

Ohio | **Inc.**

Enterprise Appalachia
Enterprise Benchmarks

Paper 2

Enterprise Benchmarks: Building Your Knowledge Base

Welcome to the second in a series of four *Enterprise Benchmarks* white papers, brought to you by **Enterprise Appalachia** (http://ohiomeansbusiness.com/enterprise_appalachia) and *Inc.* magazine. This series explores the ideal location selection model for entrepreneurial start-ups based on four key criteria: capital, knowledge and labor, supply chain and market growth resources. This first issue, "Finding Funding," (<http://images.inc.com/ohio/Ohio-Whitepaper-1-2.pdf>) focused on the types of funding most commonly required by small businesses and where to find the financing you need. This paper, "Building Your Knowledge Base," outlines a wide range of resources, including online databases for competitive research; executive MBA programs; Small Business Development Center programs; executive coaching; and CEO peer organizations. Future papers will explore other access criteria of interest to entrepreneurs.

1. Introduction

Every successful business begins with an entrepreneur who has a great idea. But that's not enough to sustain a company's success over the long term. In a world that's awash in information, how do you identify the best sources of the credible business intelligence and knowledge you need to lead your company forward? This white paper takes a look at five resources designed to help strengthen entrepreneurial knowledge and business results.

2. Online Databases for Competitive Research

The fastest, easiest place to access industry and market intelligence is your desktop. Several research institutions have simplified the process of finding the most valuable information by creating portals that aggregate the best of these electronic resources.

Libraries often are overlooked by executives who need access to complete and current business intelligence. Public libraries located in major metropolitan areas offer the greatest wealth of online resources, many of which are accessible by anyone, regardless of location.

The **New York Public Library** (www.nypl.org) research pages include a database of professional journals, searchable both alphabetically and by keyword; company directories; industry surveys and profiles; market research; and information about foreign trade and international business. If the sheer range of options becomes overwhelming, try the **Places to Start Your Research** (www.nypl.org/collections/articles-databases/places-start-research) page for guidance. There's also a page that offers **downloadable media** (www.nypl.org/ebooks), including e-books, audio books, and more than 700,000 digitized images.

Don't discount libraries in smaller towns or less urban regions. They may be members of information systems that afford library cardholders the opportunity to plug into a larger network.

Business owners can also avail themselves of the resources available online through leading business schools and MBA programs. For example, the Lippincott Library at the Wharton School of the University of Pennsylvania maintains an excellent **compendium of web-based company resources** (<http://gethelp.library.upenn.edu/guides/business/compdirectref.html>). Some are well known, like the Dun & Bradstreet website Hoover's Online, which provides limited free information about publicly-traded companies and offers more extensive information to paid subscribers. In addition, the portal lists such resources as:

- **Global Sources**, which provides information about suppliers, products, and trade shows throughout the world,
- **ThomasNet**, publisher of the Thomas Regional Electronic Network Directory (TREND), a database searchable by product or service, and the Thomas Register of American Manufacturers and
- **the D&B Sales & Marketing Solutions website** (www.zapdata.com), a tool for building prospect lists.

These business research portals are accessible to the general public, not just current students and alumni. Contact universities in your area or the nearest metropolitan areas to learn how these free resources can support your business objectives.

3. Executive MBA Programs

They may seem like a brainchild of the 1980s, but executive MBA (EMBA) programs were actually born during World War II; the first was launched at the University of Chicago in 1943. And according to survey results released by the Executive MBA Council in October 2009, the programs have actually increased in popularity during the economic downturn. An announcement made by the organization stated that the average number of applications to its members' EMBA programs rose from 83.8 in 2008 to 92.6 in 2009. The acceptance rate was unchanged at 63%.

Like standard MBA programs, EMBA programs include a core curriculum of finance, accounting, and marketing. "It's quite heavy," says Michael Desiderio, executive director of the EMBA Council, whose members include more than 200 educational institutions that administer 300 EMBA programs worldwide. "There's going to be a lot of qualitative analysis, finance, and accounting, and on the operations side, as well, that you're going to either need to be comfortable with coming in or get comfortable with along the way."

But the EMBA course of study places a stronger focus on leadership, communications, people management, organizational behavior, and ethics, Desiderio says. "That soft stuff is really the hard stuff. EMBA programs try to give you what I call a strategic view of the enterprise. If you go into an EMBA program, there's no way you'll come out thinking the same."

The programs are designed to challenge participants' thinking by exposing them to peers with diverse backgrounds and business experiences, he adds. "It's the richness of the discussions in the classrooms. Sometimes you can get very narrow in your view of how you solve problems, because that's the business you're in, it's the industry you're in. You learn to think about and solve business problems differently."

That focus on peer exchange also translates to a more selective application screening process. An applicant who has an undergraduate degree and has been in the workforce for three years would have to demonstrate exceptional qualifications to gain entry. "There are exceptions: you've started your own company, you're generating all kinds of revenue, or you're managing a business," Desiderio says, but without that kind of

track record, “most programs won’t look at you.” Executive MBAs are designed for managers, executives or aspiring executives who have substantive work experience and substantive work responsibilities.

The **EMBA** (www.emba.org) has a search function linked from its home page that’s designed to help prospective candidates research and select the EMBA programs best suited to their specifications. The website also features a directory of EMBA programs.

4. Small Business Development Center (SBDC) Programs

The U.S. Small Business Administration's **Office of Small Business Development Centers** (www.sba.gov/aboutsba/sbaprograms/sbdc/index.html) describes its mission as providing "management assistance to current and prospective small business owners . . . in central and easily accessible branch locations." Local centers are funded and operated as cooperative ventures of the private sector, academic institutions, and federal, state, and local governments.

SBDC counselors help existing and prospective business owners evaluate their product and service ideas and their prospects for successful market launches. "Any successful entrepreneur is going to say that the more insight you can get from a broader view, the higher your chances of success are going to be," says Shawn Mallett, director of the Ohio SBDC at **Ohio University** (www.voinovichcenter.ohio.edu/SmallBusinessDevelopmentCenterSBDC.aspx). "When you have your idea, it's time to look at it from a business standpoint to make sure it's a true opportunity that can make money."

Counselors have well-defined roles within that context. They can offer advice and support in identifying opportunities and risks, creating business plans and models, evaluating capital needs and financial investment options, assessing risk factors, and providing networking contacts. Additional services available within a given SBDC depend in part on the individual counselors' backgrounds and expertise but can include matters such as succession planning.

"A lot of people have product and service knowledge and expertise," Mallett says. "Unfortunately, a lot of people lack the financial understanding about some of the decisions they make." The ideal client—the entrepreneur or business owner most likely to benefit from an SBDC's services—already has a vision for the business and is seeking expert guidance to help determine whether that vision is feasible, he adds.

He points to the example of a local company, EZ Asphalt Technologies, LLC, whose owner had been awarded a patent. The SBDC worked with the business owner to create a business model and secure funding to test that model. "Now he's set up a for-profit entity and he's starting to commercialize the product," Mallett says.

“When he’d come in, he just had the idea. We helped him understand what it would take to create a for-profit entity.”

SBDC services are advisory and are intended to assist the business owner in decision making. Mallett cautions that they are not a substitute for the services of paid legal, accounting, and financial professionals. Neither can an SBDC counselor tell a prospective entrepreneur what kind of business to start or which industry to target.

The **SBA’s SBDC locator** (www.sba.gov/aboutsba/sbaprograms/sbdc/sbdclocator/SBDC_LOCATOR.html) can help you find the SBDC nearest you.

5. Executive Coaching

“When two men in business always agree,” said chewing gum magnate William Wrigley, Jr., “one of them is unnecessary.” And yet too many small business owners find themselves lacking colleagues who feel free to express disagreement with the boss.

It’s hard to say which is the greater challenge for executives and small business owners: recognizing when they need honest input from an informed but objective outsider, or finding someone who’s qualified and willing to provide that counsel. Particularly for entrepreneurs who feel a strong connection between their business vision and the company’s success, it can be difficult to yield a measure of control and invite frank critiques of how the implementation of that vision may need improvement.

Executive coaches can offer that independent feedback. By introducing an outside perspective to the CEO’s or entrepreneur’s thinking, executive coaches can help identify and address impediments to growth. Like SBDC counselors, their strengths include experience working with executives in a variety of organizations, industries, and markets. That diverse background allows them to do what business owners often cannot: see beyond their current circumstances and know which strategies have worked best for companies that have advanced to the next level.

Veterans agree that it’s essential to establish a relationship with an executive coach before an emergency arises. That allows the business owner and coach time to gain one another’s trust and become comfortable working together before they need to tackle a crisis communications challenge or major transition.

Successful relationships depend in part on executives’ ability to shift gears and get out of their comfort zones. Many are accustomed to telling subordinates what to do, and coaching doesn’t work that way. A productive coaching engagement begins with an assessment whose findings may contradict the executive’s perception of the problems that are holding the company back. The business owner has to be open to accepting that assessment and its implications for the organizational and behavioral adjustments required in order to help the company achieve the change it seeks.

The initial elements of that change may come into play as soon as the coaching engagement begins, although it often takes longer for those changes to be widely recognized by people within and outside the organization. This is particularly true of gradual shifts in the corporate culture, the way subordinates interact with executives, and the level of authority staff members are granted to participate in the process of affecting change.

The **Academy of Executive Coaching** (www.aoec.com) offers a podcast on **finding a coach to meet your needs** (<http://www.aoec.com/open/thinktank-podcasts.asp>) and a video on **why you need an executive coach** (<http://www.aoec.com/open/thinktank-videos.asp>).

6. CEO Peer Organizations

When faced with an especially daunting challenge, the best advice often comes from someone who's been there. CEO peer organizations offer business leaders a network in which to exchange ideas, share knowledge, and make new connections that can improve productivity and profitability. Their success, like that of any networking group, depends on their members' active participation. And individual members' levels of success within the organization depends, in turn, on how they define active participation.

People who achieve the most via networking have a knack for fitting puzzle pieces together. They listen well, remember what they hear, and have the ability to pull the strands of disparate—sometimes even seemingly unrelated—facts and conversations together to create new opportunities for themselves and others.

Their approach to business interactions involves little in the way of direct self-promotion, and with good reason. A 2009 Rutgers University study of the conversion rates of regular Twitter users revealed that 80% are “meformers,” people who post primarily about themselves in constant grabs for attention. But it's the remaining 20%—the “informers” whose posts are not self-promotional—who “have larger social networks and are more interactive with their followers.”

The same principal applies to interaction with peers in CEO organizations, whether they meet in real life, communicate via teleconference, or network via CEO groups within professional social media sites like LinkedIn. Those who invest the most energy in being resources to others net the greatest return in resources group members share with them. To make participation in a local peer organization yield the greatest results, seek out those whose members put that simple business principle into practice.

7. Conclusion

It's easy, when trying to launch a business or advance its growth, to become so single-minded in that purpose that it seems best to shut out all outside distractions. But entrepreneurial goals are best achieved by pursuing continued educational opportunities, whether formal or informal, and seeking out new knowledge from every available resource. As this white paper demonstrates, many resources are readily available to executives, business owners, and entrepreneurs. Accessing those that are best aligned with your business interests can help promote your company's success and your own prospects for continued professional growth and leadership.

Coming in the Next Issue of *Enterprise Benchmarks*: Real Best Practices for Supply Chain Optimization

The supply chain fundamentals—in which an enterprise is located in a value chain where it buys goods and services from suppliers, adds value and sells to customers—apply to every type of business; manufacturing, distribution and services. In general, supply chain management is the oversight of materials, information and finances as they move in a process from supplier to manufacturer to wholesaler to retailer to consumer. We'll explore best practices for coordinating and integrating these flows both within and among companies for the three previously mentioned verticals.

Enterprise Appalachia Resources: Access to the Knowledge You Need

Ohio's Enterprise Region makes it easy to leverage academic centers, skilled labor, and entrepreneurial support services to make your strategic plan and operation a success. The area offers a wide range of knowledge resources, including:

- **Ohio University's Voinovich School of Leadership and Public Affairs** (www.voinovichschool.ohio.edu/Entrepreneurship.aspx)—The **Appalachian Regional Entrepreneurship Group** (www.voinovichschool.ohio.edu/AppalachianRegionalEntrepreneurshipGroup.aspx) at Ohio University serves the region by matching small businesses with MBA students and high-end consulting services. Six **Small Business Development Centers** (www.voinovichschool.ohio.edu/SmallBusinessDevelopmentCenter)

[SBDC.aspx](#)) offer free consulting to start-ups and existing small businesses, and five business incubators operate here as well.

- **TechGROWTH Ohio** (www.techgrowthohio.com)—TechGROWTH Ohio connects early-stage, technologically innovative companies with valuable tools for growth and sources of capital. The program focuses on four technology industries: digital interactive media, bio-sciences, bio-agriculture and advanced energy. Companies in other industries are also encouraged to apply.
- **JumpStart** (www.jumpstartinc.org)—The JumpStart TechLift Advisors focuses on the high-tech economy, across all sectors. It has one unwavering purpose: To invigorate growth in the high tech economy. For qualifying opportunities, JumpStart identifies the resources and forges collaborations to put your high-tech business on the fast track.
- **TechColumbus** (www.techcolumbus.org)—TechColumbus helps qualifying start-ups grow their concepts, maturity, abilities, and ambitions. It also helps established companies grow their business, capabilities, connections, and knowledge. In addition, TechColumbus helps individuals grow their careers, expertise, networks, and confidence. Every day, TechColumbus provides the people, information, and funding critical to a thriving innovation economy.
- **CincyTech** (www.cincytechusa.com)—CincyTech helps qualifying entrepreneurs grow successful startup businesses. With substantial support from Ohio Third Frontier and corporations, foundations, civic organizations, and individuals, CincyTech stimulates the growth of venture-worthy companies in information technology, bioscience, and advanced manufacturing.

Enterprise Appalachia: The *Right* Resources in the *Right* Location

Ohio's 32 Appalachian counties are well-known for their beautiful scenery, rich culture, and timeless traditions; they also boast a welcoming business climate, skilled workers with a strong work ethic, and an affordable cost of living. The traditional assets that have been the foundation of the Appalachian region's economy for centuries are supporting new and emerging opportunities for the region today.

Enterprise Appalachia (http://ohiomeansbusiness.com/enterprise_appalachia/), an initiative developed by the Governor's Office of Appalachia, was created specifically to help make entrepreneurs aware of all the benefits and resources the region provides.

Choosing a location is an important strategic choice, one that should be based on a thorough consideration of established criteria and relevant data. Entrepreneurs must set aside stereotypes, prejudices, and preconceived notions and make the choice accordingly based on solid, accurate information. Enterprise Appalachia is all about offering the useful insights and resources that can help you make the choice.

The website offers access to a wide range of resources offered by the region, including **Capital** (http://ohiomeansbusiness.com/enterprise_appalachia/capital_access/); **Knowledge & Labor** (http://ohiomeansbusiness.com/enterprise_appalachia/knowledge_labor_access/); **Supply Chain** (http://ohiomeansbusiness.com/enterprise_appalachia/supply_chain_access/); **Markets** (http://ohiomeansbusiness.com/enterprise_appalachia/market_access/); **Life Balance** (http://ohiomeansbusiness.com/enterprise_appalachia/access_your_life/); and much more.

For today's capital investor, every dollar is a precious commodity. The more investment capital that actually makes it to product development and commercialization, the greater the probability of success, and the faster the return on investment. That's why site selection is so critically important. The ideal location maximizes the value of the investment by delivering a perfect balance between access to mission critical resources and low overhead costs—a balance that can be found in Appalachia.

Successful Site Selection, Successful Business

The location needs of entrepreneurs are different from those of established businesses. Most startups and early-stage businesses don't have the same level of available financing. They don't have internal laboratories and R&D departments or supply chains. While an established business has the ability to draw from its existing networks to find what it needs, an entrepreneur must find the perfect balance of resources and low costs. All of those needs make selecting the right site—one offering the resources to answer a wide array of entrepreneurs' challenges—critical. For the entrepreneur, getting it right the first time is imperative.

Appalachia Ohio's Counties offer access to these resources and much more. Go to **Enterprise Ohio's "Ideal Site Selection Criteria" page** (http://ohiomeansbusiness.com/enterprise_appalachia/ideal_selection_criteria/index.php) to learn more about all the tools the region features; not just to get you off to the right start, but to *keep* you on the path to success.