



SUPPORTING ENTREPRENEURS



ABOUT THE SOLUTION CENTER

The Main Street Solution Center is a free access portal to resources for communities and organizations working to revitalize and strengthen their local economies. The Solution Center's curated resources are designed to help guide and inspire local leaders and advocates as they navigate the complexities of downtown and neighborhood business district revitalization and economic growth.

ABOUT THE PARTNERSHIP

This Main Street Solution Center publication was underwritten by Michigan Main Street and Main Street Iowa. Their generous support demonstrates a shared vision and ongoing commitment to freely share knowledge, experience, tools, and best practices to fuel revitalization and economic growth in their own communities, and in locales spanning the nation.



ABOUT THE CREATORS

Leigh Young, AICP is Senior Main Street Specialist with Michigan Main Street and a driving force behind the creation of the Main Street Solution Center. Her deep passion for planning, placemaking, community engagement, and sustainable urban development is evident in her work to advance the cause for revitalization and economic development in downtown and neighborhood business districts across Michigan.

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Ben Muldrow is a partner at Arnett Muldrow & Associates, a consultancy renowned for its creative approach to economic development, branding, and marketing strategies for small towns and cities across the nation. He brings an innovative mindset and a deep understanding of the unique dynamics of community branding to each engagement, blending traditional community values with modern marketing techniques to help communities and districts unlock their potential.

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Targeting entrepreneurs and startups as a core business development strategy is a sound approach. Many of our historic downtown and neighborhood business districts have always, somewhat naturally, served as incubators, of sorts – often being an area in the community having a higher concentration of small businesses founded by local entrepreneurs planting seeds, growing, and evolving with changes in the marketplace. While some ventures failed, others succeeded. Some dating back fifty or a hundred years or more are recognized as icons and identified by local family names with deep roots in the community.

Starting a business was risky then, and it still is today. Bureau of Labor Statistics (BLS) data show about 22% of business startups fail in the first year, and 50% of new businesses fail within the first five years. Interestingly, BLS statistics compiled by Zippia show restaurants and retail establishments, often among the uses targeted for expansion in Main Street districts, do not fail more than other businesses.

Source: Zippia. [“What Percentage Of Small Businesses Fail \[2023\]: Top Reasons And Failure Rate”](#) Zippia.com. Nov. 2, 2022

Still, the statistics reinforce the need to support entrepreneurs and new business startups during the formative stages, but also well beyond a grand opening ceremony, to enhance prospects for long-term success. This is especially true as a growing number of forward-thinking cities and towns are reassessing their economies and placing a stronger emphasis on tactics to build a diverse, sustainable, home-grown economy.



Opportunities and Your Role

For downtown and district management organizations, trends are favorable. Entrepreneurial Ecosystems and the Role of Commercial Districts published by Main Street America – a recommended read for local district leaders and economic development partners – discusses the difference that place makes as part of the community’s entrepreneurial ecosystem and identifies key takeaways that include:

- A distinct sense of place is the glue that holds any commercial district together.
- Quality of place is a critical factor in attracting and retaining great entrepreneurial talent.
- New forms of business, generational trends, and shopping preferences all point to the central role of place in entrepreneurs’ location decisions.

The publication goes on to declare, “A truly robust local entrepreneurial ecosystem recognizes a location’s physical environment as a critical factor for ensuring small business success,” an assertion backed-up by a Cushman/Wakefield study of 500 businesses and entrepreneurs cited in the document and that found:

- Talent attraction and retention is the most common reason why businesses ultimately made the decision to move to a downtown.
- Architecture also plays a role. Many respondents mentioned their desire for an open-office feel—converted warehouses and lofts impress potential workers. In addition, they take advantage of a surplus of underutilized buildings that convey local heritage.
- Entrepreneurs looked for locations in “live/work/play” neighborhoods, located near bars, restaurants, and cafes.

The authors make the case for how these influential factors, “tie directly back to the principles that Main Street America programs have been using for decades to revitalize their downtowns.” Specific examples of strategies to grow entrepreneurial ecosystems related to each point of the Main Street Approach are also presented and can be useful in more clearly defining your organization’s role and shaping the scope of its entrepreneurial development and support efforts.



Supporting Entrepreneurs: A Ground Level View

Identifying opportunities and the roles downtown and district organizations and entrepreneurial ecosystem partners can play in supporting entrepreneurs may best begin by understanding some of the common pitfalls encountered by entrepreneurs and new businesses on their journey.



Investopedia / Ellen Lindner

The Investopedia article, [Top 6 Reasons New Businesses Fail](#), points to:

1. Not Investigating the Market.

Failing to find an opening or unmet need within a market, and filling it.

2. Business Plan Problems.

Failing to craft a solid and realistic business plan – the basis of a successful business.

3. Too Little Financing.

Being unrealistic at the beginning, and failing to pursue multi-channels for funding and financing.

4. Bad Location, Internet Presence, and Marketing.

Selecting a bad location is self-explanatory, but just as critical is the need for a strong, targeted Internet presence and marketing strategy.

5. Remaining Rigid.

Becoming complacent, and failing to monitor the market, stay on top of trends, and adjust strategies to remain successful.

6. Expanding Too Fast.

Neglecting to approach expansion like you're starting all over again, with attention to research, strategy, planning, and funding needs and options.



Pitfall 1: Not Investigating the Market.

Failing to find an opening or unmet need within a market, and filling it .

Entrepreneur Support Examples:

- Sharing and providing online access to demographic data, market study reports, survey results, and other information describing the market, potential opportunities, and businesses and uses targeted for expansion and recruitment.
- Offering seed money grants to support entrepreneurs in the earliest stages of concept development, research, and testing.
- Providing short-term space, arrangements, and events for entrepreneurs to cast ideas and develop and test market concepts. For example:
 - o Short-term pop-up spaces or event booths.
 - o Consignment arrangements with existing businesses.
 - o Short term display, studio, and work spaces for artists, makers, and manufacturers.
 - o Short-term, shared office spaces – or desks – equipped with Internet access, computers, basic office equipment, a 3D printer, etc.
 - o Entrepreneurs showcase and demonstration events.
 - o Lower-stakes idea pitch events that offer a chance for entrepreneurs to share ideas in a supportive setting, gather feedback, and gain seed funds – like Wheeling’s (WV) Show of Hands events.
 - o Shared retail storefront and micro-market concepts housing, and apportioning costs among, multiple start-ups.
- Hosting regular meetups for innovators, inventors, creatives, and dreamers to connect, share ideas, and learn from each other.

Wheeling Heritage's Show of Hands is a community-supported crowd-funding event. Community members are presented with projects that would positively impact Wheeling and vote on the project they want to support with donations from the door and support from community partners.



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ELKINS ENTREPRENEURS EXPO

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Phil Gainer Community Center
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Potential, existing, and historically underserved businesses are all invited to attend this informative event. There will be live education sessions, informative round tables, education booths, one-on-one discussions, story boards, and valuable meet and greet interaction. Come for the entire day or as your time allows. Admission is free!

Questions? Call 304-636-0803

THANK YOU TO OUR LEAD SPONSORS

CITIZENS BANK OF WEST VIRGINIA COMMONDOOR A SHARED WORKSPACE COMMUNITY

Elkins, WV organized its first Entrepreneurs Expo to share market data and survey findings from a recently completed market study, to provide a space for attendees to learn and network, and to make introductions to entrepreneurial ecosystem partners, resources, and technical assistance providers.



SHOW OF HANDS

COMMUNITY-DIRECTED FUNDING



Pitfall 2: Business Plan Problems.

Failing to craft a solid and realistic business plan – the basis of a successful business

Entrepreneur Support Examples:

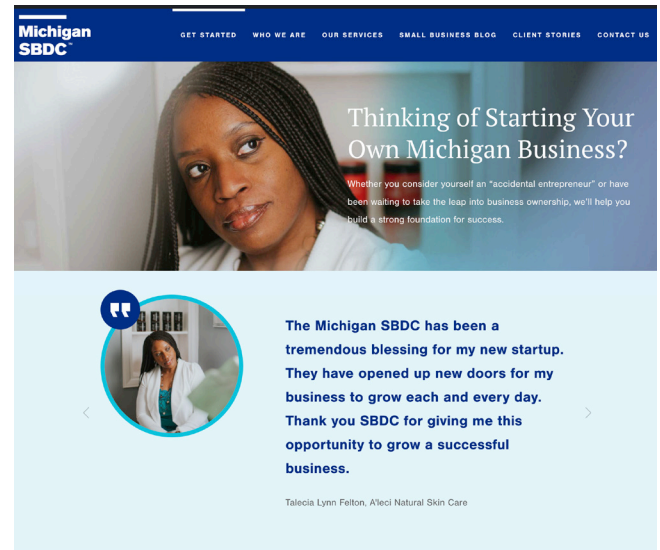
- Maintaining an entrepreneurial support organizations and resources directory.
- Promoting and directing entrepreneurs to local technical assistance providers and online business planning resources, like Michigan SBDC business startup services, SBA's Business Guide and SCORE's Startup Roadmap.
- Hosting business planning workshops, step-by-step training opportunities, and cohort and alumni networking activities.

Open Up Shop!, A Brick-and-Mortar Readiness Guide for Small Business Owners

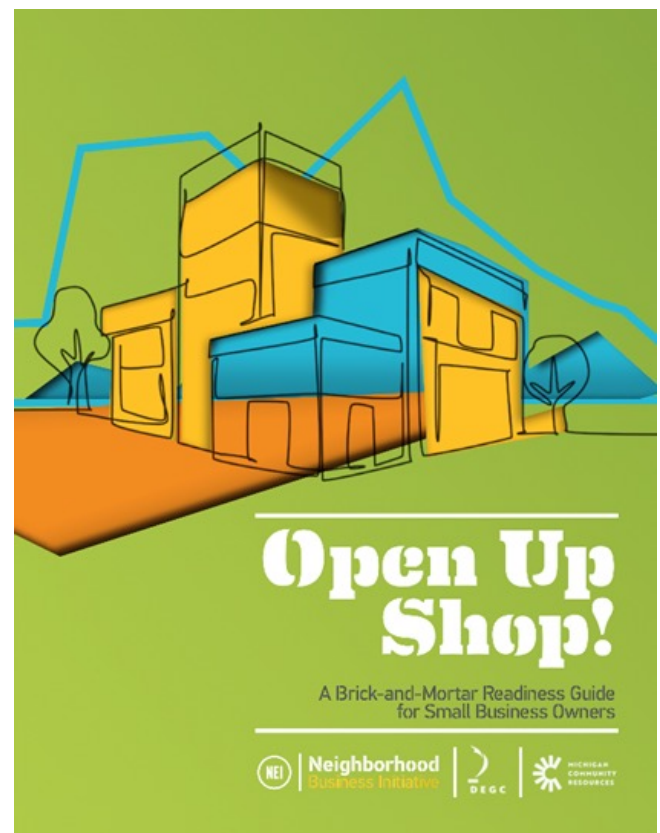
published by the Neighborhood Business Initiative (NBI) in Detroit packages extensive educational content and exercises in a workbook format, and walks users through some of the essential steps for opening a business including:

- Getting your business plan in order so you can plan for the right space
- Deciding what kind of space you need
- Choosing a location
- Designing and constructing your space

<https://www.degc.org/wp-content/uploads/2021/09/NBI-OpenUp-Up-WorkBook-FINAL.pdf>



The Michigan SBDC website features a testimonial from Talecia Lynn Felton, owner of A'leci Natural Skin Care. The testimonial reads: "The Michigan SBDC has been a tremendous blessing for my new startup. They have opened up new doors for my business to grow each and every day. Thank you SBDC for giving me this opportunity to grow a successful business." The website header includes navigation links: GET STARTED, WHO WE ARE, OUR SERVICES, SMALL BUSINESS BLOG, CLIENT STORIES, and CONTACT US.



The cover of the "Open Up Shop!" workbook features a stylized illustration of a brick-and-mortar building with a blue outline and a green background. The title "Open Up Shop!" is prominently displayed in white text. Below the title, it reads "A Brick-and-Mortar Readiness Guide for Small Business Owners". The logos for the Neighborhood Business Initiative (NEI), DEGC, and Michigan Community Resources are visible at the bottom.



Pitfall 3: Too Little Financing.

Being unrealistic at the beginning, and failing to pursue multiple channels for funding and financing.

Entrepreneur Support Examples:

- Maintaining and sharing information on startup funding sources, options, and incentives, including programs available from entrepreneurial ecosystem funding partners and institutions, and local, regional, state, and federal sources.
- Creating and promoting incubator and micro-retail options that provide a chance for entrepreneurs to start small, experiment, and gain a solid footing before they invest in a larger space or long-term lease.
- Creating and promoting incentives and programs reducing market entry and buildout costs (e.g. utility hook-up fee waivers, tenant improvement grants, rent subsidies).
- Organizing a business pitch competition.
- Establishing an angel investors fund.
- Supporting entrepreneurs pursuing angel investor funding or crowdfunding options like Kickstarter, GoFundMe, Patreon, and Kiva.

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LAUNCH Chattanooga (TN) offers business training, support, and affordable resources to entrepreneurs who are underrepresented in entrepreneurship. Four programs empower entrepreneurs at every stage of their business journey.

<https://launchchattanooga.org/>



Pitfall 4: Bad Location, Internet Presence, and Marketing.

Selecting a bad location is self-explanatory, but just as critical is the need for a strong, targeted Internet presence and marketing strategy.

Entrepreneur Support Examples:

- Maintaining and providing easy access to a current list of available properties and spaces.
- Sharing information on district occupancy rates, property values, and lease rates.
- Creating and promoting low-cost, limited-term incubator options, packaged with business startup, management, and marketing coaching, training, and technical assistance.
- Providing user-friendly materials outlining the business startup process (e.g., inspections, permitting, licensing, utilities, etc.) and making referrals or introductions to appropriate officials.
- Developing and promoting incentives and programs aimed at helping businesses establish a strong Internet presence and marketing strategy (e.g. help to create or fine-tune a marketing plan, one-on-one social media set-up and training, website creation, Ecommerce set-up, etc.).
- Working with local officials to review and ensure zoning ordinances and land use strategies allow for, or even encourage, targeted business types and uses within the district, including appropriately scaled manufacturing and light industrial uses.



[Middle Village Micro Market](#) is a retail business incubator program empowering Lansing, MI entrepreneurs to take the next step into a brick and mortar space. A yearlong program supports six to eight unique retailers as they receive business programming and marketing support while they grow their brand, build their customer base, and test the market.

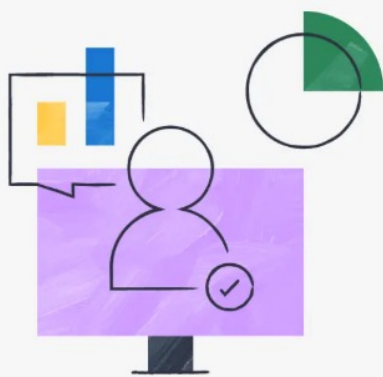


Pitfall 5: Remaining Rigid.

Becoming complacent, and failing to monitor the market, stay on top of trends, and adjust strategies to remain successful.

Entrepreneur Support Examples:

- Hosting business forums that highlight trends in the market, emerging opportunities, and resources for entrepreneurs and businesses altering or fine-tuning their business model.
- Organizing a stable of mentors – or tap into organizations like SBDC, SCORE and MicroMentor – who will spend one-on-one time with entrepreneurs to help them avoid pitfalls, navigate challenges, and evaluate potential business plan alterations.
- Share market data on business trends and the potential for businesses to expand or to shift product and service offerings for broader appeal or to fill gaps in the market.
- Hosting regular meetups for innovators, inventors, creatives, and dreamers to connect, share ideas, and learn from each other.



12% more businesses with a mentor survive their first year than those without one.

Source: Score.org



Pitfall 6: Expanding Too Fast.

Neglecting to approach expansion like you're starting all over again, with attention to research, strategy, planning, and funding needs and options.

Entrepreneur Support Examples:

- Review examples for Pitfalls 1 – 5.
- Developing an entrepreneurial support and resources track specifically designed for expanding businesses.
- Organizing a business pitch competition that targets existing businesses making improvements, expanding, or pursuing additional revenue streams.



Getting Started

The reasons often underlying business failures, and different ways to help entrepreneurs and startups avoid common pitfalls, point to entrepreneur support strategies, programs, and resources that:

- Address specific, local barriers and challenges to starting and growing a business that are common throughout the district (e.g. a lack of available space, inadequate utilities, excessive red tape); and
- Can be adapted to unique needs and obstacles encountered by individuals progressing through various startup and growth phases (e.g. business planning, training and mentoring needs, a lack of the “right” space, high tenant improvement costs).

A process to determine or prioritize your organization’s entrepreneur support activities, programs, and resources might include:

- Canvassing businesses and using small group and one-on-one conversations to assess needs both common to the district, and to individual entrepreneurs.
- Involving and sharing information with economic development partners, and working collectively to inventory and promote existing, relevant business support programs and resources.
- Identifying gaps in the district’s business support system that might be filled by the expansion or modification of existing programs, or the introduction of new, targeted activities and resources.

Additional Tools and Resources

[Main Street America Entrepreneurial Ecosystem Community Assessment Audit](#)

[Funding Your Startup: A Guide for Aspiring Entrepreneurs](#)

[Michigan SBDC Business Startup Services](#)

[USDA's Resource for Rural Entrepreneurs – A Guide to Planning and Growing Your Business](#)

[How To Find A Mentor For Entrepreneurship](#)

[Small Business Statistics: Essential Insights for 2024](#)

[Entrepreneurship Can Revitalize Neighborhoods in Need – by Scaling Deep](#)

[Top 6 Reasons New Businesses Fail](#)

[Show of Hands | Wheeling \(WV\) Heritage](#)

