and learn about entrepreneurship. [Technology]
- Form a network of business service providers (private sector, nonprofit and government) to learn from one another, help realize our competitive advantages and refer clients to each other based on our areas of expertise. This could be an electronic network. [Local Governance, Technology]
- Identify those small business sectors of Chamber of Commerce members that are adding value, i.e., entrepreneurial, and then determine strategies and benefits to serve them.
- Establish a “members only” section of Chamber web site which delivers additional services (value) to members over and above other users of web site.
- Community incubator for entrepreneurs to develop concepts.
- Communicate to your customers that you are open to new ideas they may have as they pertain to how you can better serve them. This is true in business and government.
- Effectively communicate across multiple fields of professions to avoid having so many meetings.
- Measure entrepreneurial zeal. Have they looked at people with whom they can partner? Form Partnerships.
- An innovation scale as part of screening device.
- Create an internal entrepreneurial environment by directly tying performance expectation to entrepreneurial activity: expectation of new ideas submitted, productivity increase of new ideas, etc. [Comment in margin: not new but a light bulb for me!]

- Community-provided workshops for entrepreneurs to educate entrepreneurs on the process of business development. [Education]
- Train the trainer (within the office setting). Motivation for such a program - budget constraints. Examples: training for new computer software, train one employee, the trained employee returns to train others, must show examples of work to assure results and explain how they came to the outcome or resolution.
- Provide more education/training for business services development. [Education]
- Business Development Center: funding for services and marketing. [Money]
- Create more seed fund capital by persuading state government to free a small percentage of pension fund dollars to invest in entrepreneurship businesses emerging from the incubation phase. [Money]
- Select 25 companies from Lexington and provide them with a substantial line of credit with no interest rate and watch them grow. [Money]
- Start a local early stage venture capital investment club that invests in local/regional businesses. For example, 100 people at \$500 per quarter yields \$200,000 in investment capital. This has been done in St. Louis. [Money]
- Create and distribute government forms electronically (disk, web) and allow for electronic submission by business. [Technology]
- Create electronic networks for home-based businesses in different areas to network with one another. [Technology]
- I learned this week that the westward expansion of the United States in the 19th century was made possible not by the railroad, as you might expect, but by the agreement of the railroad companies to make the tracks a uniform gage. This allowed trains to carry freight to anyplace in the country. Why is this applicable? As we begin to think about fact-based management systems, building customer-focused organizations, transforming our schools, businesses, and governments into dynamic organizations that recognize that “continuous improvement” is possible, it is logical to conclude that a uniform framework to measure progress would be necessary.
- All areas whether education, government or business working together to develop quality communities. [Local Governance, Education]
- As the Amish once said, What will a business do to our community? Give this equal consideration as you think critically about the question: What can business do for our community? Make the business standard a healthy community.
- Holiday party of people/organization with which you do not normally work/socialize. See what happens!

TECHNOLOGY

- Form a network of business service providers (private sector, nonprofit and government) to learn from one another, help realize our competitive advantages and refer clients to each other based on our areas of expertise. This could be an electronic network. [Local Governance, Business]
- Create a web site that contains needed and useful information for entrepreneurs: source of funds, patent attorneys, business plan assistance.
- Local companies combine to create an information community within a city. In conjunction with city, create web pages for local businesses to attract outside customers. For example, help from local school’s computer classes.

- Offer training via Internet to reduce extensive travel to officials.
- Virtual government
- Create and distribute government forms electronically (disk, web) and allow for electronic submission by business. [Business]
- Community/business/schools work together through web technology to bring computer technology to each child at home.
- Create electronic networks for home-based businesses in different areas to network with one another. [Business]
- Question: Is Kentucky (statewide) ready to enter the technology age? Looking at infrastructure we have major differences.
- Make entrepreneurship a more understandable concept. Through web sites, encourage people to investigate and learn about entrepreneurship. [Business]

MONEY

- Create a grant program to fund innovative ideas in the classroom, (entrepreneurial in nature) designed to address some problem that needs creative solutions. (Seed capital, venture capital) [Education]
- There is no slack in the system no free resources are available in any organization to deal with new problems/opportunities, so why are we surprised how poorly we respond?
- Review (at least annually) budgets to look for cost savings through elimination of activities which add no value.
- Inventory your existing resources and identify what areas are in need of improvement or change.
- Advocate change at the local and state levels vis a vis fiscal treatment to investors and entrepreneurs.
- Business Development Center: funding for services and marketing. [Business]

EDUCATION

- Provide more education/training for business services development. [Business]
- Develop entrepreneurial training centers. Devise seminars that will assist in the overall problems many entrepreneurial people face. The seminars or classes can show ways to overcome various problems that come up. [Local Governance]
- I want to increase the educational program for staff and commissioners.
- Develop better linkages between local schools and local industries to prepare the students to transition into the workplace in the future.
- Forge closer partnerships between schools and businesses. Businesses learn more about the education system. Schools learn more about employers' needs.
- Encourage more student internships in local entrepreneurial companies.
- Identify resources that students and schools bring to corporate partnerships so they are true partners and not just recipients.

- Allow junior high and high school students to have (shadowing) opportunities for future employment.
- Develop a rubric for what entrepreneurial spirit looks like for learners in a school (students and teachers).
- Include youth in the planning of entrepreneurship. The Rural Challenge Leadership Team is composed of students and adults (community and school) who initiate and facilitate/implement their own projects. These students prepare proposals and are proactive in seeking funding for their projects (video production, etc.)
- Get universities to go beyond learn and teach and start to apply.
- Require universities to operate classroom facilities in low income areas. Demonstrate “real world” problems and issues that will allow for a more diverse education and real world experience.
- Require university personnel to do community service.
- Somehow, working with our undergraduate and particularly graduate programs, identify all of the Kentucky graduates the brain power who have left the state, and start recruiting them to come back to Kentucky (and share this info with anyone who asks for it unfettered flow of this info!)
- Students as consumers. Need more feedback other than faculty evaluations: registration, book store, food services, recreational facilities, financial assistance. How are we doing?
- Create a grant program to fund innovative ideas in the classroom, (entrepreneurial in nature) designed to address some problem that needs creative solutions. (Seed capital, venture capital) [Money]
- Begin to expect (or at least look for) entrepreneurialism in performance of students and educators. For instance, include entrepreneurialism along with other life-long learning standards (like problem solving and critical thinking) in our standards documents.
- Expand our definition of “teacher” for a course to include people on the net access them outside of school time.
- Change the way we look at teaching. Is the traditional classroom conducive to the technology available as a tool for learning.
- Give teachers and schools the authority as well as responsibility to educate. Measure.
- Teacher internships in local government as well as the private sector. [Local Governance]
- Work to get more civic involvement in schools. Start youth councils in every community that begins to talk about how to create an environment where young people would return to and start businesses and get involved.
- Initiate entrepreneurship training program to encourage innovation and creation of new opportunities in our community/region.
- Schools need to be interested in the people in the community: work on items that the community can relate to, make community interest part of school plans.
- Make schools learning centers for people of all ages and needs. At Shelby Valley we have created a “gathering place,” a Rural Challenge Community Learning Center that will be open two evenings a week. This Learning Center will be utilized for community meetings, student-facilitated technology workshops, professional development workshops for teachers and other professionals in the community.
- All areas whether education, government or business working together to develop quality communities. [Business, Local Governance]

- Force education to look at the needs of all students and match them with needs of society.
- Set up secondary library in lower income area
- Partner with public libraries to expose and educate citizens to the benefits of online resources. [Local Governance]
- Infuse entrepreneurship concepts into early childhood development. Preschool start early!
- The following four items are Ideas that are relevant to Rural Challenge, Shelby Valley High School:
 - Consider police/other people associated with institutions as people assets that can be marketed. Investment in People.
 - Schools can become assets by becoming community centers (beyond the typical school day).
 - Libraries to extend their hours (public and private).
- Have people within your network to define how they can be assets for their entrepreneurial community.

THE ARTS

- Consolidate redundant services paid for by separate arts organizations into arts “service centers” for fund raising, marketing, accounting/audits, personnel management, benefits, office supplies, copying, telephone, etc.
- Partnership with city, local arts alliance and University of Evansville Orchestra to support a new arts endeavor 4th of July Pops concert in Central Park. Would involve community coming together, picnicking, listening to patriotic music . . .
- Regionalize art events. Get neighboring communities to jointly sponsor art events.

APPENDIX: MEETING PARTICIPANTS

On July 16, 1998, a group of people from Kentucky and California gathered at the LaJolla Museum of Contemporary Art in LaJolla, California to discuss the concept of growing entrepreneurial communities. This was part of the *Enterprise Communities* initiative of Kentucky Science and Technology Corporation, headquartered in Lexington, Kentucky.

Frank Benest, Brea, California

Lance Brunner, University of Kentucky

Arthur Byrns, Mayfield, Kentucky and Kentucky League of Cities

Kurt Chilcott, Community Development Corporation, San Diego, California

Mark Dowling, La Jolla Institute, California

Jerry Emory, Writer, Mill Valley, California

Barbara Flexter, Kentucky Science & Technology Corporation

David Freshwater, TVA Rural Studies

Neil Hackworth, Kentucky League of Cities

Bill Hamilton, Kentucky League of Cities

Kris Kimel, Kentucky Science & Technology Corporation

Joanne Lang, Kentucky Science & Technology Corporation

Sylvia Lovely, Kentucky League of Cities

Joe Mefford, BellSouth Telecommunications, Kentucky

Jim Oswald, Graphic Illustrator, Santa Monica, California

Steve PonTell, La Jolla Institute

FOR MORE INFORMATION CONTACT

KRIS KIMEL AT KENTUCKY SCIENCE AND TECHNOLOGY CORPORATION h PO Box 1049, LEXINGTON, KY 40588h
KKIMEL@KSTC.ORG h PHONE/606.233.3502 h FAX/606.259.0986h WWW.KSTC.ORG