



The EDACENTER

at the University of Minnesota, Crookston

www.edacenter.org

The EDA Chronicle

Volume 1, Issue 1

Events of Interest:

November 2

- Minneapolis Career Fair
Crowne Plaza & Suites
3 Appletree Square
Minneapolis, MN
www.ncfairs.com

November 16-17

- Blandin Foundation Conference - Policy and Progress: Border to Border Broadband in Duluth, MN
www.blandinfoundation.org

November 29

- How to Start a Successful Small Business. Bob Voss from Dakota County Tech. College. 9AM -12PM Call 952 -346-4028 to register.

November 30

- Small Business Orientation in Winona from 1-2:30PM. Call the Winona Workforce Center at 507-453-2920 to register.
- Mobile E-marketing Coming to Dawson from 6-9PM at Dawson City Building. Call 320-598-3403 to register.

Inside This Issue

Understanding Small Business Success	2
A Minnesota TiE	2
DEED Employment/Unemployment Statistics	3
MMB Update	3
Small Business Innovation Research Program	4

Letter from the Editor

Welcome to our first monthly newsletter from the EDA Center at the University of Minnesota, Crookston. With this newsletter as well as our website (www.edacenter.org), we hope to inform readers throughout Minnesota about economic development events and news around the state as well as EDA Center research projects.

Of course the big news coming

out of the EDA Center is the renewing of our designation as Minnesota's EDA University Center through 2019 by the U.S. Department of Commerce. We are very excited about continuing our efforts to engage university faculty, staff and students with local, county and regional economic development agencies in support of our rural economy. In partnership with the U of M Extension, we will continue to utilize the

capacity of the University of Minnesota to support job creation, capital investment, business recruitment and job retention.

In an effort to serve our readers effectively, we invite you to submit any local events or programs you wish to publicize to our email address: editor@edacenter.org. If you have any general comments or inquiries about the EDA Center, you can always email us at info@edacenter.org.

EDA Center Receives \$615,000 Grant

For the past three years, the University of Minnesota, Crookston has served as the Economic Development Administration (EDA) University Center for the state of Minnesota. That designation will continue with the recent awarding of \$615,000 from the U.S. Economic Development Administration, U.S. Department of Commerce.

Under the leadership of Dr. Jack Geller, the EDA Center will work with economic development agencies to focus on two complementary areas: Fostering a climate of entrepre-

neurship in economically distressed rural communities and increasing digital literacy and technology adoption. The Center will leverage the intellectual resources of the U of M to help distressed rural communities facing these economic and demographic challenges and broaden the tools available to regional economic agencies.

The grant also facilitates greater collaboration with University of Minnesota Extension. Geller worked with Dick Senese, associate dean for public engagement and the Extension Center for Community Vi-

ality to identify Extension programs and applied research that can be tapped to inform decisions in regional economies. Extension has expertise in applied research for communities, especially as it relates to supporting community-driven approaches to economic development. Utilizing the intellectual resources of the University and Extension will allow the Center to continue to provide technical assistance and applied research as well as foster a culture of entrepreneurship and business development across the state.

Understanding Small Business Success

Every local Economic Development Authority is constantly on the hunt for the next Marvin Windows, Schwan's Foods or Fastenal, but figuring out which companies are poised for significant growth is difficult to identify. In fact, understanding why some businesses succeed and grow while others don't is not readily understood. To better understand some of these issues the EDA Center has been conducting a study of successful small businesses throughout rural Minnesota. Dr. Eyad Youssef, professor of Marketing at the University of Minnesota, Crookston is leading the research team which also includes Dr. Dennis Meier, and Associate Professor Ken Myers. The purpose of the study is to identify characteristics and factors that contribute to the success of small rural businesses.

To identify businesses for the study the research team contacted the Regional Development Commissions across the state of Minnesota requesting they identify companies within their region that were generally less than 10 years old, but were past the survival stage and poised for growth. Success was defined as companies that were experiencing growth in both sales and employment. The business owners were then interviewed to learn more about their business, as well as the characteristics of the owners themselves. In total, the team gathered information from 62 successful rural businesses across rural Minnesota ranging from retail shops to manufacturing to information services companies.

One interesting finding the team learned was that one-third (34%)

of these small business owners had no educational background in business. In fact those business owners that did have a background in business typically did not go further with their education than a bachelor's degree; suggesting that a business degree does not substitute for experience and knowledge of their industry, as well as a passion for it. Dr. Youssef stated that the team would like to create an informational document to pass on to other small businesses to follow in the footsteps of these successful small businesses. A final report on their study will be due in January 2012.

For more information please contact The EDA Center at the University of Minnesota, Crookston. Contact information can be found on page 4.

A Minnesota TiE

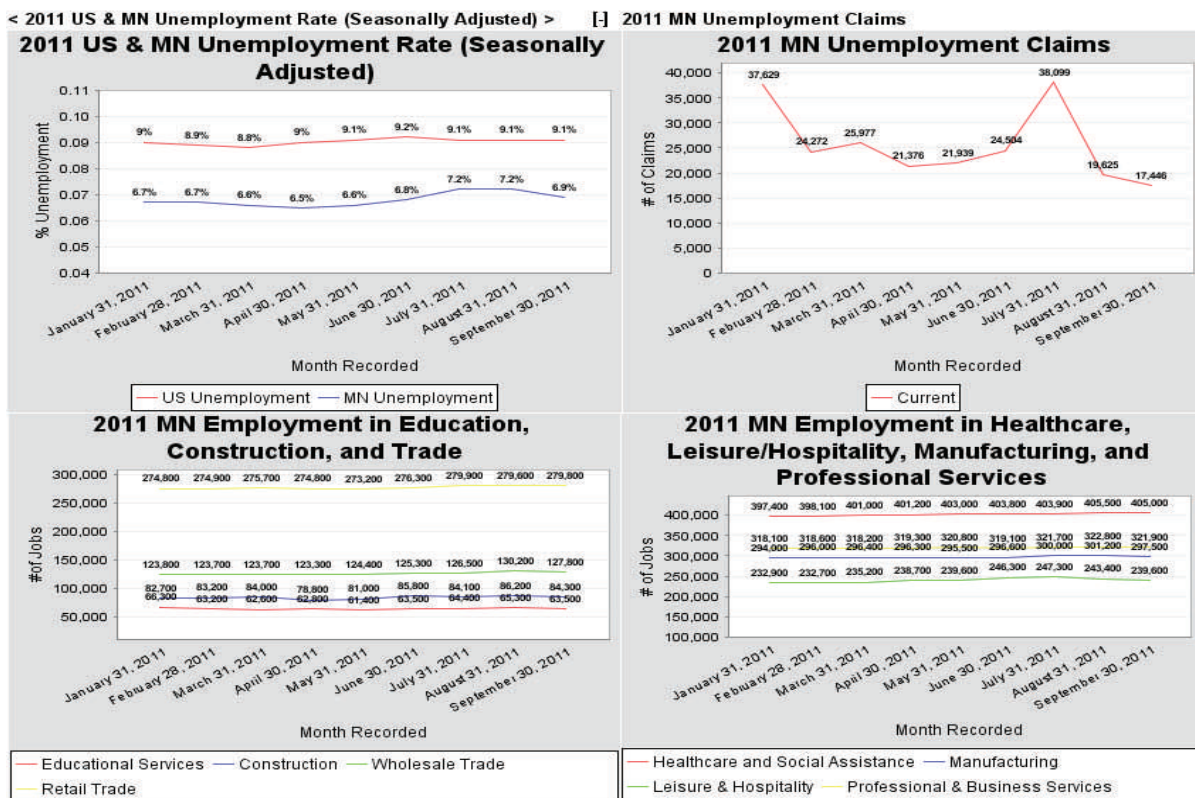
The Indus Entrepreneurs (TiE) is a global company founded by entrepreneurs, corporate executives, and senior professionals with experience in the Indus region. Today, TiE has 13,000 members through its 57 chapters which are located throughout 14 countries. One of those chapters is located right here in Minnesota bringing TiE and its global network to the state.

The purpose and mission of TiE is to promote entrepreneurship globally through mentoring, network-

ing, and education. TiE focuses on generating and nurturing the next generation of entrepreneurs. Since it was founded 19 years ago, TiE has had many achievements. Some of these achievements are having the largest pool of intellectual capital, having a brand that is globally synonymous with entrepreneurship, a \$200 billion economic wealth creation. With 10,500 entrepreneurs and professionals it's no surprise of their success.

TiE offers their members an annual professional and networking conference, education programs and events hosted by the TiE Institute, youth programs, one-on-one mentoring from successful business owners and more. To learn more about TiE please visit www.minnesota.tie.org or contact Lois Josephson at TiE Minnesota at 218-205-9519.

2011 Local Area Unemployment Statistics and Current Employment Situations in Select Industries



The above graph shows how Minnesota unemployment is approximately maintaining 2% lower than in the U.S. when seasonally adjusted. Unemployment claims in the state of Minnesota have

dropped considerably since the beginning of the year with one huge spike for the month of July before continuing to drop through September. The spike in claims in July was a result of the state shut-

down. Go to the Department of Employment & Economic Development website; www.positivelyminnesota.com to view more interesting employment and wage statistics.

Minnesota Management & Budget: State Revenues Continue Above Projections.

According to the October 2011 Economic Outlook from the Minnesota Management & Budget website, general fund revenues for the first fiscal quarter of 2012 totaled \$3.651 billion. This is \$59 million (1.6%) above projections. Individual income tax receipts exceeded earlier projections by \$53 million. Sales tax receipts ex-

ceeded earlier projections by \$32 million. Corporate sales tax receipts exceeded earlier projections by \$54 million.

The economic outlook report does show \$80 million shortfall in other revenue. Most of this shortfall is a result of when Wisconsin's last in-

come tax reciprocity payment was posted. The final payment was received early enough to be applied in fiscal 2011 in stead of 2012 as was previously expected. The entire Oct 2011 forecast can be read at <http://www.mmb.state.mn.us/doc/fu/11/update-oct.pdf>.

Not Able to Meet Your Technological Needs? Maybe the Small Business Innovation Research Program Can Help.

The Small Business Innovation Research Program is a highly competitive program that encourages small businesses to explore their technological potential. SBIR targets the entrepreneurial sector because that is where most innovators thrive. By reserving a specific percentage of federal funds, SBIR protects small businesses and allows them to compete on the same level as large businesses. They fund startup and development stages as well as encourage the commercialization of technology, products or services to help the U.S. economy. SBIR's contributions have enhanced the nation's defense, pro-

tected our environment, advanced health care, and improved the ability manage information.

There are eligibility requirements for small businesses wishing to participate in this program. The requirements are: American-owned and independently operated, for-profit, principal researcher employed by business, and company size limited to 500 employees.

After a business is granted an award they will begin a three-phase program. Phase I, the start up phase, awards up to \$100,000 for approximately six months to support explo-

ration of technical merit. Phase II awards up to \$750,000 for up to two years to evaluate the commercialization potential. Phase III is the period in which Phase II moves from the laboratory into the market place, there are no funds to support this phase.

For more information on SBIR's Three-Phase Program, the role of the US Small Businesses Administration, or for additional information please visit: <http://www.sba.gov/content/small-business-innovation-research-program>.



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The University of Minnesota is an equal opportunity educator and employer.

The EDA Center at the University of Minnesota, Crookston is one of more than 40 university centers nationwide, supported by the Economic Development Administration, U.S. Department of Commerce.

We conduct applied research, provide direct technical assistance and deliver educational programs development agencies that support the economy of economically-distressed rural communities throughout Minnesota.

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