

Entrepreneur Ready Claremore: Certification Review



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creating sustainable rural communities

What is Entrepreneur Ready Claremore?

Entrepreneur Ready Claremore is an economic development strategy—a program to help Claremore become more entrepreneur friendly. That means the overall business climate supports the growth and expansion of businesses. It also means there is a positive, enthusiastic attitude that permeates the culture and asks, “How can we help you succeed in your business?” This ensures that resources are available and simple to find and the people behind them are helpful and friendly.

History

In May of 2011, the Claremore City Council approved a resolution to endorse and support the Entrepreneur Ready Community Program initiated by the Innovation Center at Rogers State University. In August 2011, a kick-off session was held that educated community members on the importance of an entrepreneurship-centered economic development strategy. Community members evaluated the status of Claremore using a community benchmark survey that examined the overall support system of business and entrepreneurial resources in eleven key areas which are outlined below. For each key area, the team outlined the attributes that support the entrepreneurial and small business environment in Claremore as well as identified areas that need continued efforts.

Beliefs

The positive attitudes and beliefs of Claremore’s citizens are essential for the economic growth of the community and region. Attitudes and beliefs are also the toughest to change and sometimes can be considered ‘the

last mile’ in economic development. The questions to ask are:

- a. Does the community welcome change and growth?
- b. Do citizens appreciate the impact of entrepreneurship?
- c. Do citizens support local businesses?
- d. Do citizens value the economic impact the ‘job creators’ in the community have on the quality of life in Claremore?
- e. Do citizens have vision for sustainable community growth?
- f. Does the community embrace creativity and collaboration?
- g. Do community citizens value diversity?
- h. Do citizens understand and value the idea that failures create opportunities?

What’s Next:

The Claremore community should continue to value the economic impact that local businesses and risk takers have on our local economy. A suggested strategy is to educate the public about how purchasing habits affect the local economy. One possible approach is to incorporate a component on local economics in the Citizen’s Government Academy and Economic Development Day for Leadership Rogers County. It is also important that stakeholders representing the community maintain a proactive and positive outlook on the community, touting the certification and leveraging all outlets to shine a positive light on the community.

Patterns of Behavior

Shopping Locally

The Chamber of Commerce and Main Street program have been driving forces behind shop local campaigns. Over the years they have organized and promoted the Santa Cash campaign that encourages citizens to do their holiday shopping with local retailers. The Cash Mob

campaign, while new, has gained popularity and promises to be a unique way to encourage local shopping.

City & County Resources

The City developed a business resource page on their website that serves as a central location for information and services related to starting and operating a business in Claremore. This system is intended to streamline the process so a potential business better understands:

- a. The process of starting a business
- b. Who to contact
- c. What services are available to assist them

City of Claremore development services and associated departments have taken steps to streamline the process for potential and existing businesses. Employees are now familiar with the business resource page on the City's website and can direct businesses to the central resource.

The economic development arm of the community, Claremore Rogers County (CRC) Partnership, played a key role in creating the recent tax incremental financing district, which will support the new development at Baker Hughes as well as the North Industrial Park. In August 2012, the city council voted to modify its sign ordinance for the central business district in downtown Claremore, which now allows small business owners to use off-premise signage to promote their businesses.

What's Next:

More efforts are needed to encourage business-to-business purchasing as well as collaboration in other areas such as marketing and creating joint products or services. This could be accomplished through educational articles through the newspaper and other media outlets as well as utilizing the social media and website links on

participating organization's websites. The community also needs an overall branding campaign to communicate a cohesive vision for Claremore. The result would be more opportunities for citizens to buy local products and services, which would help keep sales tax dollars from leaking into other communities.

Organization

Throughout the certification process there has been representation from a cross-section of the community. The City of Claremore has shown its dedication to the process. Decision makers have been involved and supportive of the leadership team meetings and served on action teams. City personnel that have direct contact with current and prospective business owners have been trained on the Entrepreneur Ready process. Entrepreneurs as well as individuals from education, financial institutions, and the Chamber of Commerce have been active in the certification process.

What's Next:

The city needs to continue to enhance the community's support for entrepreneurship and innovation. A sustainability component should be addressed to continue efforts to make Claremore more entrepreneur and business friendly.

Location & Infrastructure

Claremore has made continued progress in location and infrastructure. A road was completed in the industrial park for the AXH expansion and a rail spur in the industrial park is under construction. Another important infrastructure accomplishment was the synchronization of traffic lights on Highway 66 allowing uninterrupted traffic flow, which significantly improves

the ability to ship truckloads of manufactured products from Claremore. The city also recently approved a Tax Increment Finance District to assist with the financing of a power substation on the north side of town. That item is discussed in further detail under the Incentives section within this document. The site development at the retail site on the south side of town continues.

What's Next:

A component of infrastructure crucial to the success of businesses is access to high capacity broadband internet. Another needed component of infrastructure is a more streamlined method to allow traffic to flow with the trains that cut through town.

Entrepreneur Education Programs

Feedback from survey participants indicated that adequate small business training is offered in the community through Rogers State University, Northeast Technology Center, Rural Enterprises Inc. and Cherokee Nation. Regularly provided training topics cover such essentials of business ownership including business planning, financial planning, marketing, and management. The need now is to create a method that will connect entrepreneurs with individuals that can assist them with industry-specific issues. This will be accomplished through a specialized regional mentoring program. The framework for this program is currently being developed by the Northeast Oklahoma Regional Alliance that includes members of the Claremore community.

Some youth entrepreneurship education programs have taken place. During the summer of 2012, RSU and OSU Institute of Technology held

a STEM/entrepreneurship camp at the RSU Claremore campus for youth located in Rogers, Mayes, and Washington counties through a grant provided by the Workforce Investment Board. Both institutions plan to submit a grant proposal for the summer of 2013.

A group of entrepreneurs and inventors was created to discuss ideas for innovation, sustainability, and strategies that apply to the small business world. Monthly meetings are organized and led by local entrepreneurs.

What's Next:

Continue existing and planned programs that provide education, training, networking, and mentoring opportunities through the network of resource providers.

Quality of Life

Claremore boasts a great quality of life through educational opportunities, healthcare providers, civic involvement opportunities, arts, culture and recreational resources. In addition, the Chamber of Commerce plans to revive the young professional's organization. This is important in attracting and retaining young professionals in the community that will enhance our workforce and provide additional opportunities for new businesses to be created.

What's Next:

Claremore citizens feel that additional dining and shopping opportunities are needed. Since Claremore does not meet the demographic requirements to attract most national brand stores and restaurants, the community should embrace this as an opportunity to 'grow our own' businesses to meet the needs of residents and visitors to the community. City, county, economic development and chamber leaders should take a principal role in development,

retention, and growth, while continuing to evaluate zoning, taxation, and incentive processes, improving where necessary.

Community Incentives

The City of Claremore and CRC Partnership work together to provide incentives for businesses looking to locate or expand. While there's not a menu of incentives listed publicly, there are many incentives that can be negotiated, based on the scope of the project, typically in the form of infrastructure improvements. The most recent incentive utilized by the City and CRC Partnership was the development of a Tax Increment Finance (TIF) district. The new TIF district enables the city to collect the property tax revenue attributed to the increase in assessed property value from the new investments in the district. The collected property tax revenue will be applied toward the purchase and installment of a new power substation on the north side of town.

In the past, the city has approved up to \$2 million in infrastructure incentives in the form of road construction, electrical and water infrastructure improvements. While the city's sales tax dollars are earmarked, the city can commit to provide sales tax rebates based on a percentage of sales tax revenue collected by a business. The city can also provide sales tax rebates from public works revenue to the businesses that expand or relocate to Claremore.

The City of Claremore has a designated enterprise zone, however there are no incentives currently provided from the city for businesses located in the enterprise zone.

The City of Claremore has two federally-designated Foreign Trade Zones (FTZs). FTZs are physical areas within the United States that are

treated by customs as though they were outside of the U.S. border. This designation offers many potential tax benefits for warehousing/distribution and manufacturing operations. Currently, the following areas of Claremore qualify as foreign-trade zones: the Claremore Business and Industrial Park located near Lowry Rd and Highway 66, composed of approximately 550 acres; and the Claremore Regional Airport Industrial Park located at 19502 Rogers Post Road, composed of approximately 525 acres.

Claremore is located in a Historically Underutilized Business zone (HUB zone). The city, county, and region are on federal Indian land, thus meeting the criteria to be designated a HUB zone.

There are many state incentives available to Claremore businesses through the Oklahoma Department of Commerce. An updated Oklahoma Incentives and Tax Guide can be found at: <http://okcommerce.gov/location-or-expansion/incentives/>

The Oklahoma Center for the Advancement of Science and Technology (OCAST) is a state agency with a focus on innovation. The agency provides funding to Oklahoma-based scientists, researchers, businesses manufacturers, and organizations. Between the OCAST Associate Director of Programs for the Tulsa/Northeast Oklahoma Region and the Oklahoma Manufacturing Alliance Extension Agents, manufacturers in the Claremore area have access to funding, resources, and networks to assist with graphic design, engineering, operations, and talent acquisition.

Aside from incentive options, Claremore boasts strengths in economic development through the CRC Partnership, Rogers State University Innovation Center, and Northeast Technology

Center. CRC Partnership focuses on the recruitment and retention of industry in the Claremore area and provides prospects with data about availability of resources in the community.

The Innovation Center at Rogers State University focuses on Economic Gardening - the entrepreneurial approach of economic development. The Center has a team of certified specialists to assist entrepreneurs and growth businesses with challenges and opportunities.

What's Next:

The City of Claremore and CRC Partnership continue to review and provide incentives as applicable. One suggestion would be to utilize the enterprise zone that exists in the community to provide property tax and/or sales tax credits for businesses located in the blighted zones. Another suggestion would be to put together a few incentive examples and publish it as a resource for businesses.

Local Financing

The Entrepreneur Ready Claremore local finance committee was formed to explore finance options available for start-up and existing businesses in the Claremore area. The committee divided the task into two sources of funding: traditional and alternative. Here's a brief summation of the Committee's work.

Traditional Finance

In the Claremore area, traditional finance options are those found through local financial institutions and the Cherokee Nation Small Business Assistance Center. The committee recruited loan officers from lending institutions in Claremore including BancFirst, Grand Bank, RCB Bank, and TTCU. The committee met to discuss the finance programs available at each institu-

tion. The committee also invited BancFirst's SBA director to discuss their programs on a statewide level because BancFirst is the largest SBA lender in the state. The committee developed a lending checklist for public dissemination (currently on the City of Claremore's website). The checklist includes areas/items potential borrowers need to address prior to seeking financing. The checklist also includes criteria lenders use when making loan decisions such as debt service coverage, debt-to-income ratios, etc.

Alternative Finance

The local finance committee narrowed alternative finance discussions to three areas: starting and managing a local investment fund, matching investors with deals, and crowdfunding.

Local Investment Fund

The committee researched the concept of starting and managing a local investment fund, similar to the Private Partners Opportunity Fund in Enid, OK. The Enid project took roughly seven years to implement and required many investors and a high rate of deal flow. Committee members met with David Thomison from [i2e's SeedStep Angel](#) program. Through the SeedStep program, i2e provides the structure and management if we provide them with some angels to plug into the network and as much deal flow as possible. The benefit to this program is they also provide deal flow so there could potentially be enough deals floated in front of our local angels to maintain their interest and diversify their investments. The committee will continue to learn more about the program with the intent of bringing i2e associates to Claremore to meet with community stakeholders who may have an interest in angel investing.

Crowdfunding

Crowdfunding has been around for a few years; however, recent legislation has opened new opportunities for entrepreneurial finance. Until recently, most crowdfunding sites have been donation-based sites. People donate money to the startup in exchange for perks such as having a cupcake named after them. The JOBS act legislation in 2012 made it possible to provide equity in a company without having to be a Security and Exchange Commission accredited investor. Many crowdfunding sites are turning into full investment vehicles. Thus new sites are coming online daily catering to every sector and category. General sites are narrowing the focus of specialty into deeper niches. As crowdfunding grows in size and reach, angel investors will find a new source of deals to consider and a new point of validation. Some crowdfunding sites are listed below with brief descriptions of the platforms they offer:

www.kickstarter.com – creative projects

www.indiegogo.com – first online platform and currently the world's largest

www.appsfinder.com – for mobile web apps

www.launcht.com – allows others to create their own crowdfunding platform

www.crowdcube.com – equity based crowdfunding platform

www.quirky.com – for inventors

www.rockethub.com – for creative projects

www.wefunder.com – for start-ups in general

www.startupaddict.com – for start-ups in general

www.newjelly.com – for artists

<http://mycofolio.com/> – local crowdfunding

www.startsomegood.com – social entrepreneurs

<http://peerbackers.com/> – crowdfunding using social media platforms

The committee also researched a local crowdfunding program out of a small community in Washington State. LION is an acronym for Local Investing Opportunities Network and is a group of investors in Port Townsend, Washington. The group formed to promote local investments. LION doesn't invest as a group, but facilitates investment by bringing together local investors with local businesses in need of loans or equity. LION members are not necessarily accredited investors, so companies rely on a private offering exemption for pre-existing relationships.

Capital Matchmaking

The committee met with Tulsa bank owner, Sean Kouplen, to discuss his grassroots matchmaking of investors with entrepreneurs. Mr. Kouplen bought Regents Bank in 2009. He wanted to provide excellent service to all customers, but felt there were entrepreneurs who were not bankable that needed capital and investors that were looking for higher rates of return on their investments. He now sends private emails describing each potential deal to investors in his database. Communication is private so that the identity of investors remains confidential. If investors are interested, they call the entrepreneur and work out an arrangement. In a larger community, this model could be successful with the right database of potential investors.

Through the Entrepreneur Ready Community Certification process, local lenders in the community met regularly and enthusiastically part-

nered to host a CPA educational luncheon, host an entrepreneur education forum on 'How to Get Bankable' and in general discuss the finance options available in the community. Claremore has a very friendly banking community. Claremore also has a strong presence from Cherokee Nation, which has a small business loan program with favorable interest rates available to Native Americans.

What's Next:

The Innovation Center will work with financial partners throughout the state to develop a visual graphic depicting the resources available and existing gaps in the entrepreneurial finance spectrum. When the graphic is complete, the Center will share with financiers in the area for dissemination. The Center and the Local Finance Committee will continue to explore alternative finance options, including a potential partnership with Tulsa Economic Development Corporation. The Committee and Center's staff will also connect Claremore with the i2e Seed-Step angel group.

Labor Force

The leadership team formed a Labor Force Committee to analyze the local labor force. The committee researched area workforce data available and summarized the data into the following categories: occupational outlook for northeast Oklahoma, labor force area profiles, and graduation rates by standard industry classification from Rogers State University and the Career Tech centers in northeast Oklahoma.

Occupational Outlook

The Northeast Oklahoma Workforce Investment Area provides an occupational outlook from

2008-2018. The outlook shows employment in 2008 by occupation the projected demand for workers up to 2018. The site also provides the hourly wage for each occupation and the type of training/education necessary to fulfill the job requirements. Counties in the profile include Craig, Delaware, Mayes, Nowata, Ottawa, Rogers, and Washington. The data can be customized to Rogers County or the Claremore/Pryor labor force area. The profile can found here: http://www.ok.gov/oesc_web/documents/lmiwiaocproj0818ne.pdf.

Occupational classification can be found the US Department of Labor website: http://www.bls.gov/soc/soc_structure_2010.pdf.

The Labor Force committee also prepared graduation rates for the last three years, by Standard Occupational Code, for Rogers State University and Career Tech Centers throughout northeast Oklahoma. While this data won't be published, it will be made available through the city, the county, or the Innovation Center to interested parties.

Custom Labor Force Profiles

The Innovation Center, in partnership with CRC Partnership, recently received licensed access to EMSI through the Oklahoma Department of Commerce. The data made available through the site will allow the Center's staff to compile labor force reports for Claremore, Rogers County and surrounding areas. Regional data is available on graduates by program.

Workforce resources available in the region include the following.

Career Tech Training – Northeast Technology Center provides workforce training including:

- Technical Skills (Motor Controls, Hydraulic Pneumatics)
- Production Process Improvement (LEAN Manufacturing)
- Computer Software (CAD, SPC, Business Applications)
- Training Sites
- ISO 9000/Quality
- OSHA/Safety Training

Reach Higher – the degree completion program offered at Rogers State University is part of the Reach Higher program, a statewide initiative to increase the number of state residents who have earned bachelor's degrees. This program is coordinated by the Oklahoma State Regents for Higher Education. Those participating in the RSU Adult Degree Completion program may complete RSU's Bachelor of Science in Organizational Leadership, which is offered online in a flexible, accelerated format to help more adults in northeast Oklahoma earn a four-year degree. The program is for individuals who have earned at least 72 college credit hours from other institutions.

EAST Program – Northeast Technology Center's Claremore campus offers the Environmental and Spatial Technology Program (EAST), where students use state-of-the-art computer hardware and software to engage in project-based problem-solving. Typical student projects are partnerships between students at NTC, RSU, and community members.

Specialty Degrees – RSU is open to industry discussions to create degree programs or to modify the curriculum as needed in the region—such as SAP for ConocoPhillips.

Work Ready Certification – northeast Oklahoma is certified through the Oklahoma Department of Commerce as a Work Ready region. The certification process quantifies the capability of the area's workforce and high school performance, thus helping job seekers skills with the needs of employers. Oklahoma's Work Ready Communities program brings together employers, education, economic development and all levels of government in successful and powerful coalitions.

The Hatch – The Innovation Center at Rogers State University has a student enterprise program where students can receive college credit while starting or growing their business. The Hatch is an innovative course focused on teaching concepts of entrepreneurship to students from multiple disciplines. The Hatch combines educational curriculum with real-life practical experience in starting and operating a new business venture.

TRIO Programs – The Educational Opportunity Center (EOC) serves traditionally under-represented individuals by preparing them for success in post-secondary education. This potentially expands the workforce capabilities within the region.

What's Next:

Further analysis of the workforce data is needed to determine if the local labor force will meet the future needs of the region. The community does not retain young adults very well. The Innovation Center and Claremore Chamber of Commerce are planning to re-launch the Rogers County Young Professionals Organization (RCYPO) in 2013.

Promotion & Recognition of Entrepreneurship

In the past there have been several events that promoted the small businesses in our community. The Claremore Chamber of Commerce, in partnership with the Innovation Center, is launching the Rogers County Entrepreneur awards for 2013. Awards will be given in the following categories: service, retail, and manufacturing.

The leadership team discussed hosting a Business Showcase event in 2013. The Innovation Center is also exploring opportunities for a Rogers/Mayes County Innovative Ideas Competition, similar to the Innovative Ideas competition in Bartlesville: Build Bartlesville, found at www.buildbartlesville.info.

Network of Resource Providers

Claremore and surrounding areas have an abundant network of resource providers.

Organizations

Claremore Chamber of Commerce – serves as the voice of business in Claremore. The chamber is a voluntary business organization with more than 450 members representing all types of businesses, from sole proprietorships to corporate industrial entities, and resale shops to national brand retailers. The Chamber has an institutional perspective as a longstanding business leader in Claremore. The staff, organizational structure, facility, and resources are community assets.

Claremore Main Street – Claremore is a Main Street community through the Oklahoma Main Street Center. The Oklahoma Main Street program provides training, resources, and technical assistance for preservation-based commercial district revitalization. Based on the National Main Street Center's guiding principles and nationally recognized Four-Point Approach, the program offers a practical strategy scaled for each local community. Main Street promotes public and private partnership and local leadership, commitment, and synergy while delivering tangible and intangible benefits to communities.

Northeast Technology Center – The Business Development Program assists business owners with their endeavor to increase sales revenue, achieve optimum profitability, and navigate government regulations. Tuition for an entire academic year of the Business Development Program is \$125. Northeast Technology Center also has a bid assistance program as part of a nationwide effort of procurement technical assistance. Assistance is provided to guide businesses through the paperwork required in government contracting, vendor registration, HUB Zone and 8a certification processes, as well as woman- and veteran-owned business procedures.

RSU Innovation Center – The Innovation Center provides technical assistance to start-up and existing businesses. Assistance includes business plan development, finance, accounting, market research, marketing, promotional strategies, new media strategies, and geographic information systems (GIS) services. The Center also provides space for businesses to launch or grow through the Business Incubation program.

Tulsa Score – A national network of volunteer business counselors in Tulsa and Broken Arrow.

CRC Partnership – area economic development organization. CRC Partnership is the newly-formed entity combining services of CIEDA and RCIDA. CIEDA is an economic development organization trust that facilitates the creation of wealth and new investment in Claremore through business attraction, retention, and expansion efforts. RCIDA is a public trust created for the purpose of assisting businesses to develop, provide jobs, and create economic, cultural and educational benefits for the residents of Rogers County. RCIDA will provide assistance in the following areas: facility location and site searches, economic and demographic information, real estate and equipment finance, business start-up programs, and small business development.

Oklahoma Department of Commerce – state assistance and incentives

Cherokee Nation – small business assistance and loan program for Native Americans

Libraries

Will Rogers Library Resources – EBSCOhost; periodicals, which feature Business Source Premier and Regional Business News databases

Stratton Taylor Library Resources

- Business Source Complete: journal and magazine articles, business research reports, company and industry profiles, SWOT analyses, working papers, books online, country reports, and more.
- LexisNexis Academic: company information, legal information, state codes, local, Tulsa, and world news.
- Reference USA: retrieve company and residential information.

- Small Business Reference Center: provides current information on relevant topics from starting a company, operations management, and sales to growing or rescuing a business. The database contains nearly 400 full-text periodicals and more than 450 full-text reference books.

Conclusion

In summation, the Claremore community has so many assets to leverage for growth and continued prosperity. Throughout this document, the assets far outweigh the deficiencies. It is important that all stakeholders in the community take a proactive business approach in ensuring that policies, procedures, and the general environment are conducive to business and sustainable growth.

About the Entrepreneur Ready Community Certification

The Entrepreneur Ready Community Certification is made possible through a grant received from the Economic Development Administration (EDA), a division of the U.S. Department of Commerce. The Innovation Center at Rogers State University was the recipient of this grant to become a University Center. The University Center program provides entrepreneurial training, community development, and economic assistance to rural communities. The mission of the EDA is to help partners across the U.S. create wealth and minimize poverty. This goal is accomplished by promoting a favorable business environment to attract private capital investment and higher-skill, higher-wage jobs through world-class capacity-building, planning, infrastructure, research grants, and strategic initiatives.

The EDA's University Center Program is a competitively-based partnership between the EDA and academic institutions that makes the resources of universities available to the economic development practitioner community.

Institutions of higher education have many assets such as faculty, staff, libraries, laboratories, and computer systems which can help to address local economic problems and opportunities. With funding from the EDA, institutions of higher education establish and operate University Centers, which provide technical assistance to public and private sector organizations with the goal of enhancing local economic development.

The Rogers State University EDA University Center launched the Entrepreneur Ready Community certification program in 2010 to create a corridor of certified entrepreneurial ready communities in northeast Oklahoma that will provide support services to small businesses and local entrepreneurs who need business assistance to become sustainable, successful job-creating entities.

The Entrepreneur Ready Community program primarily focuses on distressed rural communities with populations of less than 20,000. The participating communities will form the regional entrepreneurial corridor which links entrepreneurs with services and resources.

In order to meet the needs of the communities, the RSU University Center collaborates with existing partners in northeast Oklahoma to provide a comprehensive small business support

system. Partners include the communities themselves as well as:

- Cherokee Nation
- Grand Gateway
- Northeast Technology Center
- Northeast Oklahoma Regional Alliance
- Oklahoma Manufacturing Alliance
- Rural Enterprises, Inc.

The certification program's focus on supporting entrepreneurship is an economic development strategy based on Economic Gardening principles that offers balance to the traditional economic practice of "business recruitment". Pioneered by Chris Gibbons in the City of Littleton, Colorado, Economic Gardening has emerged as a prototype for economic developers looking for additional ways to generate truly sustainable economic growth for their communities.

The Center's professional staff works directly with the communities applying for the Entrepreneur Ready Community Certification. Specifically, the staff promotes the certification program to communities, assists communities in completing a community assessment matrix, conducts strategic planning sessions to help communities develop an action plan, assesses needs of local entrepreneurs, helps develop a network of resource providers, and conducts program orientation workshops.

Contact the Innovation Center at Rogers State University for more information:

<http://www.entrepreneurready.com>

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