



# Entrepreneurship Ecosystem Development

## *Findings and Recommendations*

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Skowhegan, Maine  
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## Place-Based

This factor relates to the physical spaces, building fabric, amenities, and place assets that collectively provide the environment for entrepreneurs to be successful. Place-based indicators tend to focus on real estate support tools, like incubators, drop-in spaces, and maker spaces. However, amenities such as trail systems, diversity of housing options, and “fail fast” pipelines (like pop-ups, pitch it contests, and in-store product displays) represent critical indicators to having a place-based ecosystem factor.

Place-Based Factor in Skowhegan	
<b>Owner</b>	Main Street Skowhegan
<b>Main Street Skowhegan Role</b>	Primary Lead, Convener
<b>Existing Strengths</b>	<ul style="list-style-type: none"> <li>• Great place-based amenities including third spaces, natural resources and geographic proximity to key entrepreneurial service stakeholders.</li> <li>• Good technology infrastructure – SEDC has dedicated programming to enhance the affordability for businesses.</li> <li>• Run of River represents a gamechanger for recreation-oriented start-up activity.</li> </ul>
<b>Primary Gaps</b>	<ul style="list-style-type: none"> <li>• Start-up space beyond the entrepreneurs’ residence. This is at many levels, including incubators and commercial kitchens, to ready to move in retail locations.</li> <li>• Housing diversity beyond single family, especially focused on downtown.</li> </ul>



## Government Policy/Regulations

This factor focuses on the public sector’s role within the Ecosystem. Indicators reflect the government’s role in developing supportive business policies and creating streamlined regulatory, permitting, and zoning practices that encourage a broad range of business ventures, while also making critical capital investments in cell service and internet fiber that result in strong public infrastructure.

Government Policy/ Regulations Factor in Skowhegan	
<b>Owner</b>	Town of Skowhegan
<b>Main Street Skowhegan Role</b>	Advocate
<b>Existing Strengths</b>	<ul style="list-style-type: none"> <li>• Town has a number of business and real estate funding tools, including a new façade grant program (\$100K).</li> <li>• Current zoning allows for a great deal of latitude in uses and functions in the community.</li> </ul>
<b>Primary Gaps</b>	<ul style="list-style-type: none"> <li>• Entrepreneurs indicated services are there but if you are not local it is often difficult to know who to communicate with, or first place to start.</li> </ul>



## Financial Capital

This factor examines the depth and breadth of financial resources available to entrepreneurs at all stages of the business life cycle, including traditional bank lending, crowdfunding, and microlending initiatives.

Financial Capital in Skowhegan	
<b>Owner</b>	SEDC and KVCOG
<b>Main Street Skowhegan Role</b>	Supporter, Provider
<b>Existing Strengths</b>	<ul style="list-style-type: none"> <li>• There are a number of Town of Skowhegan financing programs, TIF financing, facades, as well as COVID relief dollars in the short-term.</li> <li>• The region is also rich in microfinancing and low-interest loans via CDFIs and the SEDC.</li> </ul>
<b>Primary Gaps</b>	<ul style="list-style-type: none"> <li>• In terms of the financial capital spectrum, aside from early stage personal capital (self-financing and credit cards), and public sector funding tools, non-traditional tools such as angel and crowdfunded community capital important for scaling businesses is missing.</li> <li>• Local stakeholder experience with larger real estate development financing represents a gap for scaling local businesses beyond start-up.</li> </ul>



## Social Capital

Entrepreneurs exist in a world where relationships, trust, and connections are significant in all aspects of the launch, growth, and sustainability of a business. This factor evaluates the community programs and activities that either proactively and/or organically add value to the entrepreneurship social network by promoting trust, reciprocity, and cooperation.

Social Capital in Skowhegan	
<b>Owner</b>	SCORE and CEI Women’s Business Center
<b>Main Street Skowhegan Role</b>	Supporter
<b>Existing Strengths</b>	<ul style="list-style-type: none"> <li>• SCORE is present and actively engaged within the area.</li> <li>• There was acknowledgement that if you know the right people or actively engage, the local business community is supportive of new entrepreneurs.</li> </ul>
<b>Primary Gaps</b>	<ul style="list-style-type: none"> <li>• It was apparent in the Entrepreneurs Focus Group that there was energy and peer networking occurring as a result of the group coming together. Currently there is not an informal or formal network group for entrepreneurs in Skowhegan.</li> <li>• Formalized welcome and connector group for new entrepreneurs</li> </ul>



## Education and Training

Technical assistance in the form of education and training opportunities represents a critical factor for the Entrepreneurship Ecosystem. Indicators examine opportunities for entrepreneurs to participate in the basics of entrepreneurship, as well as more sophisticated programming in logistics, multi-channel marketing, etc. Communities should have a sound grounding in both public and private education and training programming.

Education and Training in Skowhegan	
<b>Owner</b>	SBDC and CEI's Women Business Center
<b>Main Street Skowhegan Role</b>	Supportive, Connector
<b>Existing Strengths</b>	<ul style="list-style-type: none"> <li>The area SBDC offers a wide range of entrepreneurial programming and is felt to be quite strong. With CARES Act funding they are adding additional programming, especially for existing entrepreneurs.</li> <li>CEI also offers a broad range of business education and training programs.</li> </ul>
<b>Primary Gaps</b>	<ul style="list-style-type: none"> <li>Access to more sophisticated technical assistance and advice was felt to be a void for scaling businesses, especially in the area of legal and finance/capital stacking assistance. For start-ups needs were social media marketing and e-commerce.</li> <li>It was also felt that training hosted locally is important but currently a void.</li> </ul>



## Culture

Localized attitudes toward entrepreneurship as a career option and as a social activity define regional entrepreneurship culture, which in turn impacts personal choices to engage in entrepreneurial activities, as well as investor confidence. This factor contains indicators that examine a community's perspectives on risk-taking, innovation, career self-determination, business regulation, and acceptance from outsiders and their ideas, as well as how entrepreneurship is portrayed in the media.

Culture in Skowhegan	
<b>Owner</b>	Main Street Skowhegan
<b>Main Street Skowhegan Role</b>	Primary Lead
<b>Existing Strengths</b>	<ul style="list-style-type: none"> <li>Community generally supports Entrepreneurship</li> <li>Skowhegan's "entrepreneurial spirit" was something cited by local entrepreneurs. And a sense that there was energy and spirit rising.</li> </ul>
<b>Primary Gaps</b>	<ul style="list-style-type: none"> <li>Events or activities that feature/celebrate local entrepreneurs</li> <li>Need to look outside when needed...not everything has to be internalized or driven locally.</li> </ul>






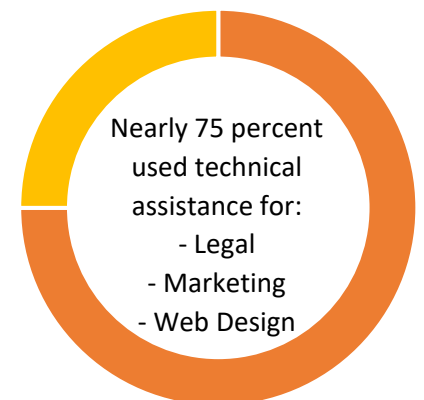
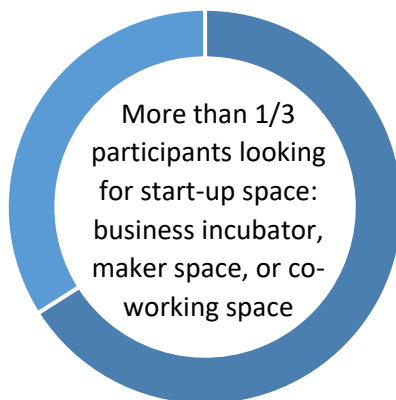
## Human Capital

Human Capital explores whether communities are creating pipelines of entrepreneurial talent from example academic institutions and whether they have the human capital in their workforce to fill positions as entrepreneurs grow their businesses. This is especially important in areas facing workforce shortages and/or areas where entrepreneurs operating in niche fields need specialized talent.

Human Capital in Skowhegan	
<b>Owner</b>	MSAD 54, Career & Tech Center; Jobs for Maine Graduates
<b>Main Street Skowhegan Role</b>	Advocate
<b>Existing Strengths</b>	<ul style="list-style-type: none"><li>• Geographic proximity provides foundation for talent attraction.</li><li>• Prospects for downtown housing exist, but problems exist with code, sprinkler system and capital stacking expertise within developers.</li><li>• Co-working space is in the works and provides opportunities for remote workforce.</li></ul>
<b>Primary Gaps</b>	<ul style="list-style-type: none"><li>• Lack of housing diversity contributes to workforce scarcity and retention.</li><li>• Several businesses acknowledged challenges with retention and attraction with workforce. This may lessen post-Covid.</li><li>• Additional challenges exist with just-in-time training for employees.</li></ul>

## Skowhegan Entrepreneurs Survey Summary

 Place-Based	<ul style="list-style-type: none"> <li>• More than 50 percent cited building condition as a problem in launching, and nearly 26 percent indicated real estate assistance was lacking.</li> <li>• Affordability and geographic proximity were tops for place-based benefits.</li> <li>• Future goals – support Run of River, co-working/third spaces, and facades.</li> </ul>
 Financial Capital	<ul style="list-style-type: none"> <li>• Most entrepreneurs used traditional forms (e.g. credit cards, self-funding, and banks), non-traditional forms, like community capital, angel capital, microlending, and business competition grants were thought to be largely unavailable. There remains a gap in what exists regionally versus locally.</li> <li>• Short-term: Many indicated financial need to get through COVID.</li> </ul>
 Education /Training	<ul style="list-style-type: none"> <li>• One-third of respondents indicated they struggled locating technical assistance when starting.</li> <li>• COVID: Short-term needs in Marketing, Business Model Pivots and affordable web sites development to attract customers.</li> </ul>







## Skowhegan Entrepreneurs Focus Group – Strengths

Place-Based	<ul style="list-style-type: none"> <li>• Growing and geographic proximity positions businesses near plenty of services and resources.</li> <li>• Niches emerging in outdoor recreation and food (especially extension of Maine Grains anchor).</li> </ul>
Social Capital	<ul style="list-style-type: none"> <li>• Good networking if you are local and know who to contact</li> <li>• Entrepreneurs desire more opportunities to connect and cross-market</li> </ul>
Culture	<ul style="list-style-type: none"> <li>• Entrepreneurial spirit is present and growing. Other entrepreneurs are willing to pitch in and help.</li> </ul>
Education and Training	<ul style="list-style-type: none"> <li>• Utilization of SCORE and SBDC is high and found to be helpful. Some concern over lack of T.A. for scaling businesses beyond start-up.</li> </ul>

## Skowhegan Service Providers Focus Group – Strengths

- Main Street Skowhegan:
  - Active Business Enhancement Committee focused on entrepreneurship, business retention and scaling businesses. (Place)
  - Created funding pool for COVID related impacts on small business owners. (Financial Capital)
  - Leading the Run of River project. (Place)
- KVCORG:
  - Revolving Loan Fund, CDBG Management, and Brownfields Assessment Program (Financial Capital)
  - Adding capacity with Covid Recovery Manager and Community Resiliency Manager (Education & Training)
- SBDC:
  - Capacity to conduct educational trainings and 1:1 counseling (Education & Training)
- SEDC:
  - Working on issues associated with affordable broadband access (Place)
  - Revolving Loan Fund and dedicated Fund for Ag Businesses (Financial Capital)
- Town of Skowhegan
  - Developing downtown Co-Working Space (Place)
  - Created developing land in downtown – looking for multi-use space (Place)
  - New Façade Grant Program - \$100K pool up to \$10K grants (Financial Capital)
  - Operate a Micro Loan (\$5K for 3yrs) and RLF (\$100K for 20 yrs) (Financial Capital)

## Critical Gaps Summary

 Place-Based	<ul style="list-style-type: none"> <li>• Local programming that builds future pipeline of entrepreneurs.</li> <li>• Downtown lacks ready-made spaces for new businesses.</li> <li>• Dedicated facilities for emerging entrepreneurs to help scale such as an incubator, maker space, etc.</li> </ul>
 Financial Capital	<ul style="list-style-type: none"> <li>• Communication/Marketing tools to local &amp; regional financial capital programs.</li> <li>• Capital stacking expertise for real estate and scaling businesses.</li> </ul>
 Social Capital	<ul style="list-style-type: none"> <li>• Formal and/or informal programming for entrepreneurs.</li> <li>• Entrepreneurial programming to build pipeline of youth.</li> </ul>
 Govt - Regulatory	<ul style="list-style-type: none"> <li>• Programming and/or financial incentives to drive upper-floor housing conversations.</li> </ul>
 Education and Training	<ul style="list-style-type: none"> <li>• “Stage 2” training and counseling services for scaling business poised for growth.</li> </ul>
 Human Capital	<ul style="list-style-type: none"> <li>• Programming designed to leverage skills sets of unemployed for new entrepreneurial endeavors.</li> </ul>

## Main Street Skowhegan's Role in the Ecosystem

	Place-Based	Government Policy & Regulatory	Financial Capital	Social Capital	Education/ Training	Culture	Human Capital/ Workforce
Primary	Main Street Skowhegan	Town of Skowhegan	SECD & KVCOG	SCORE and CEI	SBDC and CEI Women's Biz Center	Main Street Skowhegan	MSAD 54, Jobs for Maine
Supporter	SECD		Main Street Skowhegan	Main Street Skowhegan	Somerset Connect, SECD	CEI, SECD	SECD
Convener	MS Skowhegan		SECD	KV Connect, SECD	Somerset Connect	Chamber	Somerset Connect, SECD
Advocate	Chamber	Chamber	Chamber		SECD		
Provider	Town of Skowhegan		Downtown TIF, Town, SECD		MSAD 54, Jobs for Maine, FEDCAP Program		Somerset County Career Center, A4TD
Connector		SECD	SBDC, SECD	SECD		SECD	
Developer	SECD		SECD, KVCOG		SBDC and CEI		

## Main Street Skowhegan Recommendations

1. Conduct Feasibility Analysis for Remote Work/Neutral-Location Entrepreneurship Facility (Facility Needs, Budget, Programming, Structure, etc.) Space should flex to allow for multi-use.
2. Housing Barriers Analysis – Not only a Skowhegan issue, but a Maine issue. This project would examine barriers and review via case studies other state/local programs designed to incentivize downtown housing diversity. Consider statewide engagement with Incremental Development Alliance to help train local developers. Additional housing is critical to providing downtown consumers, leveraging Run of River, attracting/retaining new entrepreneurs, and complementing the Town's work for remote workers and a Co-Working Space.
3. Develop a target entrepreneurs' "wish list" that is aligned with niches within outdoor recreation, foods and extensions of Maine Grains. Align local funding programs as well as any newly developed entrepreneurship programming (i.e. pitch contest, pop-up programs) toward this list.
4. Convene a conversation with Rural LISC around opportunities to establish Main Street Skowhegan as a "Trustee" for KIVA-related crowdfunding program at the local level.
5. Develop and provide local entrepreneurs with an education and training needs assessment. Work with partners to design and connect programming upon prioritization.
6. Convene the local/regional education and training partners around a discussion on "Stage 2" training and counseling needs. Engage Stage 2 companies in a focus group to narrow target topics. CARES Act has provided additional SBDC funding to which resources may be directed.
7. Develop a more formalized programming plan for targeted, emerging entrepreneurs. This pipeline plan should include place elements like pop-ups, and the Entrepreneurial Challenge.
8. Formalize the E.E. Stakeholder Group by creating a joint workplan focused on entrepreneurs. Meet with the group every two months to update.



9. Catalog local and regional technical and financial programming for entrepreneurs and set up as a share web page shared with all the organization stakeholders.
10. Analyze the Maine Grains supply chain, customer groups, and ideation around potential complementary businesses that relate to those and/or raw materials and equipment leveraged by Maine Grains.

## Appendix – COVID Impacts & Entrepreneurs Survey Results

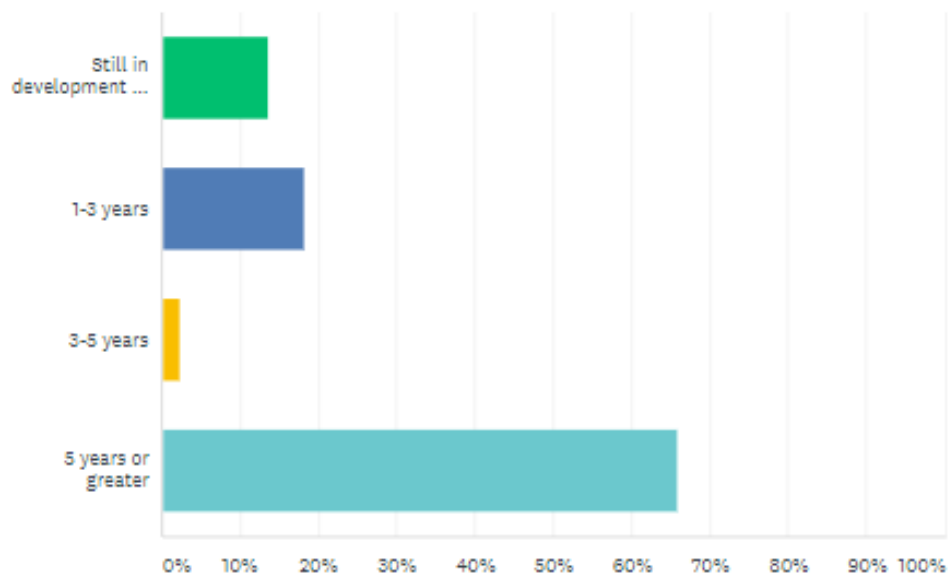
- Etsy, the online marketplace for artisans, makers, and artists, may represent the best COVID insight into the future impacts on experiential retailing. While overall e-commerce is up 18 percent in 2020, Etsy's April 2020 sales exploded up more than 100 percent year over year to \$781 million. This drastic expansion represents the site's largest sales increase since becoming public in 2015. What this demonstrates is that consumers remain interested in unique, experiential products from artisans and makers.
- Research demonstrates that in times of high unemployment (40+million to date), there is a large increase in rates of entrepreneurship proceeding (typically a year lag). Look for 2021 to bring about massive increases in entrepreneurship. There have already been 3.2 million new filings in 2020 versus 2.7 million in 2019 (September #) – Faster rate than 2007.
- A September 2020 survey of 2,000+ small businesses by Main Street America demonstrated that more than 70 percent of existing retail businesses launched in the same town/city as the owner lived. The number is 75 percent for manufacturers.
- Likely vacancies in restaurants, presents an opportunity for food-based small-scale producers to occupy at potentially leveraged rental rates to utilize commercial kitchens for production.
- Expect more “pop-up” or shared space opportunities for new entrepreneurs in existing stores, as inventory shifts create space for complementary producers and existing stores seeking to drive more foot traffic.
- Increases in remote workforce, will attract some to seek out rural lifestyles. Remote work grew by a whopping 159% between 2005 and 2017. They usually bring with them higher incomes than local economies. Those with trailing spouses/partners represent pipeline opportunities for entrepreneurs.
- New consumer and economic trends have created new entrepreneurial opportunities in the following areas:
  - Health – More natural and organic products, as well as gardening aimed toward increasing our overall health and immunity
  - Recreation – Bike sales for example have dramatically increased – anything related to recreation accessories, “craft” bikes, trail users, blue trails, rentals, used repurposed recreation equipment, etc.
  - Home – stay at home orders have increased our focus on products for cooking, our new home offices, and home décor to make living more pleasant/enjoyable.
  - Upcycled – household saving rate increases coupled with high unemployment will have consumers looking for “used” but creative products that speak to lifestyle.
  - Hobbies – boredom creates time for learning new talents, so products geared toward the arts, “brain training,” music, etc.

Q1



## How long have you been in business?

Answered: 44 Skipped: 0

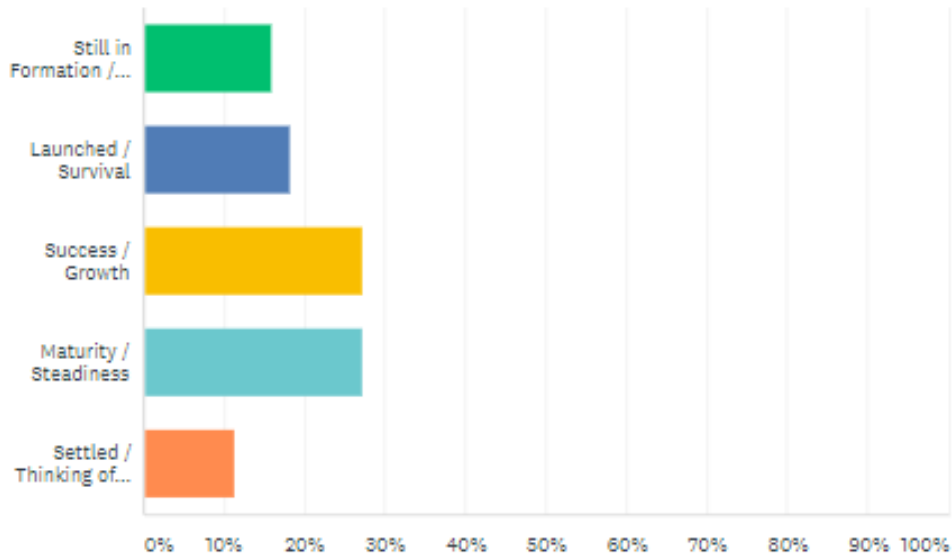


Q2



## What stage best characterizes you and your business's current state?

Answered: 44 Skipped: 0

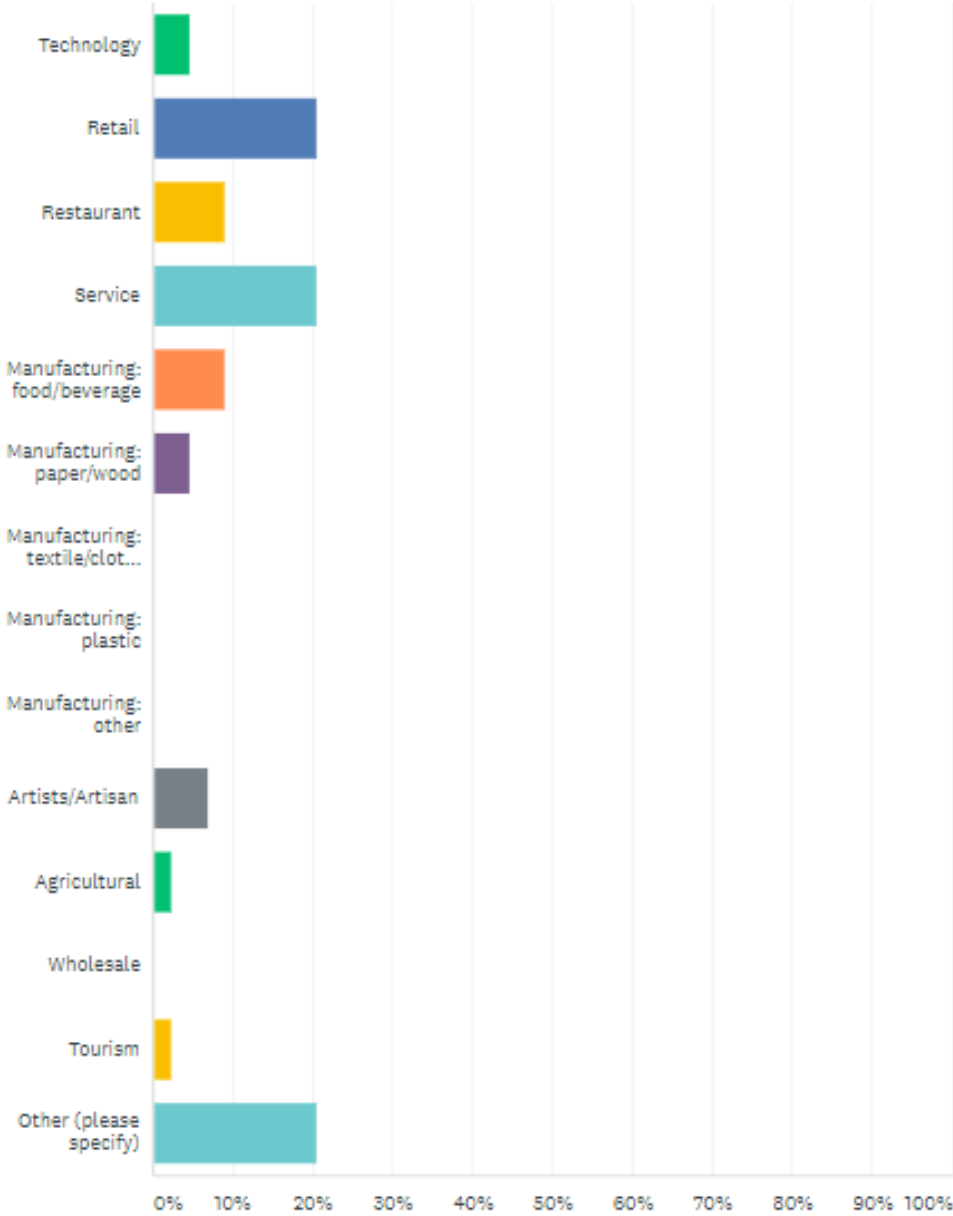


Q3



# What sector best describes your business or idea?

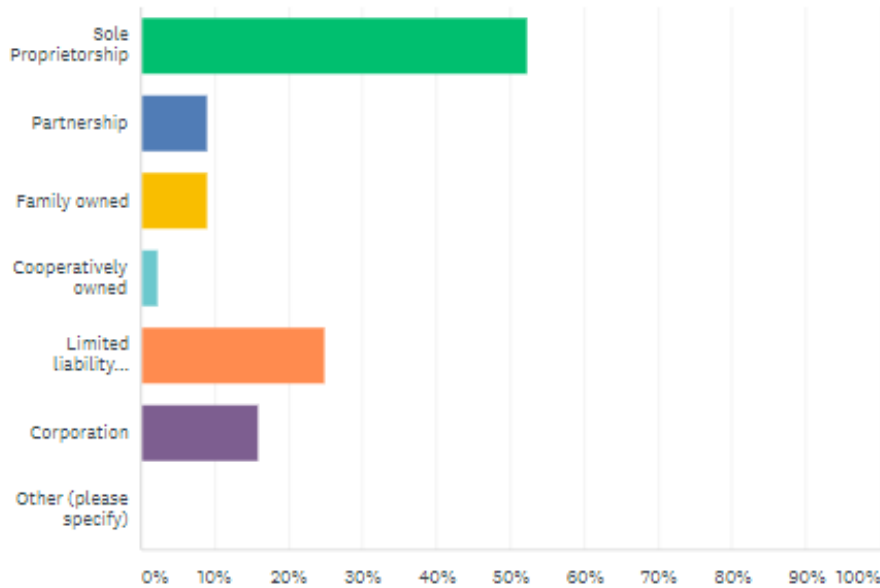
Answered: 44 Skipped: 0



Q4

How would you characterize the ownership structure of your business or idea? (Please choose all that apply.)

Answered: 44 Skipped: 0



TECHNICAL ASSISTANCE USED/NEEDED					
	PRIVATE GROUP	PUBLIC GROUP	NOT AVAILABLE	UNSURE IF AVAILABLE	TOTAL
Business Planning	39.29% 11	32.14% 9	25.00% 7	3.57% 1	28
Legal Assistance	71.88% 23	6.25% 2	18.75% 6	3.13% 1	32
Marketing/Graphic Design	74.19% 23	16.13% 5	6.45% 2	3.23% 1	31
Workforce Development	43.48% 10	8.70% 2	34.78% 8	13.04% 3	23
Real Estate	51.85% 14	14.81% 4	25.93% 7	7.41% 2	27
Website/Online Development	74.19% 23	12.90% 4	9.68% 3	3.23% 1	31
Networking/Mentoring	35.71% 10	35.71% 10	21.43% 6	7.14% 2	28
Permits/Zoning	12.50% 3	41.67% 10	33.33% 8	12.50% 3	24
Business Incubator	13.04% 3	26.09% 6	34.78% 8	26.09% 6	23
Co-Work Space	9.09% 2	4.55% 1	54.55% 12	31.82% 7	22
Maker Space	17.39% 4	4.35% 1	47.83% 11	30.43% 7	23
Architectural	30.43% 7	4.35% 1	39.13% 9	26.09% 6	23

## FINANCIAL ASSISTANCE USED/NEEDED

	PRIVATE GROUP	PUBLIC GROUP	NOT AVAILABLE	UNSURE IF AVAILABLE	TOTAL
Credit Cards	63.33% 19	13.33% 4	20.00% 6	3.33% 1	30
Self, Family, Friends	85.29% 29	2.94% 1	8.82% 3	2.94% 1	34
Bank Financing	62.96% 17	7.41% 2	22.22% 6	7.41% 2	27
Home Equity Loan	45.45% 10	4.55% 1	50.00% 11	0.00% 0	22
Angel Investment	5.56% 1	0.00% 0	66.67% 12	27.78% 5	18
Venture Capital	10.53% 2	5.26% 1	63.16% 12	21.05% 4	19
Crowdfunding	0.00% 0	0.00% 0	66.67% 12	33.33% 6	18
Public/Non-Profit Funding Source	5.56% 1	16.67% 3	55.56% 10	22.22% 4	18
Business Competition	15.79% 3	10.53% 2	47.37% 9	26.32% 5	19
Micro Financing	0.00% 0	5.56% 1	66.67% 12	27.78% 5	18
Grants	30.43% 7	26.09% 6	30.43% 7	13.04% 3	23
Minority Business Development	10.53% 2	0.00% 0	68.42% 13	21.05% 4	19

## BUSINESS LAUNCH BARRIERS AND ISSUES

	YES	NO	TOTAL
Securing Financing	24.32% 9	75.68% 28	37
Securing My Business Location	21.62% 8	78.38% 29	37
Building Condition	51.43% 18	48.57% 17	35
Obtaining Permits	21.21% 7	78.79% 26	33
Meeting Zoning Requirements	9.09% 3	90.91% 30	33
Having Enough Parking	28.57% 10	71.43% 25	35
Finding Employees	26.47% 9	73.53% 25	34
Retaining Employees	25.71% 9	74.29% 26	35
Finding Mentors	6.06% 2	93.94% 31	33
Selling Online	26.47% 9	73.53% 25	34
Lack of Technical Assistance	34.38% 11	65.63% 21	32

Q8



What is your greatest current need for your business? (Or, if you can't choose one, your top three greatest needs for your business at the present moment?)

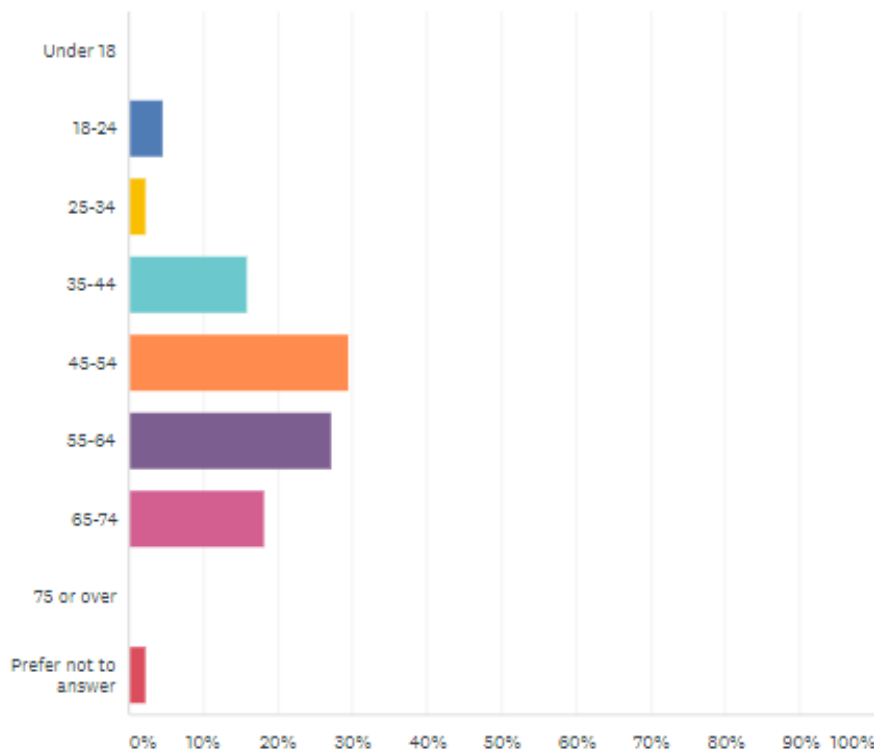
Answered: 40 Skipped: 4

1. More Covid support –
  1. Technical Assistance (Marketing/Pivoting/Finding Customers)
  2. and Financial Assistance to get through, Ability to Reopen Fully
2. Affordable Web Site Development Assistance
3. Finding and Keeping Employees

Q9

How old are you?

Answered: 44 Skipped: 0

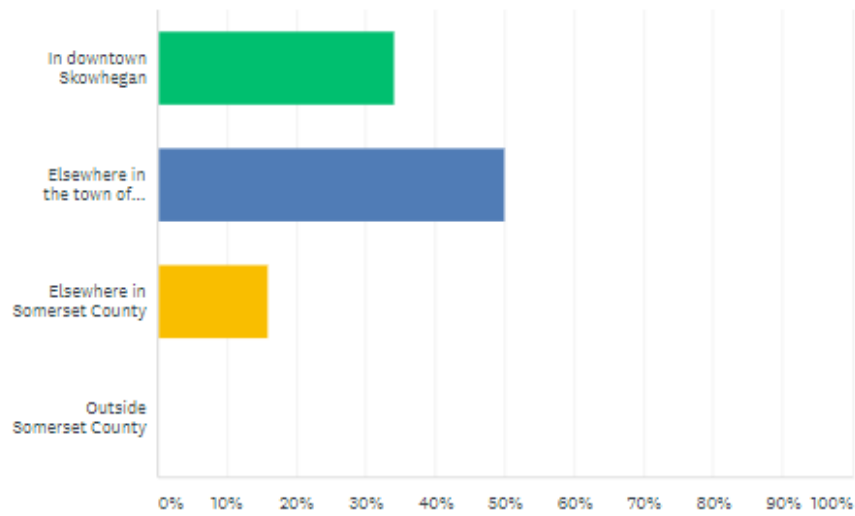




Q10

Location of your business:

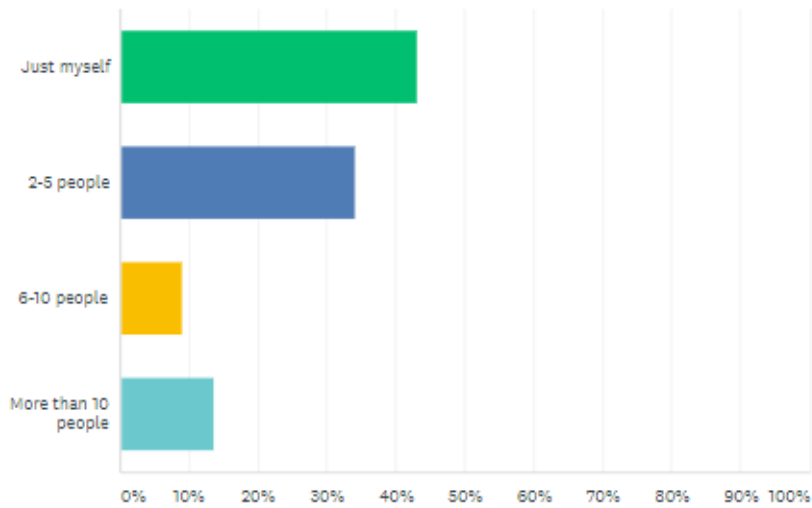
Answered: 44 Skipped: 0



Q11

How many people do you employ?

Answered: 44 Skipped: 0



Q15

Tell us what makes Skowhegan a great place to be an entrepreneur! Why should someone choose this community for their business?

- Supportive Community – Nice, Friendly, People Help Each Other, businesses help one another
- Affordable
- While small, still has opportunities and plans to grow
- Great lifestyle, outdoor activities and natural resource assets
- Openness to new ideas – not a lot of restrictions
- Location, close to proximity to other communities, assets, etc.

Q16



If someone handed you \$1M and said: "Invest this in Skowhegan to grow it as an innovative place." What would you do and why? What project would have the biggest impact on establishing this community as an innovative place?

- Design improvements to downtown buildings
- Incentives for small craft/scale businesses
- Solar project
- Run of River Project\*\*\*
- Expand on Hemp production and by-product businesses
- Projects that attract youth back....like downtown housing and entertainment
- Co-Working and other 'third' places in downtown
- Build a second bridge
- Community Wellness Center/YMCA type facility
- More lodging