I declare that this thesis is my account of my research and contains as its main content work, which has not previously been submitted for a degree at any tertiary institution.
Abstract

In a rapidly globalizing economy, many communities are stranded in unemployment or work without meaning. This thesis asks the question: can local communities create economic development with fulfilling work?

The experience of the author in African development projects is used to pose questions about modernist approaches to development. The alternative approaches to work and human development by Fritz Schumacher, Abraham Maslow and Carl Rogers are melded with the political insight of Robert Putnam, to suggest that the answer to the above question can be positive. Their theories are distilled into an approach called Local Enterprise Facilitation, which is based on four principles:

1. Only work with individuals or communities that invite you.

2. Do not motivate individuals to do anything they do not wish to do.

3. Trust that they are naturally drawn towards self-improvement.

4. Have faith in community and the higher social needs that bond it together.

The author’s experience of twenty years in applying and developing this approach is traced from its origins in rural Western Australia, through other parts of Australia and New Zealand to its extensive application in North America. The experience has
created a methodology for successful Local Enterprise Facilitation based around a community Board that can provide the necessary support for networks for new enterprises. In particular the methodology uses a “Trinity of Management” approach whereby the separate skills of production/enterprise, financial accounting and marketing are facilitated as no individual can do more than one of these skills successfully.

The Local Enterprise Facilitation philosophy has many implications and some of these are suggested in terms of planning, education, bureaucracy, and conservation. Whilst an evaluation of the businesses created can only be done in the long term, Local Enterprise Facilitation has opened up some hope for communities seeking to create good work.
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CHAPTER 1  INTRODUCTION

Development has failed. At least for those of us who, in the seventies and eighties, were involved in projects of technical cooperation with Africa, Asia and Latin-American countries, there are no doubts about it.

These countries, Africa in particular, have become poorer and, if anything, the gap between the rich and the poor has widened. Western Capitalism in the meantime has become the only economic model. Gone are all alternatives, especially the Utopian dreams of three generations of Marxists. What we are left with is “McDonald’s” or nothing. Huge franchises, mega stores and mega companies are blanketing the earth. “Big is better” seems to be the rallying cry, even the religion, of companies with annual budgets the size of nations.

In the meantime, even in extremely wealthy countries like the U.S.A., thirty million people are homeless, and Africa is in such shape that “survival” has replaced “development” as the functional word. A dual economy has risen and it is dividing the world in an extended “north” versus “south” and “rural” versus “urban” war zone. To make matters worse, our mode of production is still dominated by the old “industrial revolution” one. The characteristics are the same: non-renewable sources of energy, massive capital outlays, and salaried labor producing wealth for the capitalists. In the meantime, huge wealth transfer occurs between those who produce the raw materials and those who transform them in finished products. The workers still work in factories, including the white collar ones who call their factories “offices.” If anything, the industrial revolution model is expanding transforming
self-sufficient agrarian societies into outposts for multinational and transnational corporations. In western countries we are witnessing the rampant industrialization of agriculture, so that rural communities are in decline.

Are we, as individuals, resigned to work for a few hundred mega corporations that control governments, media, entertainment and university research? Is the economy and wealth generation the preserve of those who have capital to invest? What happens to the physical and psychological landscape if we think that there is no alternative but to surrender to the short-term demands of Wall Street?

This thesis is about the politics and practices of personal and community economic development. It deals with the issue of personal growth and economic independence and looks at work as the means to achieve them. It argues that it is possible to foster economic democracy by empowering individuals to transform their passions into sustainable enterprises capable of sustaining both lifestyles and livelihoods. This is the arena of “local Enterprise Facilitation.”

The thesis attempts to answer the question, “What are the linkages and processes between personal economic independence and community economic development?” “Can they be facilitated?”

This thesis will examine the theory and practices of a particular approach to local economic development born of the many failures observed by the writer in Africa in the seventies and the slow progression to a new idea of how-to facilitate development. The work will provide a set of case studies that will illustrate the
progress of the idea from its tentative first steps to its more recent applications and will offer an evaluation of the approach.

Finally, it will make some observations about the possible future of such an approach. Because the thesis is an on-going story of action and reflection, of theory and practice, it is written in the first person. This enables the reader to see how the theory shaped and was shaped by real events and experience.

The thesis began in books and literature in 1979 to 1981 where the idea was first glimpsed, but was never properly written up. The necessity to try it out in practice became overwhelming and so the journey into “Local Enterprise Facilitation” began. Now, after nearly 20 years of application, the idea has been honed and beaten into shape, or more appropriately, it has been given human flesh. The thesis documents this process in Australia, New Zealand and North America with an emphasis on those practitioners who have also caught onto the idea. The dialectic is thus not so much between alternative thinkers, but between vision and reality, between people motivated to help create a future for themselves and their communities on the one hand and the bureaucracies, cultural barriers and mindsets embedded in how we try to create work, on the other hand. The thesis tries to show how local Enterprise Facilitation can begin to help in this dialectic.

The narrative style of the thesis will also enable the reader to consider the practical implication of the approach as seen through the eyes of the practitioners. The thesis is framed as a simple but profound question: Can individuals and local communities create meaningful work? The structure of the thesis to answer this question is in the
following sections:

A. Chapter 2 develops the theory of local Enterprise Facilitation from literature in development economies, humanistic psychology and the political theories of civil society and social capital.

B. Chapter 3 applies the theory in two initial experiments which are based in Western Australia and which were conducted almost solely by the author.

C. Chapter 4 extends the theory by the author training others in a program of local Enterprise Facilitation and monitoring the results through the stories created.

D. Chapter 5 draws together the experiences outlined in these chapters and develops the methodology of local Enterprise Facilitation as it is being applied worldwide.

E. Chapter 6 reflects on the processes developed around local Enterprise Facilitation and how it could begin to tap other social movements in planning, education, personal growth and conservation.

F. Chapter 7 draws out some conclusions and suggests further work on this topic.
CHAPTER 2  THEORY OF LOCAL ENTERPRISE FACILITATION

This chapter describes the genesis of “Local Enterprise Facilitation,” as it is described in this thesis, an approach to personal and community economic development based on transforming individual ideas into viable and sustainable enterprises.

Whilst the approach could superficially be compared with one of the myriad of small business advisory schemes, in existence throughout the world, both the rationale and the outcomes of Enterprise Facilitation differ profoundly from them. The local Enterprise Facilitation focus is the person, not the business. Its underpinning idea is that people are fundamentally good and capable of creating beautiful families, communities and nations. The personal growth necessary to be a good parent or citizen, however, has to start with the self. Work, the ability to transform our passion, talent and skills into a fulfilling livelihood, is imperative to our personal growth and should be facilitated as a necessary pre-requisite towards the creation of better communities, societies and nations. Fulfilled people make better citizens and Enterprise Facilitation was conceived as a process to help people become the best they could be by doing beautifully what they love doing.

This idea was born out of some deeply felt disappointing experience as a “development expert” in Africa told in the story of section 2.1. Reflecting on this led to the works of E.F. Schumacher (2.2), Abraham Maslow (2.3), Carl Rogers (2.4), and Robert Putnam (2.5), which provide the theoretical basis for local Enterprise Facilitation.
2.1 OUT OF AFRICA: A Story of the Failure of Development Economics.

Ex Africa semper aliquid novi -

“There is always something new out of Africa.”

Pliny the Elder

Those who have worked in an African country will tell you, if they are honest, that they always learn from the experience much more than they had bargained for I am no exception and I have to start this account by taking you back to the time when my personal insight occurred and I became aware that not all was well on the African development front.

I worked at the time, (early 1970's) for A.S.I.P., an Italian Agency of Technical Co-operation with African countries, similar to many other aid agencies the world over. We trained and sent volunteers to many projects, negotiated by the Foreign Offices of the relevant countries.

The Taking of Chirundu

It was during a routine visit to one of our agency’s outposts that I had the conversation that was to become so important to my thinking.

I was talking to one of the five volunteers who had been sent to establish a training farm near Chirundu, a Zambian hamlet on the Zambezi River, and he told me that for the first couple of months on the job they had a real problem. Their development plan called for thirty of the local men to work every day to clear the land in
preparation for planting tomatoes and other crops. These same men would, one day, literally “inherit the earth”. They would be given possession of individual plots on the farm with use of the communal facilities, which included tractors, trucks, storage shed, seed and other equipment.

It all seemed pretty straightforward but...the thirty men, who worked so happily the first Monday of their future life, never came back. At least not for the next seven days. What became painfully obvious to the Italian volunteers was that one Kwacha (equivalent at the time to one American Dollar) they had paid the village men at the end of their first day of work was enough to buy 25 kilos of Milly Mill, the corn flour which was the staple diet of the village.

Since they had plenty of fish from the river and game from the bush, the villagers simply didn’t need to work more than one day per week. How idyllic you would say. Well...not quite. The news was devastating for the Italian team. “What about outcomes?” - they thought. “How are we to fulfill our obligations to the Italian and the Zambian Governments if the villages only work on Mondays?” They could imagine the five-year plan becoming a 45-year plan, with workers forever weeding the same field Monday after Monday.

“Let’s cut their pay to twenty cents a day” was one immediate proposal. But this they couldn’t do because the agreement with the Zambian Government called for a minimum daily wage of 1 Kwacha. What to do? Then the five inexperienced Italian men, barely out of their teens, came up with, what they thought, was an original solution to that unusual problem. They got the local men to desire more money by
encouraging them to buy what they (fresh from Italy) had in their possession. These consumer items included sunglasses, watches, transistor radios, beer and yes, whisky.

In six months, I was told, Chirundu was conquered.

Now the men would work every day with the exception of some that would not turn up on Monday. Why? Hangover. I could not believe we did it. Here we were, talking about aid, technical co-operation and caring for these people and what did we do? We got them hooked on beer so that they would want more money and would come to work every day to get it. I was too young then though, to protest. Too naive to disbelieve the argument that what counted were results, not good intentions. I said nothing, convinced that in the name of achieving the five-year plan I would have done the same. I would have found the way to ‘motivate’ the local people, I would have ‘made a success’ of it and I would have ‘fulfilled our objectives’ no matter what...But then I was taken to look at the tomato field and my Machiavellian beliefs received a mighty blow.

The fact was that there were no tomatoes to be seen anywhere. None had been harvested either and yet the crop had been, to all accounts, spectacular. The selected tomato seeds brought all the way from Italy had responded to that virgin patch of African soil by producing gigantic plants, which promised a harvest to write home about. The lush, and intensely green tomato plants, had made a startling sight against the red soil and the blue waters of the mighty Zambezi - the river which flowed steadily only meter’s away from the new crop. One fateful morning, at harvest time, the Italian volunteers had gone to the fields to find nothing but great big water
puddles where the crop had been. Nothing had been spared, and the field looked as if it had been dug up, at random, with a backhoe. With their approaching, they had disturbed the culprits of such devastation, and it didn’t take long to figure out what had happened. They could see ripples in the Zambezi.¹

The best fed hippos of the entire river system were enjoying their after dinner siesta literally a stone’s throw away from what had been the pride and joy of the Italian contingent. When I was told the story of the hippos I laughed but then something really hit me. “What are we doing here?” - I said to myself. “Is it for these ‘results’ that we have hooked the community on beer and whisky?” It might have been the beauty of the place, the smiles of the locals, I don’t know, maybe some residual morality or even some intellectual propriety, the fact was that from that moment on I started to look at our work in Africa in a different light. I became conscious that we were not doing the right thing and consciousness is an extraordinary thing.

Is this Development?

We may go through life without noticing what should be obvious to us, then one day something happens and for the first time we see. Not only do we see it that day; we will see it forever. It will haunt us. It will not leave us alone.

My work with the Italian Agency went on for a few more years but, innocence was lost, I could not stop myself from noticing how little we were doing to help the

African people. Not only that, the more I looked the more I saw a jumble of
disasters. It wasn’t only we Italians blundering our way around Africa, Asia and
Latin America. It seemed to me that most international aid projects were
classified by a pernicious kind of inappropriate development, which created
more problems than they solved. I will never forget an Algerian official who,
disgusted by so-called western experts descending upon his country, suggested that
the Italian government should pay for the privilege of sending ”experts” to learn
something in Algeria.

**Swords into Snow Ploughs?**

Every western country would take to Africa what they had, expecting to graft these
“gifts” onto the African psyche. The Italians bequeathed to Somalia their ridiculous
bureaucracy which meant that a traveler who spent only a day in that country had to
file, on exit, a taxation return in triplicate, typed in Somali on Government stamped
legal paper.

The French sent teams of professors to the Ivory Coast to test local teenagers for the
High School Certificate. The test had been designed in Paris yet they wondered at
the poor results of the locals.

The Americans did everything Big. In an attempt to stop deforestation they sourced
out and donated thousands of solar ovens to African tribes. The fact that the
majority of them only cooked at night came as a bit of a shock. The Russians also
gave what they had. I cannot say that I actually saw them, but I was told by a
number of eyewitnesses, that for years it was possible to see two snow ploughs rusting at the Kampala airport. But these were little things. What was going on behind the scenes was much more damaging since the history of international aid was also a history of corruption, debt and moral bankruptcy on both sides of the equator.

Then in 1973 E.F. (Fritz) Schumacher published “Small is Beautiful – Economics as if People Mattered”\(^2\) and one could not escape one’s own conscience any more. The secret was out. We experts didn’t have a clue about what development was nor how to foster it and, from then on, we had better reconsider what we were doing in the name of western civilization. I did.

I first read Schumacher’s revolutionary ideas in Africa and to me he said fundamentally two things:

- If people don’t ask for help, leave them alone.
- There is no good or bad technology to carry out a task - only appropriate or inappropriate. Big, modern, expensive is not necessarily best; it all depends on the circumstances.

I needed to find out more about this, so I packed my bags and went to university once again determined, this time, to find a more useful theory of economic development. Possibly one that had people, not only goods and trade, at its core.
2.2 THE TECHNOLOGICAL FIX: E.F. Schumacher

The 1950's and 1960's had seen the triumph of the technological fix. Why wait for the Third World countries to slowly grind through their own industrial revolution, when we could give them modern technology? The concept of technological transfer was born. Propelled by the magnificent results of the Post War Marshall Plan in Europe and Japan, the United Nations decided that what had been good for derelict Italy and a devastated Germany, would be equally good for the Third World. Money was the solution. Money to lend to the Third World so that technology could be bought and their problems solved quickly.

What kind of technology? In theory good, solid, industrial technology; such as oil refineries, smelters, transformation and manufacturing technology. In reality, with few exceptions, the technology sold by Europe and America to Africa and Asia was obsolete and, even allowing for a coat of paint, outrageously priced. The International Monetary Fund, The World Bank and the European Community Fund for Development all participated in creating the world’s worst case of mass indebtedness, with an eagerness only matched by the various developmental agencies peddling their wares. African and Asian leaders were asked, prompted and even told that they needed modern technology and then offered full services by the foreign agencies.

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2 There are many significant contributors to the critique of economic development in the Third World such as Arndt (1987), Agarwal and Singh (1963). All have contributed to this critique, but it was E.F. Schumacher (1973) who popularized and articulated the problem to a world audience. His appeal may have been partly due to the fact that he was an economic development practitioner who had realized the failure of technological transfer at a deeply personal level.
The Agencies did it all; from carrying out the feasibility study, to preparing the submission to the funding agencies, and finally depositing money in a Swiss bank account on behalf of the President, Monarch or local Minister. The in-joke in Western financial institutions was that even before one piece of equipment reached its new destination, all the money was back in Western coffers and some of it was hiding in a Swiss bank account, paying interest to the Swiss for the privilege. Many technological projects, once implemented, became millstones around the necks of the purchasers. Broken parts could not be repaired locally and would need to be replaced with imported parts. Foreign technicians would be flown in from Sweden, Canada, Italy, France or wherever. Their rates were huge and expenses had to be paid in foreign currency. Their commitment to the country was minimal. The factory output would invariably be inferior to its Western counterpart. Indeed, some plants never opened.

The “laziness” of the locals was used to justify delays and incompetence. If and when production of the newly manufactured goods finally occurred, they were often too expensive for the local market, and being of inferior quality, unsuitable for export to industrialized countries.

If production was good and the company a success, or if it was subsidized, then it was beset with other problems. Factory workers, for example, would suddenly begin earning in a month what they and their relatives previously earned in a year. A new class was created. Money appeared in a traditionally moneyless society. The local culture often obliged the “fortunate” workers to care for his/her family and in many countries this meant sharing with “extended families”.

Pg. 13
These families would move from the country to squat with the richer relative hoping, one day, to get a job in a modern factory. Thousands followed, abandoning the countryside. Did they lack food in their village? No, they lacked the money to buy the products that the new Western factories disgorged and advertised: the Lambretta, radios and Coca Cola. These became the new status symbols that their corrupt or inept leaders had been conned and bribed into buying from Western development consultants. In the meantime, as the national debt grew, cash crops would be quickly introduced to provide badly needed foreign currency for loans and further investment thus institutionalizing a regime of never ending dependency. It has now been proven that the environmental disaster of the desertification of the Sahel had little to do with the “greenhouse effect” and much to do with the introduction of cash crops into that fragile eco-system which could not be sustainable as had been the economy of the nomadic tribes for centuries until then.³

³ Desertification tends to generally be blamed on a general overuse of arid land, which degrades it to the extent that it is either entirely uncultivable or nearly so. This overuse can come from a variety of causes, each integrally tied to human relationship to the environment: overgrazing, by which pastoralists, in raising animals for their own use and for external markets, allow too many animals to graze on a certain plot of land; over cultivation, whereby farmers sap soil nutrients too quickly and render the land sterile for future use; deforestation, in which too few trees remain after use as firewood or clearing of agricultural fields, or due to animal use of land to serve as wind blocks or as a barrier to soil erosion. A contributing factor to problems of overgrazing is that of boring water holes into the ground, to allow for better watering of livestock, a program often undertaken by governments to increase the productive livestock yield of an area, by increasing the water supply. This practice, however, encourages livestock herders to remain in one area, rather than wander around the desert in search of oases, and results in the overgrazing of a circular area of about 100 km radius. An additional root cause of plant degradation that may lead to desertification is over cultivation of the land, a process that saps nutrients from the soil at too great a rate to be replaced and reduces rates of return on agricultural products. This process of agricultural expansion continues as more land is put under the plow, with a possible end result that the land would undergo a high enough degree of degradation that future cultivation would be rendered impossible, and the region under cultivation would become desert land. The problem of the desertification of the Sahel has been studied extensively since E. Eckholm published *The Other Energy Crisis: Firewood*. Worldwatch Institute, Washington, D.C., 1975.
A dual economy would develop. City and rural, at odds with each other. The poor became poorer, the rich, richer and the total foreign debt of Third World countries started to assume the proportions we have since grown accustomed to. Not surprisingly, a series of reports commissioned by the United Nations at the close of the 1960's evidenced dismal results for the so-called “First Decade of Development”.4

In 1973 “Small is Beautiful” was published and this work examined the developmental debate in an enlightened and truly original way. The subtitle “Economics As If People Mattered” reflected the author’s real concern with people not formulas. This concern, expressed throughout the book, obliged practitioners in the field of co-operation to look at the real needs of the local people and offer “intermediate” technological solutions in tune with local resources, means and culture.

Schumacher’s point was that there is no perfect, absolute technology to produce a certain outcome. To till the soil, for instance, many African workers use a hand-held

4 Foreign aid flows are notoriously insufficient and unevenly distributed globally. The bulk of the aid which is provided is bilateral in nature and its characteristics often reflect the national interest of the donor, which may diverge sharply both from the national interest of the recipient and from cosmopolitan interest. Official aid disbursements stagnated during the first Development Decade, the 1960s, and prompted the Pearson Commission on International Development to pessimistically observe:

“The question that now arises is whether the rich and developed nations will continue their efforts to assist the developing countries or whether they will allow the structure built up for development cooperation to deteriorate and fall apart. The signs are not propitious.” Commission on International Development, Partners in Development (New York: Praeger Publishers, 1969),
wooden plough. The job can also be done with a steel plough drawn by horses, oxen or camels. Naturally a four-wheel drive, air-conditioned, tractor can also do the job and Schumacher’s genius was to dispel the myth that the latter is always better than the alternatives. He argued that a technological change from a hand-held wooden plough to an animal-drawn steel one, for instance, assuming that the village blacksmith could manufacture and repair one, would bring greater improvement to village prosperity than the purchase of a tractor. A tractor may increase productivity but it would also bring debt and technological dependency.

The Western myth of the Hi-tech fix, of capital-intensive laborsaving devices, has proven to be counter-productive in many Third World regional economies. This imported technology forces the user into a debt trap wherein traditional methods of production are radically altered and the borrower is forced to produce more to repay the loans to buy the machinery to produce more and so on.

Schumacher raised the alarm about the consequences of this vicious cycle. He also noted the trends of decline in Western economies and the attendant drift of population to the cities and degradation of the rural heartland. But Schumacher didn’t only talk about economics. By writing: “If people do not want to better themselves, they are best left alone.”5 he challenged the view that helping others, whether as individuals or nations, is a moral injunction and that by doing “good work” we are somehow bringing civilization to those who “don’t have it”.

He questioned what we in the West assume to be our duty: to spread our industrial

5 E.F. SCHUMACHER, Small is Beautiful, p. 172.
technology. “Small is Beautiful” stressed that we should not take for granted our ability to identify other people’s problems nor to offer solutions which are appropriate to the situation. The message was to respect other cultures. We have to wait to be invited to share other people’s problems; we have to listen with an open mind and we have to leave behind our own prejudices and assumptions of superiority.

This wasn’t an economist talking, or was it. If Schumacher were right (and I knew in my bones that he was), what kind of person, would dare to get involved in economic development? I knew that many of the people I had met in so-called “developmental agencies” were very mediocre at listening and leaving behind their prejudices and by Schumacher’s criterion they should have been forcibly restrained from showing their faces in a Third World country. But his message seemed to go further than this.

The difference with Schumacher was that he seemed to talk about all of us, about people, as if we really mattered in developing countries and in the developed world. The closing words of his famous book were:

“Everywhere people ask: ‘What can I actually do?’ The answer is as simple as it is disconcerting; we can each of us, put our inner house in order. The guidance we need for this work cannot be found in science of technology, the value of which utterly depends on the ends they serve; but it can still be found in the traditional wisdom of mankind.”

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6 Ibid., p. 249.
My search for a development model therefore needed to go deeper into the literature of what truly motivates human beings and how they work together in community.

2.3 **HOMO CUPIENS - DESIRING MAN: Abraham Maslow**

Where do you go when you need to put your inner house in order? You find yourself a psychological mountain cave and you sit at the feet of a master. In my case, I took one year to read anything I could find which related, even marginally, to the problem of development.

When I came across Abraham Maslow’s work I realized that I had happened upon another thinker who not only could help me to “put the inner house in order”, but could also help answer all those other questions which my attempts to define development had generated.

Abraham Maslow’s work as a clinical psychologist had taken a sharp and momentous turn when he began to reflect on the remarkable characteristics of some of the older and wiser individuals he had met. He wrote of these encounters:

> “Such people seem to be fulfilling themselves and to be doing the best that they are capable of doing, reminding us of Nietsche’s exhortation, ‘become what thou art.’”

He became fascinated by the wisest, psychologically healthiest representatives of the human species and decided to study them. This, at the time, was a radical departure

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from traditional psychology and psychiatry, which seemed to dwell on the
disturbances or illness which bedevil humanity. His findings set him on a path of
discovery, which lend to the formulation of a theory of a hierarchy of needs. He wrote:

“The study of such self-fulfilling people, can teach us much about our
mistakes, our short-comings, the proper directions in which to grow.”

Suddenly, “health” started to have a new meaning for me. Born into a family of
doctors, I had, until then, considered health to be lack of illness. Furthermore, a
healthy person, to me, couldn’t become “healthier”; i.e. one could try and maintain
health, but couldn’t improve upon it. Maslow set himself to prove that there are no
limits to personal growth, and it is intrinsically human to be “practically always
desiring something.” He said:

“Man is a wanting animal and rarely reaches a state of complete satisfaction
except for a short time. As one desire is satisfied, another pops up to take its
place. Wants seem to arrange themselves in some sort of hierarchy or
prepotency.”

As Maslow found, desires don’t always surface from our unconscious in a random
way.

First to appear are the basic or physiological needs. These are the strongest needs,

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10 Ibid., p. 69, 70.
the ones that relate to our own physical survival - food, water, and sleep. These needs are so strong that when unsatisfied the entire present and future perspective of the individual change. In Maslow’s words:

“For the man who is extremely and dangerously hungry, no other interests exist except food; he dreams food, he remembers food, he thinks about food, he emotes only about food. He perceives only food, and he wants only food (...) For our chronically and extremely hungry man, Utopia can be defined simply as a place where there is plenty of food.”11

But what happens to a person’s desires when there is plenty of bread and when their belly is chronically filled? At once, other (and higher) needs emerge, and these, rather than physiological hungers, dominate the organism and when these in turn are satisfied, again new (and still higher) needs emerge and so on.”12 The importance of Maslow’s work for the theory of development is the discovery that when the physiological needs are satisfied the craving changes from physical to psychological needs. In other words, once we are not hungry, what concerns us most is not another quantity i.e. having something else other than food, but a quality i.e. being something.

Once hunger is satisfied then safety becomes the pre-eminent non-physiological need. The need for safety then will take the same intense character that the need for food has for the hungry. Maslow went on to further add:

11 Ibid., p. 82.
12 Ibid., p. 83.
“If both the physiological and safety need are fairly well gratified, there will emerge the love and affection and belongingness needs, and the whole cycle already described, will repeat itself with this new centre.”

Being loved is not the highest need; this is reserved for the need to have self-respect. The fact that our partners or our parents love us is meaningless unless we are able to look at ourselves and feel satisfied with our own achievements; we need to be able to respect ourselves and be respected. Self-respect and the respect of others become of paramount importance for a secure and loved person.

And yet this might not be enough. We could have all of the above and still be unsatisfied. We might be healthy, loved and respected, but if we are not doing what we know in our hearts we ought to be doing, then even being loved and respected is not enough. Maslow wrote: “A musician must make music, an artist must paint, a poet must write, if he is to be ultimately at peace with himself. This need we may call self-actualization.”

What is Development then?

If this is right, then development is a never ending process which has to do not only with the satisfaction of material needs but with the equally important psychological ones, which emerge as soon as the former have been reasonably taken care of.

It is no surprise then that Maslow would write:

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13 Ibid., p. 89.
14 Ibid., p. 91.
“The Economists, not only in the west but also in the east, are essentially materialistic. We must say harshly of the “science” of economics that it is generally the skilled, exact, technological application of a totally false theory of human needs and values. A theory that recognizes only the existence of lower needs or material needs. How could young people not be disappointed and disillusioned? What else could be the result of getting all the material and animal gratification and then not being happy as they were led to expect, not only by the theorists, but also by the conventional wisdom of parents and teachers, and the insistent gray lies of advisors.”

Maslow, in this reference to economics, quoted none other than Ernest Schumacher and for me the circle was finally closed. I had been unable to define development because I was looking only at the fulfillment of basic material needs and that didn’t tell the full picture.

Because of Maslow and Schumacher I came to understand that successful development has to do with the quality not the quantities of life. At last I could make something of my experiences in Africa and understand that some of the indigenous people I had met had enough food not to be motivated by physical needs. They were secure, loved and had self-esteem in the same proportions western people had, maybe even more. Some of them were beautiful, wise, self-actualizing people.

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reaching for the apex of full humanness.

I could not stop thinking about what Gandhi had said about the world having the ability to satisfy everybody’s needs, but not everybody’s greed. It was true that some of the African people I had met consumed a fraction of the food that we westerners eat and had no electricity, transport or running water, but so what. They had enough food not to be motivated by need for it and were able to conduct a personally rewarding and socially active life. In a sense the quantities of life are essential only up to a certain point then they pale into insignificance and can even become a nuisance e.g. the two North Americans in three who are on a diet.

Having accepted Maslow’s concept that human needs and wants extend beyond the basic physiological requirements (food, shelter, etc) and encompass the notion of self-actualization and Schumacher’s compelling argument that technology is an asset to human growth and development only if it is appropriate to a specific situation, I was confronted with the question of what kind of structure, what kind of institutions would need to evolve to maximize the number of individuals growing to their full potential?

Walt Anderson, in a book titled “Politics and the New Humanism” wrote:

“Although Maslow’s political theory is not highly developed, his two main propositions come through clearly. These are (1) that, contrary to Freudian theory, the needs of people and the needs of civilization are not necessarily antagonistic and (2) that the possibilities of a society’s developments are
contingent upon the ability of its structures and its members to recognize and encourage higher human needs and the potential for self-actualization. Therefore, social science, political dialogue, and public policy must recognize and deal with the needs other than the more basic material ones. These two propositions are workable guidelines, I believe, toward the development of humanistic politics and a humanistic political science.”

A humanistic political science? What a great challenge. If healthy individuals make healthy societies, shouldn’t political scientists concern themselves with the structures to facilitate personal growth? The journey then took me into a further layer that helped shape how to do development.

2.4 OUT OF THE MOUNTAIN CAVE BACK TO SCHOOL: Carl Rogers

In the final chapter of “Towards the Psychology of Being”, Maslow wrote:

“It can be assumed that classical economic theory based as it is on inadequate theory of human motivation, could also be revolutionized by accepting the biological reality of higher human needs, including impulse to self-actualization and the love for the highest values. I am sure something similar is also true for political science, for sociology and for all human and social sciences and professions.”

Do political scientists ever consider the possibility that society is nothing but a body

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18 A.H. Maslow, Towards a Psychology of Being, P. 221.
of individuals with their needs, joys, sorrows and wishes?

Christian Bay, a political scientist, in his book titled “The Cheerful Science of Dismal Politics” wrote:

“I am convinced that our profession will never help us to advance from our wasteful, cruel, pluralistic pseudo-politics in the direction of justice and humane politics until we replace political systems with concepts of human need and human development as the ultimate value framework for our political analysis.”

The acceptance of a concept, which sees individuals potentially growing forever, could, I realized, inspire a revolution of Copernican magnitude. Beyond society, class and ideologies, a host of philosophers, thinkers, poets from all cultures and all ages had addressed the issue of becoming “what we are” and of the responsibility that we have in honoring our humanness and to live our lives accordingly. The motivating force to inspire our existence can be found in the depths of our souls and the flowering of our potentiality could become the process where we come to terms with our existence and participate in its wonder. Without a belief in the intrinsic goodness of human nature however, and without a humanistic perspective, it would have been impossible to advocate a society that encouraged the fulfillment of individual needs for growth.

Inspired by this thought I started to research the writers who put the needs of the

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individual first and worked from there outwardly. These thinkers subscribed to a positive vision of human beings who can grow healthy and strong and fulfill their true nature if the “sun” of love and the “water” of respect are made available to them. They made it possible to envisage a sociology of health whereas people’s personal talents, if fulfilled, not only would lead to that person’s growth, but also to that person becoming a healthy and therefore “good” citizen. After a while a picture started to emerge which was different from anything I had entertained previously. I began to conceive a vision of a society that facilitates personal growth by assisting individuals in achieving what they wish to achieve. A Taoist bureaucracy, which does nothing until asked, and a great deal afterwards. A “humble” public servant who doesn’t plan how to build the ideal society but who is enchanted by the unique, idiosyncratic needs and abilities of people whom he serves and whose task would be to respond to individual requests for assistance and provide the elements needed for that person to flower.

Piece by piece an anti-dogmatic, anti-idealistic picture started to take shape in my mind. Most influential to my thinking at the time was Carl Rogers, the founding father of person-centered therapy. An anti-dogmatic, anti-idealistic society would,

\[\text{For further readings on humanistic psychology I suggest the following authors: G. ALLPORT, G. MURPHY, J. MORENO, H.A. MURRAY, (Personality Psychologists); A. ADLER, O. RANK, C. JUNG (New Freudians); F. PERLS, R. HEFFERLINE, P. GOODMAN (Gestalists); R. Assagiolo (Psychosynthesis). A MASLOW, C. ROGERS, CHARLES HAMPEN-TURNER and E. FROMM for those interested with the possible development of a sociology health. Founders of the American Association for Humanistic Psychology also included Kurt Goldstein, Rollo May, Lewis Mumford and J.F.T. Bugental. For those interest in classical Humanistic tradition I suggest the pre-Socratic thinkers (especially PROGRATORAS, HERACLITUS and the Sophists) MOSES HADAS, Humanism. (New York: Harper & Brothers, 1960); PICO DELLA MIRANDOLA, NICOLA ABBAGANANO (Renaissance Humanists).}\]
by necessity, have to be an anti-authoritarian. In other words, it would make no sense at all to proclaim the freedom and self-respect of our fellow human beings and then assume control of their lives by dictating how they should live and behave.

Carl Rogers very clearly, during years of effective therapeutic work, demonstrated that it was possible to help people “heal themselves” by simply “being there”, listening, facilitating, and responding to the client’s needs for communicating and finding values to live by. Rogers wrote:

“I’ve had a role in initiating the person-centered approach. This view developed first in counseling and psychotherapy, where it was known as client-centered, meaning a person seeking help was not treated as a dependent patient, but as a responsible client. Extended to education, it was called student-centered teaching. As it has moved into a wide variety of fields...it seems best to adopt as broad a term as possible: person-centered.”

He described his method as one in which “The individual and not the problem is the focus.” The aim is not to solve one particular problem but to help the individual to grow so that he can cope with the present problem and with later problems in a better integrated fashion. Rogers therapy was not a matter “of doing something to the individual” but rather “of removing obstacles so that he can again move forward.”

Whilst in our hospital system, for instance, we still refer to patients by their ailments. For example, “a caesarian in room three”, Rogers began in the late 1930's to have

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22 Ibid., p. 6.
23 Ibid., p. 6.
serious doubts about seeing clients as complex objects, as machines “whose functions may be in disrepair in certain ways”.

Instead he became increasingly fascinated by the immense healing powers individuals have, to the point when, after years of practice, he was able to say:
“Therapy is not a matter of doing something to the individual, or to induce him to do something about himself. It is instead a matter of freeing him for normal growth and development, of removing obstacles so that he can again move forward.”

Rogers developed facilitative psychological techniques which outraged the establishment by demonstrating two things: the first being that the counselor wasn’t competent to control the lives of its clients and the second that the client was best to be left free to become a self-directing, independent person. Rogers became famous for his interviewing techniques in which he often said nothing - he sat there, attentive, caring, waiting for the client to say something, anything. He would sometimes respond to a statement with a question, drawing the client, gently out. No expert, no authority, no instant solution to the client’s problem. By being silent he obliged the client to take action, to stop being a spectator, an infant, a passive, sickly individual waiting to be cured. He would do the same during weeklong seminars for counselors. He would say nothing for days until people would stop looking up to him for solutions and take responsibility for the proceedings including topics to be discussed, schedule of events, fees and lunch breaks. Out of the anger, loss and confusion, out of the chaos - came order.

Without a leader, people always organize themselves, without a doctor, cure each other, without parents become very quickly adults and fend for themselves. Parents have the problem of knowing when they can safely let go of their children. Will they be able to fly? Or will they come tumbling down from the nest? Rogers’ approach

24 Ibid., p. 6.
is based on the same belief, in the intrinsic goodness of the human nature, of which Maslow spoke. Rogers wrote:

“Biologists, neuro-physiologists and other scientists, including psychologists, have evidence that adds up to one conclusion. There is in every organism, at whatever level, an underlying flow of movement towards constructive fulfillment of its inherent possibilities. There is a natural tendency towards complete development in man. The term that has most often been used for this is the actualizing tendency, and it is present in all living organisms. It is the foundation on which person-centered approach is built”\(^{25}\)

Rogers demonstrated that even individuals who lived in horrible conditions, who were thwarted and blocked from expressing their natural actualizing tendency, still possessed the ability to get back on the path to growth, once the conditions improved.

Facilitators cannot succeed in their work without this fundamental belief in human nature; this faith in the ability of all people to grow to full maturity and to become a good person. To be a facilitator is to be, as Rogers put it, a quiet revolutionary. At first he wasn’t aware of the political implications of his work, but he soon realized that he was challenging the very foundations upon which our social system is based.

\(^{25}\) Ibid., p. 7.
He wrote:

“It is obvious that even this premise of client-centered therapy, without going further, has enormous political implications. Our educational system, our industrial and military organizations, and many other aspects of our culture take the view that the nature of the individual is such that he cannot be trusted - that he must be guided, instructed, rewarded, punished and controlled by those who are wiser or higher in status. To be sure, we give lip service to a democratic philosophy in which all power is vested in the people, but the philosophy is ‘honored more in the breach’ than in the observance.”26

Facilitators soon realize that their work goes against the grain of conventional wisdom and traditional values. The institutions, agencies and corporations that theoretically are there to “serve” the public, often do so in an autocratic way. Even churches, aid agencies and alternative groups such as environmentalists, feminists, gays, minority and civil rights groups have problems escaping the hierarchical system of organizations which they so vehemently reject.

These groups have found that they can go, in a short time, from revolutionary unstructured groups to paternalistic organizations and discover that the archetype of the “patron” and the “pater” is so entrenched in the way we organize ourselves that it is nearly impossible to conceive a different system. It seems impossible to run even a pre-school meeting without electing a chairperson to run it. And what does the “chair” symbolize if not the throne of the feudal lord? Soon even the pre-school

26 Ibid., p. 8.
committee has abdicated more and more responsibility to the “chair” and parents
without even noticing it, becoming first silent, then invisible, then a nuisance. We
trust each other so little that we take refuge in leadership - as if an individual charged
with the authority to “govern” us would become, all of a sudden, infallible. He or
she will part the water for us, lead us to salvation.

Rogers’ refusal to play the chairman’s role at conferences created outrage at first -
then after a few days the participants would realize what he had done for them. He
had shown them that they too could part the waters and lead themselves to salvation.
He had shown them that a leader is not necessary when you realize how strong,
valuable, wise and compassionate, in a word, how GOOD, you fellow human beings
are. His therapy relied on the intrinsic “wish to grow” of which Maslow spoke, and
on that peculiar human characteristic which urges us to realize our potential and fight
for our fulfillment.

In Rogers’ words some of his unfortunate clients resembled pale potato sprouts
germinated in a cellar where light only filtered from a window high up on the wall.
The “wish to grow” was still there, in those pathetic little sprouts, but the conditions
were such that what germinated was only the specter of a healthy sprout. Similarly,
in some of his clients, Rogers could see the stunted potential, the pale image of the
person which “could have been”, if the “sun of love” and the “water of respect” had
been available. Rogers, Maslow and the various adherents to psychological schools
and currents of thought loosely named “third force psychologists”, all believed in a
common trait of human personality. They believed that the pathology, the sickness
in human behavior, was the result of stunted growth and that the restoration of health
had to do with the creation of an environment conducive to further growth.

Could Rogers’ facilitator be adopted as the model for the bureaucrat of tomorrow’s society? Could we use the facilitator to remove obstacles so that people could become adults and take care of their lives, children, jobs, towns and countries? Did we really need to be governed by a paternalistic, dogmatic body of “those in authority”?
2.5 CIVIC SOCIETY: SOCIAL CAPITAL AND THE CREATION OF WEALTH

“Where the people are not capable of self government, they are incapable of being governed. While we may reach some intended short-term objectives through forced behavior, it is almost always with substantial, destructive, unforeseen consequences. In such command and control organizations, the intended consequences may or may not happen, the unintended consequences always do.” Dee Hock

Enterprise Facilitation was born out of a desire to prove the basic tenants of humanistic psychology i.e. that people have an intrinsic wish to grow and that they can become better providers, parents, and citizens if only the obstacles in their paths are removed. Robert Putnam’s book “Making Democracy Work – Civic Traditions in Modern Italy” offers a one thousand-year account of two regions in Italy, which developed under differing civic conditions. Here is the historical evidence that people who are free to become what they wish to become are, in the very long term, better, and better off, than those that have been dominated and controlled.

Putnam, who is Professor of Government at Harvard University, wrote “Making Democracy Work” after a twenty-year study of the newly introduced regional governments in Italy. The constitutional requirement to introduce regional authorities had been enacted in 1970 and Putnam was interested in observing how different

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regions would use self-governance to advance their social, economic and environmental causes.

In conducting his research Putnam used a multitude of analytical tools, all aimed at exploring the origins of effective government and the link between institutional performance and the character of civic life, which he calls: “civic community”. Using twelve indicators ranging from legislative output to the availability of day care centers, he discovered that the gap between the “best” region of Italy and the “worst” were of such magnitude that they could not be explained by recent economic, geographic or political factors. For instance, the number of day care centers ranged from one every 400 children in Italy’s best region to one in every 12,560 in the worst. Family health clinics: from one every 15,000 residents, in the best region, to one every 3,850,000 in the worst. Cabinet stability ranged from two, every ten years, in the best region, to nine, in ten years in the worst.

Putnam writes:

“By the 1980’s, Emilia Romagna, with one of the most dynamic economies in the world, was on its way to becoming the wealthiest region in Italy and among the most advanced in Europe, while Calabria was the poorest region in Italy and among the most backward in Europe”.29

Putnam’s inquiry into the reason for such considerable gaps made him look at the history of some of the regions of Italy and he discovered that the richest and the

poorest areas of modern Italy were, one thousand years ago, equally wealthy. The southern Italian “Kingdom of Two Sicilies” was the coveted possession of a number of foreign conquerors. Rich in natural resources, including forests and agricultural land, the Kingdom extended from the south of Rome, all the way to Sicily and Puglia, and was by far the largest kingdom on the Italian peninsular.

The Emilia-Romagna region, situated in the north central part of Italy (north of Florence and south of Venice) was a mostly agricultural area, renowned for its livestock markets and silk weaving. During the Middle Ages the GNP of the two areas was comparable yet the way the wealth was owned, generated and distributed differed considerably. The Southern Italian Kingdom was ruled autocratically and all resources were the property of the Feudal Lord. The great majority of the region’s inhabitants were impoverished peasants who worked the feudal land with no hope of ever becoming landowners.

Emilia-Romagna, to the contrary, was a country dominated by city-states and communal republics, which required the co-operation of all citizens for administration and defense. Free men owned land, organized their farmers markets and sat, as equals to the local aristocracy on city councils. Merchants and farmers administered the “borgo,” they were the ancestors of that bourgeoisie which established the first universities and banks in Europe and gave us the Renaissance. What happened in one thousand years to the wealth of Southern Italy? The symbol may well be Castel Del Monte, the beautiful octagonal castle that Frederick II built in Puglia to hunt venison in the surrounding dense local forest. The castle now stands in a barren desert of eroded land. The trees are long gone, even the soil has been
mined, and no wealth remains.

Culturally Putnam has this to say about the qualities of that region’s citizenry:

“The very concept of citizenship is stunted there. Engagement in social and cultural associations is meager. From the point of view of the inhabitants, public affairs is somebody else’s business – I notabili, “the bosses,” “the politicians” but not theirs.  

The result is diffidence and a resigned fatalism about one’s life, the state of the economy and the possibilities for improvement. Southern Italy is now famous, or should we say infamous, for its car bombing of anti-Mafia judges, for corruption in public administration and for unemployment rates, which top sixty-percent in some of its cities.

Regions in the North, on the contrary, according to Putnam:

“…have many active community organizations. Citizens in these regions are engaged by public issues, not by patronage, they trust one another to act fairly and obey the law. Social and political networks are organized horizontally, not hierarchically. These “civic communities” value solidarity, civic participation and integrity. And here democracy works.”

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31 Ibid., p. 36
Emilia Romagna, a region of four million people boasts one business for every eleven people and ninety percent of those businesses have less than ninety-nine workers. In Carpi, the knitwear capital of Europe, there are 2,500 companies that generate U.S. $2 billion per year turnover. What is remarkable is that the community only has 60,000 people and that the average workforce in the local factories is five.

Civic leaders, often with no, or only the late involvement of the Government, have created industry organizations, co-operatives and a myriad of other organizations to provide small and medium enterprises with state of the art management and technical advice. Rural Credit Unions and workers co-operatives were introduced to the region one hundred years ago in response to rural economic and political changes. One at a time, from the grass roots, often championed by a solitary, passionate and educated individual, cooperatives in the region have grown to number 7,600 of which 2,400 are in the rural sector. Farmers cultivate in a cooperative manner, transform their crops into finished products in their own regional cooperatives and finally have participated in the formation of cooperative supermarket chains, which are becoming a sizable player in national and European markets.

In Emilia-Romagna civic intelligence is also visible at the local and regional government level, where the lawmakers are often creating initiatives which precede and stimulate national debate and legislation.

**Civic Economy**
“Development economists take note: civics matters” - Robert Putnam

Economists, certainly in Emilia-Romagna, know this. The Chair of Economics at the university of Bologna calls the Emilia Romagna model an example of civic economy and he is a very fervent advocate for an economic system which is beyond capitalism i.e. a system that enhances participation in wealth creation, not only in its accumulation.

Civic economy can be defined as the economy resulting from generalized reciprocity, from people helping people to succeed, in the understanding that the well being of each member of the community is everybody’s advantage. Whereas unbridled capitalism destroys diversity, competition and ultimately the market, and has to be controlled with Anti Trust laws, social economy encourages diversity and supports small and medium companies and cooperatives with both legislative and fiscal tools. The result is an entrepreneurial economy where reciprocity matters. It is essential for entrepreneurs to collaborate, and in Emilia-Romagna, with one company every eleven people, every family has direct experience of the advantages of cooperation and mutuality.

Historically solidarity and reciprocity in the region was the result of weak, not strong government. As Putnam says:

“In the North during the eleventh century the attempts to revive Imperial power all ended in failure and local particularism triumphed all but completely. It was in this region, stretching from Rome to the Alps, that the

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32 Ibid., p. 37
characteristic Italian society of the Middle Ages was free to evolve most fully; here the communes became in effect city states, so that the area may be conveniently described as communal Italy “33

The result of looking after their own made citizens out of farmers and merchants, reminding us of the “self interest rightly understood” of which Alexis De Toqueville wrote in “Democracy in America” (De Toqueville, 1831). Most countries are able to draw parallels between the regions of Northern Italy that Putnam describes. In the US the West could never have been won without the solidarity, cooperation and trust in each other of the early pioneers. Yet the myth of the rugged individual persists, it even informs political theory, with “Progressive” parties stressing individualism and individual rights and “Conservative” parties emphasizing community and the obligation of citizenship.

Is there a way of reconciling the two theories and explaining, in so doing, what makes a society civic? Could it be that civic society is the result of rugged individuals working together for mutual advantages? Are we sure that individualism and civic values are irreconcilable?

**Civic Humanism**

“The most dramatic revision of the history of political thought of the last 25 years or so, is the discovery and celebration of civic humanism.” Don Herzog 34

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Service to others, compassion, concern, empathy, generosity etc. are not the preserve of saints and heroes. They are daily occurrences, which we witness and experience and which remind us of who we are and who we may be. According to Maslow, healthy human beings, that have satisfied basic materialistic needs, develop other and higher needs. These new needs are of a psychological, not material nature and their satisfaction is as urgent as the former. They are the needs for love, companionship, respect, self-respect and, finally, self-actualization.

If we believe in Maslow’s hierarchy of needs the dichotomy between individualism and community membership vanishes. This is because the individual who is free to become, becomes social. In other words, as soon as basic needs are satisfied, people who are free to express their individuality will naturally seek others because only others can satisfy their higher needs for love, companionship, respect etc. How far individuals can go in expressing and celebrating their inner talents is a measure of the society they live in. The difference between impoverished peasants of Southern Italy and the impoverished peasants of Northern Italy, in the Eleventh Century, was not the amount of food they had, it was their ability to dream of a better personal future.

In an autocratic state, under feudal laws, lineage, not intelligence or ability, was the paramount factor determining people’s “station” in life. Like over-bearing parents, who crush their children’s ability to grow, the feudal system crushed the ability of people to become citizens. Feudalism, slavery and apartheid achieve similar outcomes i.e. they stop those who are subject to their rule from becoming all they
can become. Under such regimes people are obliged to restrict their horizons, they are obliged to only socialize in their ghettos and their personal ambitions are severely curtailed. In such an environment the particularly gifted often become the rebels fighting against the system that represses them. Italian popular revolutionary heroes came only from the South; the gifted northern children became City Councilors, Judges, Poets and Artisans.

*Freedom to become* is the key to unlock civic society and long-term economic prosperity.

Putnam’s work seems to indicate that wealth can be generated in the short-term by exploiting natural resources, but one thousand years of prosperity can only be created by intelligence, by working together. When communities are exchanging ideas, sharing technology and resources, helping each other to do well, then a myriad of wealthy self-employed people produce an economic system immensely more resilient than any alternative. His work blends beautifully with Maslow’s theory as it explains that helping each other is not done solely out of charity. Healthy individuals, who have fulfilled their materialistic needs, fulfill their higher needs by engaging in convivial activities i.e. those activities which make living together more enjoyable. Such people volunteer, engage in civic activities, and help others to do well with an abandon that is totally incomprehensible to people still struggling to make ends meet.

This model then provides the context for a development theory based on person-centered development.
2.6 CONCLUSIONS

The work of Schumacher, Maslow, Rogers and Putnam (among others) point to the possibility of personal and community economic development done from “within” both the person and the community. It calls for a facilitative approach rather than a pro-active, top down one no matter how well meaning. Treating adults like children can affect their development, likewise, treating citizens like subjects can impede the development of democratic institutions and civic society, and hence, the economy.

But in all this, what is the role of the researcher and the educator? How can we help individuals and communities without initiating the process? Some initial and fundamental principles for a responsive approach to personal and community-based development became apparent to me:

• The upside of Schumacher’s admonition, “If people do not wish to be helped, leave them alone.” would be to help only those who wish to be helped.

• Maslow’s hierarchy of needs concept offered the insight that people do not need to be motivated because they are always naturally wishing for something.

• Roger’s work pointed to the self-healing power of people, to the fact that people could be trusted to grow if only the obstacles on their part could be removed.

• Putnam pointed to the power of civic society, of reciprocity and mutuality. He wrote that when power is decentralized and citizens have to fend for themselves,
they learn to lean on each other, to protect and sustain each other, in a process that breeds successful institutions and economies.

A responsive, respectful approach to personal and local economic development would, therefore, require the practitioner to:

1. Only work with individuals or communities that invite you.

2. Do not motivate individuals to do anything they do not wish to do.

3. Trust that they are naturally drawn towards self-improvement.

4. Have faith in community and the higher social needs that bond it together.

The journey, in theory, was over with this set of insights into development. Now it had to be applied. The question then became: How do you do it? How do you become a facilitator of personal and community growth? The thesis therefore moves to the stories of application and how this theory has been given substance through practice.

The following chapter explores the tentative first step in the direction of a responsive approach to personal and community development as inspired by the above literature and conducted by the author in two local experiments. In particular, it tries to answer the question: If you cannot motivate people and impose, uninvited, your ideas on communities then what can you do?
CHAPTER 3  HISTORY OF THE EARLY ATTEMPTS AT ENTERPRISE FACILITATION, HOW THE PRACTICAL MODEL WAS DEVELOPED.

3.1  THE ART OF SHOEMAKING

How could I demonstrate that people, if helped to become what they truly wished to be, would blossom into beautiful beings, create wonderful work, contribute to their families, community and society in a loving and caring way? How can one prove that such potential exists in the hearts and minds of all of us?

Just Do It

I looked at my own community, the City of Fremantle, in Western Australia and decided that this was a good place to start. My aim was to demonstrate that simply by going with the energy and imagination of people, helping them to achieve whatever they wanted to achieve, we would be able to satisfy both their personal and the broader community needs.

Fremantle has a lively food and craft market. During the late seventies, an “alternative” community still traded their “flower power” wares. These wares included some sandals, which had the finesse and durability of something out of the darkest period of the lower Middle Ages. Naturally they did not sell well, and yet the happy cobbler would persist in offering them along with equally poorly crafted...
belts, wallets, key rings and personalized beer can holders. Out of those trying to make a living out of leatherwork there must have been a few who truly loved their work and were frustrated by their lack of real craft skill. Did they make any money? I doubted it and I said to myself: “What would happen if people who loved working with leather were given a chance to learn to become very good leather workers?” What if their passion was matched by skill? I was able to receive some funding (AUS $900) from the City of Fremantle, job-creation, being a constant pre-occupation of politicians the world over.

I decided to start the project by finding someone in the community who could teach “hippies” how to make shoes that people would buy. A visit to several boot-making shops led me to contact a surgical boot workshop attached to a major hospital. There, I was told, was the man I was looking for - the dean of local shoemakers, the unchallenged master, was - oh joy. - Italian. Then aged 66, Dino Pezzino had migrated to Australia in the early 1950's from Sicily. He had been in his trade then for over 50 years, starting his apprenticeship at 14 years of age in his uncle’s workshop.

Our first meeting was a friendly one. As I described the effort that I had witnessed going into producing awful sandals that nobody wanted, I asked him if he had ever thought of teaching. His experience of the apprentices sent by State agencies convinced him they were unwilling to learn and uninterested in work, so he had given up the idea of teaching long ago. I asked him if he was prepared to try again, but this time we would approach it the traditional Italian way, i.e. I would introduce trainees to him, but he would have the final say whether to teach them or not. He
had had a good laugh at that and agreed. He concluded our meeting by telling me how much he wanted to pass on his art. “You know” he said, “I should have retired last year, but the hospital couldn’t find anyone to replace me; they have even advertised in England for orthopedic shoemakers, here there are no schools to teach shoemaking.”

**Find the Passion**

I had to find people with a passion for leatherwork. I started with the Fremantle Markets, and was introduced to a girl in her twenties. I went to visit her at home to ask if she was interested in learning shoemaking. She admitted that she had had enough of trying to make a living selling sandals. For years she had asked boot makers to teach her, but no one had been willing to employ her as an apprentice. “My sandals are pretty bad,” she said with a self-deprecating smile. “I feel awful when my friends buy them because I know that the stitches will fall apart in six months, and then so will the sandals.” I explained that as a case study I was trying to demonstrate that people, if assisted in doing well what they love doing, not only make a living but by becoming happier also make society better.

I told her I had found the best master shoemaker in town and we were ready to set up an informal training session if that was what she wanted. She was very interested to meet Dino, and gave me the name of another frustrated cobbler friend. In a week, I had assembled five people, all unemployed, ages ranging from 20 to 45 years old. My frustrated coblbers had been making cheap, low-tech goods, on and off, for over six years - All of them wishing to do better.
**Put It Together**

Longhaired, bearded, sandal-shod, earring-in-one-ear, both ears or through the nose, my newly found apprentices looked like anything but. Crammed into a car, we arrived at Dino’s ornate villa looking like gypsies lost in suburbia. We were admitted to his garage, which doubled as his workshop. There standing in front of his workbench, a pre-historic Singer sewing machine to his left, and a pile of leather to his right, Dino grinned at the approaching throng and said “So, you want to learn how to make shoes? Come, come, I will show you”. In his hand he held a beautiful pair of green high-heeled shoes he was making for a lady who had one foot slightly shorter than the other. The heel was really high, the shape a classic “stilettos”, pointed and elegant.

I will never forget the faces of my Australian friends Here were people who had spent hours, days, months, bent over a piece of leather, trying to make a blasted pair of sandals that even with the strongest glue would fall apart in weeks and there, smiling at their amazement was this beautiful old man who could do what they never in their wildest dreams thought they may be able to do. I felt at that moment what the educational psychologists called the “aha experience” - the sudden understanding of how things work, the revelation, which hits a person who couldn’t understand, and then...aha...can see, can realize. As I watched, the would-be apprentices went into “workshop mode” as instinctively as ducklings take to water. The tools were touched, appreciated; the simple contraptions created over hundreds of years of experience were deeply understood. Good, simple, effective tools were lifted, touched and caressed. “That’s how you do it” one murmured, “I once wanted to make myself a pair of boots but because I didn’t know how to use lasts, I stitched
one while wearing it on my foot. It looked all right, but I couldn’t take it off, so I had to cut it off.”

There was a lot of laughter and excitement at that first meeting. Dino seemed delighted at the eagerness of the new pupils and he committed himself to teach them, for free, twice a week, for as long as it took. They in turn, pledged $5 each per week to pay for Dino’s transport. I pledged to find a workspace and assist in whatever way possible. That was how the Fremantle Shoemakers’ Co-operative started. Most of my research money went into purchasing an old sewing machine, and an even older finishing machine, 5 knives, 5 hammers, pliers, nails, etc. The Fremantle City Council gave us the use of a large basement room under a furniture factory in the older part of Fremantle. The Council re-glazed some windows, connected the power and provided paint and brushes to whitewash the walls. The training started in earnest a month after my meeting with the Administrator of the Council, I took him and the Mayor to inspect the first city-sponsored “long term job creation scheme” and they were speechless.

The Fremantle Shoemakers’ Cooperative

Speechless with delight. So was I, and I would have been more so, if I had known then that the $900 project would last ten years, train two dozen people in varying degrees of skill and propel some of them into further careers in orthopedic shoemaking, special footwear and even an academic degree in Podiatry.

At the time I was simply satisfied to be there, to help with the cleaning, only to be
allowed to witness unhindered learning and growth. I watched Dino teach how to
sharpen a knife, and then proceed to cut a sole out of a thick piece of hide nailed to a
wooden last with one uninterrupted motion of his arm and wrist. I then watched as
he nailed another piece of hide to the same last and invited an apprentice to copy him
using his own knife. He couldn’t do it. This particular apprentice had been working
the longest with leather and even taught some leather work, but he had not known
how to sharpen a shoemaker’s knife. When he understood - he threw away in
disgust the flimsy blade wrapped in plastic he had been using. During the ensuing
year more people wanted to attend the classes. Some stayed for years, some learnt
how to make simple but beautiful sandals and left. The learning was free, the
organization minimal and democratic in the fullest sense.

To me, the experience was the beginning of an impassioned search for ways to make
“good work” possible and the confirmation of the theories of the “people believers”.

3.2 THE ESPERANCE EXPERIENCE

It is no use telling people, you have to show them.

And you can only show something when you have done it. To do it you have to take
risks, inject yourself with the experimental vaccine and wait...After the experience
with the shoemakers I wanted to scream to the world “It works.” and I desperately
wanted to do it again, to see the smiles of people who understood what was
happening to them. The excitement, joy and self-respect that result from putting
committed people in touch with each other and with the skills that they so badly
wanted had made a deep impression on me.

Family and work reasons took me away from Fremantle and it was only on my return to Western Australia four years later that I was given the opportunity to try this on a larger scale. On the strength of my previous work and the publicity that a television documentary on the Fremantle Shoemakers had given me, I was introduced to the Minister for Regional Development whose electorate included Esperance, a remote rural community 800 kilometers to the south of the State capital.

Esperance was suffering yet another, of the seemingly perpetual, rural economic downturns. The Minister’s advisors bundled me into a charter flight with the brief to take a look at the place and tell them what my thoughts were. They were looking for some new approaches, some way to break the cycle and they suspected that Esperance was ready to look for something new also. I accepted the challenge gladly even though I knew that they did not really understand what I wanted to do in Esperance. In fact I suspected that if they had really understood they would have never put me on that plane.

It took forever to arrive there.

Esperance is a very isolated rural community in Western Australia. It is perched precariously on the edge of the Nullarbor Desert, built on granite boulders, which are constantly hammered by the roaring Southern Ocean. Off its coast there are 160 islands, mostly inhabited by sea lions. Then south of those islands nothing until Antarctica. To the north - miles of scrub sand dunes, then 450 kilometers away the
The twin cities of Kalgoorlie-Boulder. To the west again sand and salt, lakes of it, and, a farther 450 kilometers away another town of 20,000 people Albany. To the east only desert for a thousand miles. No real neighbors to talk about.

Esperance in 1985 was going through a difficult time. It was the height of a rural recession and Esperance with its sandy, salty soil had one of the highest rural debts in Australia. The fishing industry was also in recession. After years of free-for-all, catch-as-much-as-you-can, the tuna population had started to decline and the Federal Government had introduced a quota system, which had played havoc with the local industry. The fishing fleet had gone from 45 to 7 boats and those fishermen remaining were the ones with the lowest quota available and the highest debt. At the time Esperance had a population of 8,500 people with another 1,500 living on the surrounding farms. Five hundred people were registered as unemployed with youth unemployment nearing the 20% mark.

**I arrived in Esperance with a lot of faith but not much else.**

My faith was in people, and in their universal characteristics of wanting to become something, of enjoying good work, of achieving respect and self-respect, by performing beautifully. I had faith that in Esperance, like anywhere else in the world, there would be individuals that at that very moment were dreaming, discussing even sketching on their kitchen table, their ideas for that special something they wanted to do. I knew, not only with my head, but with my heart as well, that the only thing I had to do was to become available to those people and “facilitate” the transformation of their dreams into good work. But where would I
find those people if I didn’t know anybody there? I was left in town by the ministerial advisors who flew back to Perth on the same day after giving me a list of names of locals who might help me, a car to drive and keys of the Minister’s empty house. I remember my first night there. I had been so busy reassuring myself that I would find a willing local entrepreneur that I left it too late for dinner, and after having driven around the town looking for somewhere still open after 9 p.m., I went back to the house and organized a meal from what I found in the pantry - tinned sardines on “Cheerios”.

The following three days I spent meeting some of the local people that were, either professionally or voluntarily, involved with local development. My question to them was always the same “Do you know anyone in town who is currently thinking of becoming involved in setting up a business?” Their answer was always the same “No.” Some would elaborate by saying that that was precisely the reason for Esperance’s unemployment. The farmers and the fishermen were in strife and nobody would risk investing locally. Of the local unemployed people, some would say they were too lazy and too well looked after by the government to be willing to work. Not convinced I asked the manager of the local Youth Support Scheme to organize a meeting with the unemployed who used the center. At that meeting two young people came out. One had just arrived in town and the other one was about to leave; neither had any idea for self-employment.

The manager of the Commonwealth Employment Services organized a similar meeting. Out of 500 registered unemployed, two long-term unemployed people came to that meeting. One didn’t know what to do; the other one had been
struggling for months trying to set up a fish-smoking business. He had built a $250 smoking kiln in his garage and started selling some fish, but he had only succeeded in having his smoked fish confiscated and his embryonic business strangled by bureaucratic red tape. He was angry and terribly frustrated but I couldn’t stop smiling. After five days and four long nights I had found my first client: somebody in Esperance who wanted to do something.

Having been retrenched from a local fish-processing plant Mauri Green, a skilled fish-processor, formerly from “fish wise” New Zealand, had attempted to overcome his predicament by doing what came naturally to him - processing fish for sale. He had built a smoke oven in his garage, smoked fish and started to sell it...and collided head-on with the local health inspector. A former friend, the health inspector tasted the fish, liked it very much, but proceeded to confiscate it on the grounds that Mauri’s garage did not comply with health regulations. Not having any money to move his smoke oven to an approved building, Mauri had tried to gain the support of local and metropolitan industrial development bureaucrats. His request for assistance had failed to dent the elephantine skin of those supposedly in charge of small business development. His enterprise was considered insignificant compared to “real” economic development and Mauri had been given the treatment that all aging unemployed who tinker in their garages would get - a terse dismissal.

To me, Mauri was “the” first client, the person who had the passion, the skill and who needed somebody to help him to transform his dream into legitimate, rewarding and fulfilling work. Mauri was like one of the Fremantle shoemakers who wanted to make shoes. The difference was that he had the skill already and I didn’t have to
find a master to teach him. I simply needed to help him set up a workshop for him to
go about his art. I was so excited at finding him that I had to forcibly repress my
enthusiasm and make sure of his intentions. After dozens of questions, I asked him if
he really wanted to make a living by smoking fish. I emphasized the “really” and he
looked at me puzzled, then he asked me why I wanted to know. I told him that if I
put all my energy behind his idea, he could end up to his neck in smelly fish, and if
he didn’t love that life, I would rather not help him doing something he might later
regret. He looked at me in disbelief, fish was his life, his love, and he was
passionate about it. That sealed our working relationship. Fish was for Mauri, what
leather was for Dino, and I could stop worrying and start working with this man.

My first week in Esperance was nearly over, and I had no written report (again) of
what could or should happen, instead I had a person’s dream in my hands to show
those who had commissioned my research.

The Minister for Regional Development arrived back in Esperance for the weekend.
Away from his office and telephone he had time to talk to me. His wife and thirteen-
year-old daughter joined the conversation. I told him of my belief in people and
their ability to create wonderful products if they were only given the chance to do so.
I described to him my unease with “top-down” solutions, or “big” economic
development plans, which tended to discard or overlook the small, but exciting
possibilities found locally. We talked about quality value-added productions to
complement the quantity export of primary products constituting the bulk of
Australia’s economy. I showed them the pair of kangaroo hide shoes I wore made
by Dino. “Why are Australians exporting two million salted kangaroo hides every
year when they could produce shoes of this outstanding quality here? How many
Australians are aware that the most expensive Italian shoes are of this extraordinary
kangaroo leather? “There are people right here”, I told them, “people who have the
passion to create products, goods, new markets and quality services and who, if
believed and encouraged, could become a vibrant contribution to the economy,
providing diversity of employment and renewed hope for the rural sector.”

We had by this time adjourned to the local Chinese restaurant where, after two hours
of passionate discussion and fiery food, I was given a one-month contract to become
available to anyone in Esperance “who wanted to do something”.

Never take "NO" for an answer.

My first project was to get Mauri’s Smoked Fish business off the ground. He needed
to get a loan, and I contacted on his behalf the government agency, which had
rejected his application. The person at the other end of the telephone “only worked
there” and, no, he couldn’t tell me the reason for the first rejection. I was told that a
committee made the decisions and that its proceedings were confidential. My reply
was that Mauri was a long term unemployed person and his activity and status fitted
precisely the agency’s guidelines, and that I wanted to resubmit personally the
application to the next committee meeting. He told me that that was out of the
question, and I replied that unless some cooperation was shown by his department, I
could find out, through the Freedom of Information Act, the reason for the rejection
and I would not hesitate to go to the press if I found any discrepancies between his
department’s guidelines and the committee’s allocation of public funds to the long-
term unemployed. At that point, his tone of voice became more conciliatory and he told me that, even though it was confidential, he would tell me the reason for the loan refusal.

The committee, he said, thought that Mauri’s activity would compete with the local fishermen. I must have screamed into the phone because the guy at the other end went very quiet. “He is not competing with the fishermen; he is buying from them, and adding value to the fish and selling it again. Can you please explain to your city people’s committee the difference between fishing, which is done with hook and line, and smoking, which is done with heat and flames.” The submission was re-submitted and after a month a very nicely written letter and a check for $4,000 arrived. A shed in the industrial area was rented and, after consultation with the health inspector, a minimum amount of partitioning and special fittings were installed. Mauri then took the home-built kiln out of his garage and, with the help of a couple of friends, set it up in the newly partitioned shed. His operation was legitimate and Esperance Fish Processors was born on the right side of the blanket.

An official opening was organized at which much beer smoked fish, and emotions were displayed. Naturally the Minister and Local Member were center stage and obviously enjoying the first fruits of my work.

Nearly three months had gone by since my first visit to Esperance. While working with Mauri, I had asked a number of local people to help me by forming a support committee. I wanted local people be fully informed of my activities and to assist me in finding local resources for my clients. I also wanted them to spread the word around about my availability to work, in total confidentiality, with any local person
who wished to set up a new business or expand an existing one.

In those first few months maybe a dozen people approached me. Among them were two tuna fishermen who, having witnessed my work with Mauri, decided to see what I could to do help them. And help they needed since the Federal Government, concerned about the decline in fish stock, had imposed a drastic cut in their quota. The tuna industry was in the doldrums. Unfortunately, the two fishermen came independently of each other and I had to come to terms with the fact that the local fishing community was not only in economic trouble, it was also distrustful and divided, with its members still hurting from a co-operative venture which had failed miserably only a year before. Good mates at the pub, the local tuna fishermen didn’t want to work together any more and faced their industry’s decline in bitter isolation. After speaking separately with those first two fishermen, it seemed to me that their problem was exacerbated by the low price their tuna was fetching. They only had one buyer, a tuna cannery, which had a monopolistic control of their industry and which offered them sixty cents per kilogram for any quality tuna. There had never been a market for high quality tuna and the fishermen had traditionally been pushed to fill their boats with as much tuna as possible in total disregard of size, condition of the fish and its handling. A truck from the cannery would await the boats at the pier, and the bloodied tuna would be simply thrown into steel boxes and taken away.

The drastic cut in the tuna quota had meant that instead of 60,000 tons, the Australian tuna fishermen were left with only 14,000 to fish. Of these, the Esperance fishermen only had the right to less than 140 tons which left them with a combined annual gross revenue of less than $300,000, hardly enough to keep up with
their boat repayments. I expressed my concern to both fishermen I spoke to and suggested that a meeting be organized with the other five tuna fishermen to seek a common solution. They shook their heads at that idea and made it clear that, short of a miracle, nothing would make them work together. It took a good three months for the “miracle” to eventuate. I met more fishermen at Mauri’s business launch, and I had the impression that my work there had not gone unnoticed. Finally, one morning five of the local fishermen came to see me. I had the immediate impression that they had begun to work together because they had a strategy already worked out and was ready to try it on me.

I was working for the government, they said, and I should go back to the government and tell the people in charge that they had destroyed the tuna industry. “Now” they said, “the only hope is to catch big tuna for the Japanese market”. But money was needed, for a big boat and research, and they wanted me to get it out of the government. The argument was delivered with great passion and, at one stage; fists were slammed on the table to make clear their contempt at the ruthless government intervention. I told them that my brief as a consultant was to help Esperance people and that I would have my contract renewed only if I succeeded in doing so. My loyalty, therefore, was with them and I wanted to help but my understanding of their predicament was different from theirs and so was my proposed course of action. I knew that the government had already given a research grant to fishermen on the south coast to find the elusive big tuna to be air freighted to Japan. The results had been dismal and I doubted whether the government would give them a $150,000 grant to try again. I also told them that their reputation as fishermen was very poor and that the Fisheries Department bureaucrats considered them to be young, unruly
and the “cowboys” among tuna fishermen.

They looked totally deflated. If I wasn’t a government representative and if I wasn’t willing to make representation on their behalf then what was that meeting all about? I told them that unless they could find alternative markets for the small tuna they had easy access to, they would never be better off. Instead of trying to develop a fishery for the mythical big fish, they should carry out marketing research to dispose of their usual catch at better prices. They asked me how much it would cost to do a marketing study and I told them that the question wasn’t how much a marketing study would cost, the question was how much they were prepared to invest in one. They looked at each other, thought for a while and finally the figure of $200 each was agreed upon. If it had been ready to ask for a large amount of money from the government, when it came to their dollars, the amount had shrunk considerably. Nonetheless with $1,000 pledged I advised the five to pen a common bank account under the name Esperance Sashimi Development Group, “Sashimi” being the term they had used in our discussion on the highly priced tuna that the Japanese eat raw. Next I advised them to publicize and be proud of their newly found solidarity and I told them that I would try to find some matching finance to assist with the marketing research.

This I did and, as in the case of Mauri, I didn’t get any satisfaction from approaching any of the various government agencies and assorted development corporations, which are supposedly there to help small business. Nobody wanted to get involved with the fishermen, and I was told repeatedly that those fishermen were “cowboys” who only fished when they felt like it, were uncommitted, would not cooperate and
could not be trusted. Local people, who made it even harder to seek support for the project, repeated such comments. Finally, all other avenues being exhausted, I turned to the Local Member and asked for a matching $1,000 from his ministerial discretionary funds. He was willing to encourage the fishermen to work together and promptly obliged with a check. This gesture had a profound effect on the fishermen and, indirectly, on the town. Somebody trusted them and the previously unruly and unmanageable fishermen became, from that day on, a different bunch that should show Esperance people a thing or two.

While the money was being organized I asked the Director of the local technical college, who was a keen member of my support committee, whether he could finance a sashimi fish handling demonstration for the benefit of the fishermen, Mauri and local restaurateurs. It would require finding a willing Japanese chef and paying for his fees, travels and expenses to come to Esperance. In his inimitable style that excellent man had the funds made available and a ticket donated by an airline the same day. I found the Japanese chef in Perth and a couple of weeks later we had a big day at the Esperance Youth Hostel, or rather in its kitchen. About 20 locals came to see the visiting chef at work and admired his skills in preparing a tray of sashimi and a tray of sushi made exclusively with fresh fish provided by the Esperance Sashimi Development Group.

What happened that day would have effects far beyond our joint expectations and would change not only the fishermen’s attitude but also Mauri’s fish smoking practices and showed how we could create wealth from Australia’s resources by value-added practices. The fishermen had provided the chef with a 10-kilo tuna,
which was average size for their catch. The fish was about one-sixth the size of the
tuna that reached fabulous prices in Japan.

At the end of the elaborate and meticulous preparations, we were invited by the chef
to try the sashimi. One of the fishermen asked him if in fact that could be called
sashimi because in the videos and other documentation he had seen only very big
and very fatty fish were used in preparing that particular dish. He, and in fact all of
us, were surprised to hear from our instructor that sashimi meant “raw” and the term
had nothing to do with size or type of fish. Many vanities could be used on
preparing that traditional and highly sought after, dish. Fat tuna, he said, was
considered by the Japanese to be the most exquisite food and big tuna fetched as
much as $200 per kilo. But small tuna if killed and handled to Japanese standards
were widely used in sashimi preparations.

All of a sudden it dawned on the fishermen present that what they had been selling to
the cannery for 60 cents per kilo could be sold to the Japanese for sashimi. The
question, which was on everybody’s lips, was finally asked: “Do you mean to say
that your restaurant would buy small tuna from us?” The answer was “yes, this is
small but very fresh, very good tuna.” “And how much do you think your restaurant
would pay for it?” came the immediate second question. The answer was $3.50 per
kilo, nearly six times the price paid by the cannery. At that moment, there was a
long combined whistle of all those present, and I could hear the noise of their brains
calculating. If all their catch could be sold at that price the value of their catch
would shoot to nearly three million Australian dollars which would be more than
they made before the introduction of the federal quota. In other words they would be
able to catch less and make much more.

In Mauri’s case witnessing the work of the Japanese chef gave him the idea to smoke tuna fillets and try this new product versus the more conventional whole fish he had previously used. His experiment with the local tuna combined with his skill in using native local woods for flavor, created an extraordinary product that launched his smokehouse into the gourmet market in the capital cities of Australia, it also created an additional market for the tuna once destined for the cannery. Not long after that momentous sashimi demonstration day I had the task of finding a consultant willing to undertake the marketing research for the Esperance Sashimi Development Group. Knowing that the “experts” in the Department of Fisheries considered the project unfeasible, and knowing that $2,000 could not buy me much time of an established marketing firm I remember a person whom I had met months before, and called him.

David Leith had come to meet me on the advice of a mutual friend who knew of my work with Mauri. David was at that time a frustrated public servant who was longing to leave his job if only he could find something challenging to do. Of New Zealand background he had memories of his grandfather smoking fish and the story of Mauri, as told by our friend, had made him want to meet me even though he had nothing specific to ask me or to propose. At the end of our first meeting he told me that he would love to get involved with anything to do with fish and, if the occasion presented itself, not to hesitate in calling him. On the chance that he could be willing to take up the daunting task of rescuing the Esperance tuna industry I called him and explained the situation. David became interested and, as he then worked full-time, he offered to come to Esperance during his Christmas holiday. The amount of
money available was really small, but that didn’t concern him. What worried him was the fact that he had never seen a tuna in his life. But he would do his best for the fishermen if they were prepared to take him for what he was, somebody with an economics background but with no experience in marketing fish. I told him that, as the experts had given the project no chance at all we knew that his mission was “impossible” and we would settle for the best that he could so. A meeting was organized, I introduced David to the fishermen with these words” “This is David, he has never seen a whole tuna in his life and he is here to help you.” And help he did. Following up our experience with the Japanese chef, he introduced the project to all the Japanese restaurants in Perth, only five at that time, and then he rang all the other Japanese restaurants across Australia.

Convinced that a market could be found he took four months leave from work, borrowed $10,000 from his bank and signed an exclusive contract with the fishermen. He took the product to Singapore where it sold for AUS $11.70 per kilo. He then resigned from his job, set up his own company and, at the start of the new fishing season (eight months after his first meeting with the fishermen) sent five fish to Japan, where they were individually auctioned. After one week a telegram came back from the Japanese distributor saying ‘fish A1”. The following week a representative from that company came to Esperance and, in partnership with another large tuna fishing company from South Australia, an agreement was reached for the establishment of a sashimi processing plant in Esperance.

The new plant was built in twelve weeks and, that fishing season, 140 tons of tuna was air freighted to Japan at the average price of a cool $15 per kilo. We all had big
smiles on our faces that season. The impossible had been done and the skeptics, both in Perth and Esperance, had to eat their words. Mauri’s smoked tuna and the Esperance Sashimi Development became the “good news” items not only in the local press but also in the state papers.

As if by magic Esperance was no longer a town in recession. Things were happening there, the name of Esperanto being heard, and the locals, all of them, including those who had never believed that their own neighbors deserved to be trusted and helped, basked in the glory.

**Can you do it again?**

The success of the sashimi enterprise was a turning point in my work in Esperance. Before the opening of the sashimi plant, I had been approached by quite a number of individuals but never by the “establishment” i.e. the wealthy local business people and farmers. The publicity, which surrounded the launch of the new fishing venture, however was such that some of the farmers started to take notice.

One of them expressed the feeling of the entire farming community by saying to me” “If those idiots of fishermen can do a thing like that, there must be something really wrong with us farmers”. He was referring of course to the inability of farmers to take control of their products and make more money adding value to them.

It was in recognition of what those “idiots of fishermen” had achieved that I was asked by a farmer to help solve the recurrent problem of getting rid of the old ewes,
the mutton that nobody wanted and which was so difficult to dispose of. Year after year millions of old ewes would hit the market during the same months and the price would collapse to the extent that often farmers who sent the ewes to market for sale at auction not only wouldn’t receive a cent, they would be billed for the transport. Mutton was another seemingly insolvable problem and, unlike the tuna, affected hundreds of farmers in the Esperance area and tens of thousands of Australia wide. I asked the farmer who sought my help whether he wanted to research the problem individually or as a group and he told me that, since it would cost money, he would try to get some of his “mates” involved. He got back in touch with me with forty-eight other farmers who pledged $100 each towards a feasibility study to try to find a way of not losing money disposing of the old ewes.

My task was to find somebody to do the job and this time I had no qualms whatsoever about approaching “non-experts” having discovered, through David’s experience, that experts often knew too much to be able to look at old problems with fresh eyes. Ted Lefroy and John McComb had an interesting and varied background with degrees in agricultural economics but no specific insight into the marketing of mutton. In their early thirties they were both self-employed and willing to try their hand at the job.

During the months that followed they came up with a specific business plan, which transformed a certain yearly loss into net profit. Their plan had the remarkable title “NEW USES FOR OLD EWES” and it looked at commissioning the local abattoirs to slaughter the old ewes for a fixed fee and return the bodies and skins to a farmer controlled company. The meat would then be processed into small-goods and the
skins, after being chemically depilated, would be pickled and sold. Finally the wool would be sold as a separate and valuable item. The most extraordinary part of the plan was the latter part. Traditionally the ewes would be sent to slaughter or to the markets after being shorn at the cost of $1 each. Ted and John’s suggestion was that the ewes be slaughtered with their wool on. The wool would be removed chemically after the slaughterhouse had returned the skin. Sold at auction the wool produced by this method would fetch eight percent less than shorn wool but, since it came from a dead animal, it was exempt from the payment of 10% duty on shorn wool.

With this system, not only would the farmers save $1 by not shearing, they would make two percent more out of their old eyes wool. John and Ted demonstrated to the farmers in the group that the combined value of the small goods, skins and wool added up to a tidy profit and reminded the farmers that, if they wanted to work together, they could find solutions for even seemingly intractable problems.

More creative ideas began to flow from this innovation.

Twenty-seven farmers came together to look at what else they could possibly do to stop soil erosion and utilize their marginal land. They financed another remarkable study conducted by one of their former “enemies”: Keith Bradby, the most vocal of the local environmentalists. Keith was a very active local “greenie” i.e. a radical environmentalist, who had been influential in stopping new land releases in Western Australia. He had enormous love and respect for the local native flora and was able to show to the farmers that the scrub, which thrived on their marginal land, had the potential to provide wildflowers and seeds, which had a commercial value.
Another project was then launched. Soil salinity and erosion plagued Esperance farmers to the point that ten percent of each farm’s land was considered “marginal” i.e. not fit for agriculture. With the assistance of Keith, local awareness of the delicate ecosystem grew so much that a special course in re-vegetation was organized by the local technical college and sixty-five people enrolled. My greatest satisfaction came from a remark made by the president of a local farmer’s organization who for years had been carrying on a written feud on the local paper with “greenie” Keith. “You know” - he said to me, “for years I have been fighting with Keith, and I can hardly believe that tomorrow he will be coming to visit my farm, paid by me, to tell me what to do on my marginal land.” I had started to trust the locals, and now they had started to trust each other.

One year after my first day there, the news from Esperance was good and didn’t go unnoticed.

All the way from Canberra a representative from the Federal Department of Local Government and Administrative Services, which dealt with regional development, came to visit Esperance. He offered to finance the employment of a full-time Esperance local enterprise facilitator to: learn from me, work for 1 year and keep documentation of this “pilot project” in rural economic development for the benefit of other communities. The offer was accepted not without some misgivings from my committee, which, jokingly, complained of the impossibility of finding “another Ernesto” and attributed my success to “being Italian, having a moustache and moving my hands a lot.” I told them not to despair because if brain surgeons could be trained so could facilitators and I was very keen to train the person they would
It will never work.

Brian Willoughby, not a drop of Italian blood in his veins, was their choice. Then in his early forties, Brian was born in a small town not far from Esperance and had settled in Esperance after working for many years as Town Clerk in many Western Australian rural towns. He had applied for the job thinking that he would be working as an economic development manager, a role that he felt fit to fill because of his planning and managerial background. He had been told that I would provide some training and he had submitted to it gracefully considering that he was older and more experienced in Australian rural country towns than I was.

His first training took twenty minutes and it was done in the car. “Brian”, I told him, “there are only two things, which I don’t want you to do in this job. Anything else you can do but don’t ever initiate anything and don’t ever motivate anybody”. He looked at me as if I had just arrived from Mars, and then he explained to me that the reason why the committee had appointed him was because of his ideas about what should happen in Esperance and his determination to make it happen. I had to explain to him that what interested the federal agency was to see whether somebody could implement a “responsive” approach to economic development other than me, and that his funding depended on us “piloting” this new approach and documenting its outcome.

He was unconvinced and complained that nobody would come to see him and that it
would be a total disaster to rely on the locals for ideas. I asked him to write in his
diary that on his first day of work he had told me that “nobody” would use his
services. Disgruntled and annoyed he told me that he would do what I had told him
i.e. “nothing” until given different instructions.
True to his word Brian never initiated anything nor motivated anybody. He set up
office in a tiny room on the main street of Esperance and furnished it with one desk,
two chairs and a cardboard box to be used as a filing cabinet. After two months he
asked for a week off. We had forty-six clients and he was going, in his words,
“mad”.

He could not believe that there were so many people who wanted to do so many
different things. What surprised him didn’t surprise me. I had been in that town for
nearly one year providing a useful, free and confidential service to the locals; it was
to be expected that the Esperance people would keep using the service. Brian did
recover from his initial shock and became not only an excellent facilitator but also
one of the strongest advocates of the grass-root, responsive approach pioneered
there. With Brian “on board” and the committee more than happy with his results
and attitude we thought of organizing a public event to celebrate the achievements of
the local enterprise committee. The event would publicize the fact that Esperance
was fighting its way out of the recession, promote the local entrepreneurs and their
products and drum up enough support to convince the state government that Brian’s
role should not only be refinanced but promoted in other country areas.

Politicians, senior public servants, press and business people came together for a day
of celebration. The catering for that day was fantastic. Everything the guests saw
and tasted was produced in Esperance. The “mutton group” had a Moroccan chef to cook hundreds of kebabs as a promotion for their product. Mauri’s smoked tuna quickly disappeared from the tables and so did a large quantity of fresh sashimi prepared by a local restaurateur who had learned from the Japanese chef how to prepare it. Local wildflowers were beautifully displayed and so were twenty or so large framed pictures of local businesses recently established. Some of the businesses were really small but that didn’t seem to matter. What mattered was the way the community had come together with courage and lots of spunk and pride - something rarely experienced in Western Australia in times of recession.

Our official guests were impressed. Not only was Brian’s position to be re-financed by the State Government, I was approached by a politician present that day to start a local enterprise development project in another rural country town nearly a thousand miles north of Esperance.

Brian, the members of the local support committee, and I were very excited at the idea of being able to repeat our experience in a different community. One of the criticisms was that our approach had worked in Esperance because Esperance’s people had “special” entrepreneurial skill. We knew that that wasn’t the case and we were spoiling for the chance to prove it. I couldn’t conceive a better way of spreading the concept than repeating it and proving its worth.

Certainly there was a risk that some of the original spontaneity, excitement and community ownership could be diminished by having a Government Department funding the project taking more and more control - but what was the alternative?
Until and unless the Facilitator can be employed with funding coming from local Government, the alternative is “big brother” funding with all the red tape that State and Federal Government funding imply. At that time it seemed too good a chance to miss, to repeat the experiment in Geraldton and this opportunity provided us with the experience to systemize what was learned in Esperance. As it happened with another Brian...

### 3.3 CONCLUSIONS

The experience in Esperance enabled us to develop a conceptual framework for what we came to call “Enterprise Facilitation.” A replicable model of local economic development based on the principles described in Chapter 1.

The key principles of Enterprise Facilitation seemed to be the following and they all seemed to be working:

1. Work where you are wanted, even if it wasn’t the place you would have chosen. (Schumacher’s “Help only those who wish to be helped.”)

2. A low-key (passive) approach attracts would be, passionate, entrepreneurs to seek the help of the facilitator. (Maslow’s “Do not motivate”)

3. Assistance with networking helps individuals to find people capable of carrying out some aspect of the future business. (Roger’s “Remove obstacles”)

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4. Use the community, civic leaders in all walks of life willing to freely engage in the support of passionate individuals willing to work hard to improve their lot. (Putnam’s “Civic Society” and Maslow’s “Social Need Theory”)

The Esperance experience indicated that a caring enterprise facilitator supported by a team of locals, willing to help with local networking, would generate positive outcomes at both the client and the community level. The issue became, “Is the Model transferable, and if so, what steps should be taken to optimize the chances for it to succeed?” Did it work in Esperance because Esperance was a particularly entrepreneurial community?

The next chapter traces how the model was taken elsewhere and applied in several very different cultures.
CHAPTER 4: THE ESPERANCE MODEL APPLIED

4.1 GERALDTON - WESTERN AUSTRALIA AND BEYOND

Based on my experience in Esperance and with the employment of Brian, I sketched a set of guidelines to be used for the setting up of the local enterprise committee in Geraldton and for the employment of the facilitator. I never doubted that other rural communities would adopt the “Esperance Model” and I was aware, at the time, of the political implication of the adoption of such a model in preference to the more traditional economic development strategies. I was excited however by the prospect that one-day many communities would employ a facilitator who would help as many local people as possible to help themselves. In a sense, I was now called to do what I dreamed of as a student i.e. come up with a set of rules to “institute” a mechanism whereby the highest possible number of individuals was assisted in doing what they wished to do. Some important questions needed answers - How could we institutionalize the facilitator’s role without killing it? What were the elements that made this “servant of the public” not a “public servant”? Some of my friends, especially those who had experienced the frustrations of political activism in the sixties, were very concerned about my intention to institutionalize the role of the facilitator.

Another Brian got the job in Geraldton. Brian was a local businessman who, having successfully retired at the age of forty, had been sent back into the arena by the stock crash of 1987. When he saw the advertisement for the position he felt that he had always been doing what was requested in the duty statement and in all honesty, it
took very little time to “train” him to be a facilitator. The idea that he was not to initiate things nor motivate people was agreeable to him. He explained his attitude by saying that in his experience in small business he had learned that only those who were determined to succeed had a shot at it and those people didn’t need any motivating. Brian Keeble thus became the second facilitator in Western Australia. He was responsible for assisting a community of twenty thousand people, some three hundred miles north of Perth that included some of the oldest farming land in the state. Brian had no hesitation in embracing his new role and I hoped that he would help us in demonstrating that what had happened in Esperance wasn’t an accident and that person-centered economic development had well and truly arrived. I saw this work not as a theory but as a workable model capable of being adopted and successfully implemented by diverse communities.

The reward to our work came under the guise of an independent study commissioned by the Federal Department of Local Government and Administrative Services that had financed the employment of the first Brian in Esperance. We suggested to the two academics that conducted the study on Esperance, that they also look at the Geraldton project to compare the two. The results were very encouraging. Forty-five new businesses had been created with the assistance of the Esperance Facilitator during the period 1985-1988. In Geraldton in 9 months: “to the end of April 1988 there were 227 cases in which contact had been made with the Facilitator by people wishing for assistance from the Committee with enterprises. Keeble split these cases into two categories: those concerned with completely new enterprises (172 cases); and those concerned with the takeover of existing enterprises or with general business advice only (55 cases).” Combining these categories we may say that by
the end of April there were 34 enterprises actually operating in the Geraldton Midwest region which had received some kind of help from the Committee or more precisely from Brian Keeble.

The 34 actual enterprises above represent a total direct net addition of 74.5 full-time-equivalent jobs in the economy. The combined annual turnover of these 34 enterprises (extrapolating from 9 months to 12 months) amounts to about $4.33 million.35

Obviously the people of Esperance were not exceptionally enterprising as the approach worked in Geraldton as well. In fact it worked better there.

By December 1987, only 30 months since my arrival in Esperance, the Western Australian Government had passed a proposal for the establishment of five pilot programs in “Local Economic Development Initiatives”. The Government submission stated in part: “With the growing interest by communities across the State, particularly in the model established in Esperance, it is desirable that Government support be established on a basis which is perceived as coherent and stable.”36

In the following years the number of communities, which received funding for the establishment of a local enterprise center in Western Australia, grew steadily to its current 36 centers (Dec, 1994).

“Esperance” was also the model for the creation of two non-governmental agencies in that state: The Rural Innovation Center, whose aim is to assist primary producers wishing to diversify their operations; and the State Enterprise Center whose primary aim is to “facilitate the development of individual businesses throughout Western Australia by providing support to the network of enterprise consultants”.

In December 1988 the Victorian State Government introduced the “Rural Enterprise Victoria Scheme” (REV). The scheme was “Composed of two distinct but closely linked operations, one at the local level, the other central.” At the Rural Community level the scheme consists of 6 full time equivalent enterprise facilitators operating in small rural towns/communities with the assistance and backing of community based committees...to complement and support the local functions, the REV scheme includes a mechanism at the central level which will provide a focal information point for the facilitators.”

4.2 SPREADING OUR WINGS: FIRST PROJECT IN NEW ZEALAND

If Australian State Government Ministers were personally responsible for the rapid dissemination of the Esperance model, it wasn’t to be repeated in New Zealand where the introduction of the model resulted from the vision and the initiative of a Local Government Authority - the Waimate Plains District Council, formed by the merger of Waimate West County and the Manaia Town Council. This small

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authority of 215 square kilometers had a population of less than 3,000 situated in the Southwest tip of New Zealand’s northern island.

In 1987 when the District Manager traveled overseas to visit relatives his trip was partly funded by the Waimate Council to investigate entrepreneurial activities in which local government or communities were involved. It was during his world tour (Australia, Sweden, Great Britain, USA) that I met Mr. Whitehead accompanied by his wife Genneth. We had a lengthy discussion and I provided him with some written information on Esperance and an introduction to Brian Willoughby.

Upon his return home he reported to Waimate Plains Council” “Most of the community employment projects were top heavy. Local authorities were over involved and they were telling people what was good for them. Sirolli’s approach was different - he was letting people do what they were interested in doing. Sirolli is coming from the other direction. He wants people to tell the authorities what they want to do with their lives and then they do it a damn sight better.”

Mr. Whitehead was so convincing in his endorsement of the Esperance model that the Waimate Plains Council called a public meeting to assess local interest in the idea and subsequently approached Brian Willoughby for his assistance in recruiting and training the first New Zealand facilitator.

The enthusiasm, commitment and determination of the Waimate Plains Committee was such that during the first of the three weeks spent by Brian in New Zealand funding was secured, a facilitator was appointed, and an office established. During

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the two weeks that followed, 40 people had already approached Neville Forman for assistance.

The first report on the introduction of the program stated, “between 23rd May (when Mr. Willoughby arrived) and the 25th July through the facilitator’s office - 61 people sought assistance with business ideas - of these 7 new businesses were started and 33 were possibilities.”

During the first three years of operation the Waimate Plains facilitator covering an area with a population of 35,000 people reported the following:

- Total office contacts 736
- Business start ups 207
- Estimated jobs created 400
- Potential savings in unemployment benefits $2,638,200

In 1989 another facilitator joined Neville and “the pair helped initiate a further 12 business facilitator models in New Zealand from 1990 - 1991.”

4.3 CAN IT WORK IN AMERICA?

Upon my first touch down on American soil I had terrible misgivings, and I thought -

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39 New Zealand Department of Labour, Dreams to Reality. Taranaki 1991, p. 9
40 Ibid., p. 8
“What can I possibly tell the Americans that they don’t already know?” After all, American thinkers had inspired so much of my work. I felt intellectually inept and humbled at the sight of that great country. My invitation as Manager of the Western Australian Rural Innovation Center was an exchange visit to innovative farming projects namely in the Midwest - Minnesota, Iowa, Wisconsin, Michigan and Indiana. My American sponsor was Communicating For Agriculture and they had selected an American Rural Development Lecturer from Iowa to be my guest in Western Australia for a month.

On my final day in the States, I met Keigh Hubble, a Board Member of “Communicating For Agriculture”; lunch became an extended four-hour meeting. Keigh is a professor of Rural Education at Southwest State University, MN, and a fervent advocate of rural lifestyle and values. His Norwegian background gives him strength and a delightful sense of humor, which he uses to propel his students to excellent work. It was Keith who urged me that day to return to America and set up a pilot project in Enterprise Facilitation. He formally invited me to spend six months establishing a pilot program in Lincoln County and to start writing this book. One year after our first meeting I was back, with my wife and newborn baby, ready to tackle rural Minnesota.

Lincoln County

I first told my new colleagues at Southwest State University that part of my job was to set up Enterprise Facilitation in Lincoln County they laughed, “poor bastard” they said “certainly whoever thought of sending you here is pulling your leg, because
nothing every happens in Lincoln County”. I was then told that Lincoln County ‘is not the end of the world’, but that ‘you could see it from there.’ Situated on the border of South Dakota, one of the poorest rural states in America, it shares its problems - and problems it has. It is the poorest county in Minnesota and the longest in losing population (commencing in 1929 the population has gone from 20,000 to 6,800). It has the oldest population in the State (average age 42.5 years) and a per capita income of US $8,300 per annum. It has one of the highest farm debts, the lowest economic diversification and, in the largest of its four towns, (which go from a population of 180 to under 2,000) the latest census showed that 150 people were 85 years of age and older.

To top it all I arrived at the beginning of winter and nothing in Italy, Africa or Australia can prepare you for winter in Minnesota. Before I arrived I was told on the phone to expect zero degrees - naively I imagined snow, skiing, log fires ... I realized too late that Keigh meant zero degrees Fahrenheit not Celsius. This means minus 20 degrees Celsius average. The temperature can go as low as minus 40°C (and it did a few times). My romantic ideas of snow decorated log cabins by the lakes got a mighty blow when new found friends gave us manuals on how to survive blizzards, car survival kits, how to drive on black ice (don’t) and a table to add the wind chill factor to the forecast temperature. (A wind chill factor of 40 knots added to a temperature of minus 40°C will snap freeze you for posterity). Lincoln County was frozen solid for most of my first time there. Literally the ground freezes and no earth moving work occurs during winter.

Being mostly flat prairie with little tree cover for protection, the country is well
known for its potentially lethal “white outs”, huge snow drifts and howling wind storms which can cover and freeze a car within an hour (some 57 people had died in this way four years earlier). Lincoln County when I was finally driven through it surprised me; it looked much worse than I had imagined. I had thought the Australian outback was barren ... when I saw the Midwest prairie in winter I changed my mind. The four Lincoln County representatives who accompanied me were at great pains to explain why the county was so depressed and talked about the physical features passing us by - they didn’t know I was not interested in the local geography. Their suggestions for suitable economic initiatives included fencing the entire County and re-introducing the American buffalo for game meat and allied industries.

I let them talk during that first guided tour but whenever I was introduced to a local I would inquire about their activity and simply say that I would be working in the county for the next six months and I was offering free help, in confidence, for anyone with an idea for a new business or anyone willing to expand an existing one. During my first week a local committee was formed and I explained to them the concept of facilitation. I asked them to introduce me to as many people as possible and I was invited to all the local social clubs, had bottomless cups of coffee with local people and found my first ten clients in that first week. (I have to say that the Lincoln County Local Enterprise Committee became, and still is, the most extraordinary supporter and advocate of the approach. Not only were they prepared to go along with what was absolutely novel to them; they became, for a time, the sole “custodians” of the facilitation philosophy in the U.S.A. and they guarded it as if their lives depended upon it.) After six months I had 40 clients, from which four were in an advanced stage of business preparation. Before I left I was asked to train
twelve “would be” facilitators, including one to take over my position in Lincoln County. So Vince Robinson became the first American facilitator. In April 1989 I left Vince with a list of clients, some words of encouragement and headed back to Australia. I didn’t hear from him for the next four years until I was invited to return to Minnesota. I then heard Vince’s story.

He had spent four days in a training course trying to understand what Brian (who had joined me for the Training Course) and I were talking about. Then, after all of 20 minutes with me to discuss Lincoln County’s enterprises, he had been left alone to make it happen. He soon discovered, and he likes to say, that his Masters degree in Business Administration (MBA) instead of preparing him for his task of facilitating enterprises - hindered him. “What good is it to know everything about leveraged buyouts if your client cannot raise $500 to advertise her new shop?” It took Vince several months to fully appreciate the difference between a business advisor and an enterprise facilitator. In his own words things started to improve when he realized that some of his clients grappled with problems, which were not “business problems” but rather personal ones i.e., relating to their own motivation, needs and fears.

The great majority of his clients, as is always the case with enterprise facilitators, were not in business yet. His clients wanted to start a business but were encountering the problems that doing something new often brings. Finally Vince’s total commitment to his work, and his dedication to rural people and rural values, made him re-think his approach and shift his focus from the business aspects to the personal needs (at least in the very first stages of the project). So, for instance he would don his work-clothes; take his toolbox and help fit out a shop in time for the
opening of the tourist season.

Vince had since developed a reputation as someone who truly cares about his clients, someone who believes that Lincoln County is as good a place to do what you love doing as anywhere else. The results have certainly proved him right. On the 5th of May 1994, the “Star Tribune” the leading newspaper in Minnesota included a long article by Tony Carideo titled “Lincoln’s State of Mind” wrote:

“As long as we’re thinking about our borders, let us hope that distant Lincoln County - right on the Minnesota-South Dakota Border - is able to hold onto the sense of place and importance that it evidently has developed over the past few years, thanks in part to Ernesto Sirolli and Vince Robinson.”  

The article went on to say:

“In a six month stay in Lincoln County in 1989, Sirolli helped set up the program and trained Robinson and others how to nurture new businesses and help existing ones grow. Since then, Robinson and Lincoln County - whose scant population of 6,800 has the oldest average age in the state - have helped start 30 businesses and assisted 127 existing ones. These efforts have retained 55 jobs and created 71 jobs, a good sized number considering that the county’s work force totals only 3,000.”

What a surprise it was to go back to Lincoln County after five years. Another landscape: something never seen nor imagined.

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42 Ibid.
Lincoln County in Summer

Green fields and blue lakes and infinite sky. Even the barren hills of Buffalo Ridge had been transformed - covered by a swarm of windmills; producing electricity out of their barren and wind swept flanks. I couldn’t stop myself laughing at the vision of so many windmills. I thought of the local people as many Don Quixote who, instead of fighting the windmills, erected them to demonstrate that you can make something out of nothing, out of the poorest land and the most desolate landscape. Don and Sandy, whom I’d met on my first visit there, had been dreaming about setting up a fish farm. They greeted me from the newly erected veranda of their ‘Fish-Your-Own-Trout’ Tourist Farm. I gave them a big hug because I could hardly speak. I thought of the times when, during the bleakest winter days, I would sit in their kitchen warming up with a cup of coffee, going through plans which looked impossible to realize. I could only talk with Don late in the day because he worked all night, miles from home, cleaning supermarkets. Here they were, five years on, opening their fish farm and looking so different to how I remembered them - smiling and proud.

Traveling across the Mid West in the company of Vince, as we addressed yet another rural community, we often reminisced about the time when I was sent to Lincoln County and we blessed Keigh Hubble for having thought of it. Because, as Vince says, “If it works in Lincoln County ... it will work anywhere.”
South Dakota

It was on the occasion of one of my many public presentations, that Vince and I crossed the border to address a meeting at Madison South Dakota.

That meeting was the catalyst for a series of events, which led to an invitation to return to the USA in 1995, and subsequently taking up residence. Among the civic leaders and economic practitioners who I met in Madison, a particular group had been involved in an application for a new federal fund for community development. A Presidential initiative, the EC/EZ (Enterprise Community/Enterprise Zones) scheme provided a once only grant to rural and inner-city communities identified as at risk. In the case of South Dakota it was deemed that an area straddling two counties, in the middle of the State, would qualify for the grant as 35% of the population had an income below the national poverty line.

When it was announced that the application had been successful, I was invited to spend six months with the newly formed Board of Beadle and Spink Counties Enterprise Community.

Armed with a fellowship from South Dakota State University I left Australia for yet another tough assignment: a rural community of 4,200 people, with 35% living below the poverty line, in an area of 1,000 square miles in the middle of the Prairies. Our prior experience in Lincoln County served my family well. This time my wife and daughter were prepared for a prairie winter.

Work was, as usual, exhilarating. There is nothing like being a total stranger in a new
community and having to measure yourself with your own beliefs and fears. Even experienced skydivers get a thrill every time the parachute opens. We Enterprise Facilitators get a thrill every time our “parachute” opens and we prove to ourselves, yet again, that we can help someone to go all the way from the dream to realizing it.

**The Frozen Welder**

Rollie Watson had a problem. None of the modern agricultural machinery he was asked to repair seemed to fit through the door of the 1940’s workshop he had recently leased. “I have plenty of work “, he told me during our first visit, “but I can only last half an hour in the open before I freeze”. He wasn’t joking either, since sub-zero temperatures in the plains are the stuff rural legends are made of. He needed a bigger building or he would have to give up the business. Strong, sharp, in his forties, with eight children from two marriages and finances to match its family situation, Rollie Watson had reached the limit of what he could do by himself.

After losing his cattle farm, Rollie had settled in Yale, population 120, where he had worked for three years maintaining and repairing farming equipment for a wealthy local producer. His life had been reasonably uneventful until the manager of the local grain elevator’ Cooperative had strongly urged him to re-open the old welding workshop, the closure of which had condemned local farmers to a seventy mile trip to the nearest repair shop. Asking price for the cement brick building was a modest $5,000, but even that price was too much for Rollie, and he was convinced to take the plunge only after a five-year lease/purchase plan was offered to him.
The patronage of the new venture was instant and overwhelming. The town had a small population, but the co-operative had 700 members of which 450 were active farmers. They gave Rollie at least $100,000 worth of work in the first five months of operation. Rollie could only manage half of it and then wait for the thaw to do the rest… and he was very unhappy about that. Mostly he blamed the banks for not lending him money based on his earning potential. “Security I don’t have”- he readily agreed-“but couldn’t the banks look at the earning potential and track record of this enterprise?” He knew the question was rhetorical though. He was no fool and agreed to meet with me because he understood exactly the predicament he was in.

One of my Board Members, a County Commissioner who had lived in Yale, organized our meeting in the hope that I could help Rollie, as he believed that Rollie was doing a great job for the local farmers.

Two things struck me at that first meeting – Rollie’s passion for his work and his truly remarkable fabricating skills. This was a guy who loved what he was doing and was frustrated by having so little with which to do so much. During the following weeks we revisited all the local banks (six) and special rural funds (one) and we came to the conclusion that Rollie was $35,000 short of securing a $55,000 building loan. This latter figure was the least expensive quote Rollie could find after he had decided to partially build the new building himself. Still how to get the security?

“Could you get a partner interested in joining you?” My question was answered with a “Maybe”. Then, within a few days, an invitation came for me to meet “Cowboy”. “Cowboy” had been described to me before; meeting him confirmed my suspicions… here was a guy who, during his vacations, would come to visit Rollie
and for fun would don his leathers and weld from seven am to seven pm. “I have so much fun” – he told me – “the time goes so quickly”. A supervising foreman in a large packing plant in Wisconsin, Cowboy missed the urgency and the challenge of working in a small business. He admired Rollie and Rollie could not speak highly enough of his friend who had all the imaginable welding certificates and who had been supervising dozens of people for many years.

It did not take much for a deal to be struck and for the friends and their wives to become partners; unfortunately even combining the equipment and inventory they still came short of $20,000 to secure a bank loan. We had to develop a different strategy and we decided that the quality of the people involved in the new company, their track record and their client base, was enough to seek investment funding from one or more private investors.

We assembled a team: Production, Marketing and Financial Management, and produced the best business plan we were capable of. Under “production” we listed Rollie and Cowboys skills and qualifications and we attached a full inventory of equipment owned by the company and color photocopies of finished work with testimonials from satisfied clients. Under “marketing” we attached a letter from an implements’ marketing organization, willing to represent some of the company’ products. We attached the list of 120 recent clients and a South Dakota Government survey that indicated that every farmer in the state spends an average $6,500 per year on maintenance of agricultural equipment. We highlighted, in the business plan, that the 450 local farmers represented a potential captive market worth $2,925,000 per year.
The Chairman of our Enterprise Facilitation Board, a well-respected CPA who graciously donated his time to this local enterprise, prepared financial projections. The final business plan looked as if we were raising a million dollars instead of the hoped for $25,000.

The first person to see this Business Plan was the President of a local Farmers Insurance Agency who, suitably impressed, requested that a presentation be made to his Board, which, historically had never invested in a venture like this one. After the presentation, the Board probably reassured by the fact that the CPA involved was also their Auditor, took the plunge and offered the partners to invest $25,000, on favorable commercial terms. On the strength of their capital injection, a local bank lent another $30,000 to the company. That same evening Rolly called me and asked me to go visit him; he had to show me something urgently, something he was kicking himself for not having seen sooner.…

As soon as I arrived, Rolly took me behind his old workshop and pointed to the Quonset hut across the highway, partially obscured by a thicket of trees. “It is the old school gymnasium”- he told me- “it has been empty for 25 years and is one third bigger than the building we plan to build”. He continued to tell me that it had just dawned on him that the building could be easily converted and that he was still astonished at how something so obvious could have escaped him. We then walked across the road and literally bought the building for $13,000 cash.

The partners spent $30,000 refurbishing the building and fitting the gymnasium with
a massive hydraulic door of their make. When the bank assessor came to appraise the building he awarded the property a value of $90,000. The old workshop became the spraying booth and Rollie and Cowboy were on their way. Within two years they employed 27 people and had orders to the value of $90,000 per month. Finally one of their major clients, a Mennonite community, asked them to set up a very large manufacturing plant in a nearby town and Rollie and Cowboy were convinced to supervise and manage one of the largest manufacturing plants in the region.

The difference between Rollie’s survival and the creation of many jobs in their area was, amazingly, $25,000. This is often the case in rural and inner city facilitation. The difference between success and failure rests often on ensuring a relatively small amount of start-up money, but it is precisely this first investment money that is the hardest to get and requires the best skills a Facilitator has.

Victor

Working in Yale had spoiled me; my next client came from Victor, South Dakota, population twelve people. Gene Paulson told me, with nostalgia, that once Victor’s population was fourteen. He was probably making fun of me, but doubting him would be unwise. You had to be careful with this guy; he had invited me to a meeting with a group of Japanese buyers. He told me the name of the Japanese company they represented and was very hard for me to imagine such people traveling around the world to Victor.

After all the company in question has an annual budget the size of a small European
country and Victor...well you really have to know where to look otherwise you miss it. That particular night, however, the supper club in Victor was full, and around a long table sat: on one side, organic farmers in their plaid shirts and John Deere caps, on the other seven very well dressed Japanese businessmen in suits and loafers. Gene had not been telling tales; the Japanese not only were there, they meant business and so did the farmers. As the organizer of a group of organic farmers, Gene had been cleaning and exporting organic grains for many years.

He had approached me wanting to talk about the farm situation, rural America, the international trade, his company and where to go next. What Gene and his friends had done was fantastic. They had bought and retrofitted a small grain elevator using what looked like scrap metal and found objects, the place didn’t look like much but surely it worked. They screened and packed containers of organic produce for export and had gained the respect of very important companies not only in Japan but also in Europe. From a very efficient office, Gene and his wife were sifting through stacks of mostly export orders.

The complexities and the demands of both farmers and buyers required speed and flexibility in filling orders, something hard to achieve for a small elevator that had limited holding capacity. On top of that the screening equipment that came with the elevator required complete cleaning every time a new grain commodity was processed. Gene had to make some important decisions: “To grow or not to grow and at what price? Should we build here or find an existing facility?” He kept asking my advice but he did not really needed the answer, what he needed was a soul mate who could rebound his passion and listen to his dreams with undivided attention,
ready to jump into action as soon as he made up his mind.

He called me one day; he wanted me to look over an empty grain Elevator. On the drive there he kept talking about how big the place was. “Too big for us”- he said- “and too old, it is also in poor conditions and probably too expensive”. We inspected the site the way you view a once beautiful classic car. You don’t want to like it. “No”, you keep repeating to yourself, “too rusty, too hard to fix”. Yet… the place had 500,000 bushels of storage capacity, 80 separate overhead bins, gravitation tables and a train loading bay with its own set of near-functioning scales. I could see Gene saying no with his mouth, but the place was, to a farmer, trucker and entrepreneur…irresistible. From a marketing point of view, the idea of 500,000 bushels of clean organic grains in 80 separate bins had enormous appeal and we drove away that day trying not to show how excited we were. Months of negotiations, meetings, and red tape followed, but Gene finally moved in and had the plant sparkling clean for the harvest of 1998.

Organic farmers are calling him now, and there is a stir of excitement around Victor. Could it be that many more farmers lead by Gene, will learn to work together and market their commodities or even finished products? Maybe not, but who can say? After all, the name Victor, in Latin, means “He who wins”.

**The Badlands and other projects**

If you travel due west from Sioux Falls, follow the signs to Wall Drugs. Once in Wall turn left and let history grab you – you are in the Badlands. Gone are the lines
of tourists and the gimmicky signs advertising free water, now you are confronted
with a landscape that is both eerie and splendid. Without warning, the Plains vanish
and a lunar landscape of eroded peaks and canyons appears. The change is so
sudden, after hundreds of miles of prairies that it shocks the traveler who pulls over
to the verge, steps out and silently stares. People are quiet in the Badlands; including
the children who are strangely subdued as if they were in church or on sacred
ground. Wounded Knee is only miles away… even an Italian like me knows the
story and can feel the sorrow that haunts the place.

Eight different counties had come together to establish an Enterprise Facilitation
project in an area of 12,500 square miles, with a population of 25,000 people. This
large number of organizations had come together, coordinated by the excellent staff
of the local RC&D (Regional Conservation and Development), a federally funded
initiative. Civic leaders and personnel from counties, towns, local banks and the
Rosebud Native American Reservation had attended a number of presentations on
Enterprise Facilitation and had become interested in pursuing the approach. The
Northwest Area Foundation provided funding for several pilot projects and the
Badlands Enterprise Facilitation project was created. A very large Board was formed
and trained (twenty-one volunteers were needed to provide outreach in the eight
counties) and an Enterprise Facilitator was employed.

Nancy Larsen had just relocated to Martin, population 1,551, when she took her
position as Enterprise Facilitator in June 1st 1997. Contrary to the slower start
experienced by some of the other Enterprise Facilitators she had to hit the ground
running. The main reason for her busy start was the fact that it had taken her local
Steering Committee over a year to secure project funding. During that period, the Committee had started to spread the word that a free, confidential service would soon be available to local entrepreneurs. People had responded and Nancy had 20 clients waiting for her. Nancy’s first success was to assist a young couple to re-open the old movie theatre in Martin. With help from Nancy, they were able to secure a loan and establish the theatre as one of the very few entertainment venues in the area.

After 15 months she has been approached by 116 local entrepreneurs and has 71 active files which to date have assisted in the creation of 48 new jobs. An impressive figure for one of the most impoverished, and isolated, regions of the United States. Per capita income in this area is $6,675 per year, including Shannon County, which was ranked as the third poorest county in the USA with an average annual income of $3,400 per person. Nancy says her job is not for the faint of heart. If this is the case then the people who offered her the job were very smart because they understood how brave and resolute she is.

David Lambert, the Enterprise Facilitator in Parker SD was not as busy as Nancy to start with but soon caught up. His steering committee is comprised of one county and two cities. The start up of this project followed traditional lines: Board’s outreach leading to introductions resulting in client’s referrals and first “successes. Dr. Chicoine a local champion of Enterprise Facilitation, who had then joined the Board, took particular satisfaction in their early results. Meeting with a Canadian delegation, only two months after David had begun as an Enterprise Facilitator, he remarked that he had been involved in traditional economic development for twenty years and
during that time he had been able to “attract” only one company employing twenty people to the area. He made the comment that “since David has been here, he has worked with twenty one entrepreneurs and it seems that we are doing more now without initiating anything than when we were trying really hard.”

By October 1998 David was well established and recognized with 127 clients of whom 67 were actively involved in starting new enterprises.

**Hastings - Minnesota**

A pretty historic town of 18,000 people on the Mississippi River, Hastings has retained its Main Street pretty much intact. The lovingly restored Old Town Hall dominates the business district where grand old buildings have been put to good use; including some which have been transformed in very beautiful bed and breakfasts catering for travelers and weekenders from the nearby Minneapolis- St Paul.

Championed by the indefatigable La Donna Boyd, of Dakota Electric, Enterprise Facilitation was embraced by a group of civic leaders and sponsors in Dakota County. They secured funding from the McKnight Foundation and then made an intense effort to raise local matching funds. The City Council, the hospital administration, the industrial development committee, the Chamber of Commerce and a local Bank all joined in. The County became the fiscal agent and Ron Toppin, a local retailer, was appointed to the position of Enterprise Facilitator. Ron’s patience, generosity and personal understanding of small business guaranteed his success. After 16 months, Ron had assisted 102 new clients established 10 new
businesses and assisted with the expansion of 12 others contributing to the creation of 42 jobs in the community.

**Hennepin County - The Urban Challenge**

Vince Robinson, of Lincoln County fame, was invited to address a conference in Minneapolis in 1996. He spoke with his usual forceful blend of love, for rural communities, and contempt for urban solutions to rural problems. During his presentation he displayed a transparency which read:

<table>
<thead>
<tr>
<th>Lincoln County, Minnesota approximate population 6,800</th>
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<tbody>
<tr>
<td>Total Projects                                         351</td>
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<tr>
<td>Successful Business Start ups                          55</td>
</tr>
<tr>
<td>Business Expansions                                   61</td>
</tr>
<tr>
<td>Years in Operation                                    6</td>
</tr>
<tr>
<td>New jobs created                                      180</td>
</tr>
<tr>
<td>Average cost per job over six years                   $1,833.</td>
</tr>
<tr>
<td>New Wages from assisted projects</td>
</tr>
<tr>
<td>Million Annually                                      $2.0</td>
</tr>
</tbody>
</table>

Representing Hennepin County at the conference were John McLaughlin and Larry Blackstead who were intrigued by Vince’s experience in one of the poorest counties in the State. They inquired about urban applications of Enterprise Facilitation and, having been introduced to them, we were soon discussing some of the issues confronting inner city communities in America. Hennepin County is one of the
largest counties in the USA, encompassing the city of Minneapolis. That city, like many large American cities, has seen a mass migration of the middle classes away from the heart of town to newer suburbs.

What has been left behind has become a wasteland of decaying buildings, boarded up businesses and vacant lots. This has become a perfect habitat for the transient, the poor and those who prey on them. Cities, all over the world, develop a variety of strategies to fight urban decay – mostly they throw money at the problem. Many millions of dollars are spent annually by city administrations attempting to re-gentrify neighborhoods, in much the same manner plastic surgeons attempt to return people to their youth.

Often entire city blocks are torn down; empty car lots and modern strip malls replace once beautiful inner city suburbs, where people were able to live, work, go to school and shop; imagine that. Concerned, John and Larry were looking at the inner city situation and wondering whether more could be done to restore a sense of pride and place among its residents. “There must be a better way” - John remarked.

My experience in small rural communities had prepared me for bringing some hope and resources to people who, wrongly, felt inadequate to tackle the economic challenges facing them, but 60% unemployment? I had never seen that in the country. Even poverty in the city looks different: rentals apartments, fast food containers strewn all over the place, television blaring, the gas disconnected and a sensation of danger permeating everywhere. What can be done here? Is this a real community or a refugee camp? My proposed course of action was to ascertain the
existence of true community leadership by introducing the concept of Enterprise Facilitation to as many communities as possible and see what would happen. Leave it to the locals to decide whether they would endorse and support the model or not.

Hennepin County agreed to commission a series of community presentations on the understanding that it could not and would not, establish Enterprise Facilitation programs as a top down initiative. The immediate difference between rural and inner city became obvious after the first few meetings – in the country there are too few resources, in the city there are too many.

In one neighborhood, population 60,000, there were an estimated 200 non-profit organization trying to assist residents. You can imagine the initial reaction of local activists to yet another program. Many held the attitude that they were already doing what we suggested and pointed at a number of small business services in Minneapolis such as: entrepreneurial management courses, micro-enterprise lending, small business incubation, mentoring services etc.

What could Enterprise Facilitation offer which was not already there?

Too Much, Too Little

It took a few months before a number of community leaders started to realize some of the peculiar strengths of Enterprise Facilitation. With great generosity of spirit, a dozen community development practitioners made a sincere attempt to understand both the philosophy and the practice of Enterprise Facilitation and gave me a better understanding of the issues, which confronted them. Nearly all the non-profit
agencies working in local communities had economic development, job creation or entrepreneurial support in their mission statements. It seemed, however that they had all been established with a major focus in mind other that one-on-one work with entrepreneurs. They were involved in housing rehabilitation, micro-loan lending, training, delivery of welfare services, literacy programs, neighborhood beautification etc.

When we started to analyze our roles, it seemed that they all wanted to do Enterprise Facilitation, but did not have the time or the full time personnel to do so. On top of that those agencies which linked their advisory role to other activities i.e. training, lending etc. experienced all sort of problems. In the area of training for instance, the programs offered in the city emphasized the importance, for the entrepreneurs, to learn all facets of the business. The course offered required the client to complete a business plan before he or she could apply for funding or assistance.

Enterprise Facilitation teaches that nobody on earth is equally passionate about producing a product, marketing it and keeping good financial records. The clients are required to analyze what their passion is and to honestly assess what it is that they are the least capable of doing. (See later section on Methodology of Enterprise Facilitation) Next, with the Facilitators assistance if necessary, they have to form the management team capable of establishing and operating the business. It is the team that writes the business plan, not the individual entrepreneur.

Enterprise Facilitation actually discourages individuals from writing a business plan in isolation because people only do well what they love doing, and in business this is
not enough.

Our experience resonated with many civic leaders and practitioners in Hennepin County, who had observed clients unable to run a business even though they had successfully completed a business plan. Another major difference between Enterprise Facilitation and existing programs was in the area of lending. Enterprise Facilitators never lend money to clients because they know that a good proposal, with a good management team in place, will find either institutional lenders or private investors to back it. After all, there is far more money around than good projects.

Some of the practitioners involved in micro loans lending appreciated the wisdom of teaching team-management practices, instead of lending money to would be entrepreneurs. As lenders they had experienced the problem of trying to “pick winners”. They knew of the agony of having to reject applicants, sometimes after they had completed weeks of prescribed training. They were aware of the conflict between lending and advising the same clients on how to secure a loan. They had become involved in trying to rescue poorly managed businesses by spending hundred of hours with one client, and had experienced public criticism when they had to shut down delinquent businesses. They started to see how complementary Enterprise Facilitation would be to existing initiatives.

An Enterprise Facilitator could prepare clients to use the programs and resources available in the community, making the work of lenders, trainers and other service providers much easier and more productive.

The parallel between the family physician and the specialist came to mind. Would a
community be better or worse without family physicians? What would be the result of health care being only provided by specialist with patients having to guess whom to consult? An established Enterprise Facilitator will see between 150 – 200 clients per year and will be able to refer them to the appropriate “specialist”, who can then provide finance, training, locations and an endless supply of technical advice. Facilitators would also prepared the client for the task ahead and better prepared clients, with a clearer idea of their business and a management structure in place, are an infinitely better prospect for specialized service providers.

By April 1998, some 150 community lenders, economic development specialists and a host of interested parties joined together to provide management funds, in-kind contributions, and resources to establish six Enterprise Facilitation projects within Hennepin County. Four were neighborhood based and two were established in Cities within the greater Metropolitan area of Minneapolis.

City works

The most complex to organize was the Enterprise Facilitation project, which came to be known as “South Minneapolis Collaborative”. This project was represented by nine different non-profit agencies working in an area that was reputed to be the most “difficult” in the city. Debra Rogers, with a background in local economic practice, was trained as an Enterprise Facilitator and worked incessantly to gather support among local agencies for the South Minneapolis Collaborative. She conducted a survey that demonstrated that Enterprise Facilitation was not duplicating existing projects, rather it was a service that everybody needed, but few could afford.
By October 1998, South Minneapolis Collaborative serving a population of 52,000 people had assisted 155 clients, and had 57 active files.

The other five Metropolitan projects all had Boards of Management, drawn from local volunteers with varied commercial and civic backgrounds. Their Boards ranged from a minimum of nine to fifteen, and started operating by June 1998. Within months of starting, by October 1998, the six projects had had the following impact:

- Board Members had introduced the Facilitators to 500 residents;
- Following introductions Enterprise Facilitators had been contacted by 271 interested parties;
- 87 had become clients and were actively pursuing their enterprise plans.

Considering the novelty of the projects, it seems safe to assume that this first metropolitan Enterprise Facilitation program is going to produce results comparable to the best rural projects. Without a doubt urban Enterprise Facilitators will experience the same demand for their services as their rural colleagues.

**City Logistics**

One of the advantages to starting projects in close proximity has been the camaraderie between the Enterprise Facilitators. They meet informally, usually patronizing local cafés, sharing experiences and providing valuable support to each other. From the position of the funding providers, it has been possible for civic
leaders to approach the same funding sources and leverage the good will created by one project for the benefit others. A typical example was project funding obtained from the Norwest Bank (now Wells Fargo) Foundation, and Hennepin County which eventually became involved in matching 25% for each project, the remaining 75% being raised and managed locally.

4.4 CANADA

Without Yvonne Fizer it would have taken years to introduce Enterprise Facilitation to Canada. A home based business advisor with the Alberta Provincial government, Yvonne had experienced the reality of entrepreneurship. She had seen large numbers of people opting for self-employment not only for financial reasons, but driven by quality of life issues. Young parents were asking themselves:” Should we pay for child care, and commute every day, or should we find a way to start working from home?”

Enterprise Facilitation made sense to Yvonne who had seen the struggle of home based entrepreneurs, and she became a “champion” for the approach. Having heard a presentation in the USA, she organized with Barbara Moat a well-known Canadian entrepreneur, a tour of Alberta and British Colombia to introduce the concept. The initial response was positive, but things took a different dimension when Yvonne, faced with yet another down sizing of the Provincial government department she worked for, secured a redundancy package, and set herself free.
Yvonne attended a five-day Enterprise Facilitator Training Course, and then announced that she wanted to establish our office in Canada. Since that start in early 1997, she has organized ten training courses, established three Enterprise Facilitation projects and has introduced at least 4,000 people to the concept through conferences and community speaking. She has also inspired several passionate individuals to become involved in championing our work.

Among them was Bob Williams who, in the seventies, held the portfolio of Minister for Finance in British Colombia. Since then he has been a Board Member of VanCity Credit and Savings Union, the largest credit union in Canada, and in 1998 he chaired the VanCity regional Development Corporation, an organization which was looking for innovative ways to use credit for the enhancement of civic society. VanCity was doing both innovative and good work like financing car pool co-operatives and establishing financial trusts for families of the intellectually impaired. Remarkably it was doing so in a financial win-win situation leaving both the community and the credit union in better shape.

**Camrose, Stettler and New Westminster**

Camrose, the first project in Canada, had Randy Niven, as its champion. Randy was working for the Provincial Government to advise the local administration on improved ways to deliver Government programs. He was keen to set up a pilot project as a demonstration of Enterprise Facilitation and managed to secure a federal grant for the Camrose area, a rural county located half way between Edmonton and Calgary. In January 1998, a local steering committee was formed and trained, and
the work began. By October 1998, Betty Deck, the Enterprise Facilitator had seen 60 people and has more than twenty active clients in various businesses stages.

The challenge for this new project will be to attract local sponsors and local government support after the initial grant will be exhausted. To be truly successful the project will have to demonstrate its worth to local leaders who will then incorporate Enterprise Facilitation in their economic development strategy.

Enterprise Facilitation can be demonstrated to a community but its long-term success has to rely on local ownership and support. The Local Government in Stettler, a rural community not far from Camrose, made the decision that Enterprise Facilitation would be funded by local rates. Every ratepayer was taxed an additional $16 per year and every business an additional $76.

Naturally this has put the Enterprise Facilitator in Stettler, Gay Steward, under the spotlight.

Her job has the potential of becoming a political football, since every challenger for council positions may attack Enterprise Facilitation on fiscal grounds no matter what results it may bring. Because Enterprise Facilitation projects require a minimum of two years to generate sizeable results, we recommend that funding be raised and be guaranteed for a minimum of 24 months. We also strongly advocate funding partnerships i.e. local, provincial, state, federal governments, financial institutions, foundations, corporations, utilities and private citizens.

With rural projects we recommend participation by every city within a county or shire, in order to share ownership in the project and minimize the financial exposure
for all participants.

A typical project could have a budget of $80,000 per year; of this $20,000 may be in kind contributions from local Government, Bank or Chamber of Commerce. This could take the form of office space, telephone, computer, receptionist services etc. Of the remaining $60,000, 25% could come from the shire or government, 25% from all cities in the local government area on a pro rate share based on population size, 25% from federal sources or foundations, and the final 25% from corporate interests in the region. A combination of many investors guarantees two things:

- Not one funding agency has total fiscal control of the project to politicize it;
  and

- Many partners will have an interest and ownership to work to see it succeed.

In New Westminster, a city within the greater Vancouver area that was once the capital of British Colombia, Enterprise Facilitation was funded by local and federal government but also by two Credit Unions. Other organizations like the local Technical College and the Chamber of Commerce provided in-kind support. The diversity of interests on the Board is higher than the two rural projects and it will be possible to monitor its success in comparison to the other two.

These first Canadian Enterprise Facilitation projects demonstrate diverse funding arrangements and time will tell whether multi-party funding is truly the best possible arrangement to guarantee the sustainability of projects. Gay, Betty and Suzette our first three Facilitators in Canada, after only a few months of work, have demonstrated their worth and have received superb testimonials from the clients that
they have already helped. (See appendix D)

It is possible to assume that the Canadian experience with Enterprise Facilitation will not differ, substantially, from what we have seen in other countries. What will be different will be the amount of scrutiny the model will receive. Canada has great understanding and experience in community development and we are sure that the experiences to come will help to shape and refine how Enterprise Facilitation has to be delivered to communities

4.5 CONCLUSIONS

The model of Enterprise Facilitation has been tested for eighteen years in Australia, New Zealand, Canada and the U.S.A. In appendix G is a list of all the Enterprise Facilitation projects established by the author since the first project in Esperance, Western Australia in 1985. The stories as outlined describing these projects are positive about the four core principles and how they have been worked out in practice. Data on jobs gives some idea of the success achieved. However, the key idea that people can be facilitated to create meaningful work cannot be evaluated statistically. One-way to judge this is by asking those who have been touched by the process. In Appendix D is a set of “Testimonials” from individuals published in a range of media and other publications. These are the raw data evaluating the success of Enterprise Facilitation.

Overall it seems that Enterprise Facilitation has a place among the strategies for local economic development. The testimonials, the enthusiasms and the results that it engenders are too many to dismiss.
In the following chapter the principles and practices of Local Enterprise Facilitation are set out in the form of a methodology. Such a set of approaches could not have been anticipated or developed through the theoretical approaches outlined in Chapter 2. They have been created from the practical applications outlined in Chapter 3 and 4. The methodology is now the essence of Local Enterprise Facilitation.
CHAPTER 5: THE METHODOLOGY OF LOCAL ENTERPRISE FACILITATION

The role of the Enterprise Facilitators, their character and competences, their humanity, integrity and dedication to clients was obviously of paramount importance for the success of an Enterprise Facilitation project. Yet for years the recruitment of the Enterprise Facilitator was left to a small local committee of volunteers with little or no training in recruiting such a person. Some communities made excellent choices, but others recruited alcoholics, manic-depressives on medication, racists, misogynists, domineering technocrats and interfering do-gooders. The selection of Enterprise Facilitators had to be looked into and it became apparent that the quality of the local board of management determined the quality of the person they employed.

This understanding necessitated a re-evaluation of the role of the local board of management, its recruitment, composition and skill base necessary to optimize the chances for the successful employment and retention of the best person for the job. The recruitment and training of local boards of management, an afterthought in the early Australian and New Zealand projects, became a fundamental first step in the implementation of a successful Enterprise Facilitation project. The size of the communities involved and the amount of finances that had to be raised locally to sustain the project often necessitated many communities, cities or counties to work together. To guarantee board representation and fund-raising power, the boards also grew substantially, at times up to 40-50 members.

But the expansion was also dictated by other needs such as the importance to have
human resources skills on the board (to hire and fire the facilitator), and a host of other technical skills such as media relations, fund raising, financial management etc.

This chapter sets out the whole methodology of Local Enterprise Facilitation including the key process associated with Boards and training of Facilitators.

5.1 EDUCATING CIVIC LEADERS

The training of civic leaders, who become interested in the Enterprise Facilitation approach, starts with the very first inquiries they raise and it is delivered in many different ways. One of the first tools used in educating civic leaders who have become interested in Enterprise Facilitation is the following document titled “Questions and Answers about Enterprise Facilitation and Economic Developments”. The document is set out in Appendix A.

5.1.1 COMMUNITY OPERATION MANUAL

Once the local board of management has been formed all members participate in a day-long training session aimed at discussing the particulars of their role. Often it requires two or three different events to train a sizeable board. The Community Operation Manual is the tool used by trainers to introduce board members to the task of governing an Enterprise Facilitation project. The delivery of the information takes approximately six hours. The manual is set out in Appendix B.
5.2 TRAINING THE ENTERPRISE FACILITATORS: METHODOLOGY AND PROCESS

The training of Enterprise Facilitators consists of two distinct phases: one intensive and theoretical, the other on-the-job, practical and extensive.

5.2.1 THE INITIAL TRAINING

The initial training takes place during a residential five-day course attended by this facilitator and up to eleven members of the local board of management. The curriculum is conceived as follows:
## COURSE AGENDA

<table>
<thead>
<tr>
<th>Day One</th>
<th>Why use the Facilitator approach?</th>
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<tbody>
<tr>
<td></td>
<td>• Introduction</td>
</tr>
<tr>
<td></td>
<td>• Getting to know each other</td>
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<td></td>
<td>• Personal preferred outcomes</td>
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<tr>
<td></td>
<td>• Comments on <em>Ripples from the Zambezi</em></td>
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<tr>
<td></td>
<td>• Participants’ selected readings</td>
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<tr>
<td></td>
<td>Do you understand the concept? Articulate, defend, debate.</td>
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<td></td>
<td>Individual presentations based on readings</td>
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<tr>
<th>Day Two</th>
<th>How to use the Enterprise Facilitation approach.</th>
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<tbody>
<tr>
<td></td>
<td>• The practical analytical tools</td>
</tr>
<tr>
<td></td>
<td>• How to work in the community: accessibility, visibility, confidentiality</td>
</tr>
<tr>
<td></td>
<td>• The discipline of “never initiate, never motivate”</td>
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<td></td>
<td>• Evening Options: Local Management Board</td>
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<tr>
<th>Day Three</th>
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<tbody>
<tr>
<td></td>
<td>• Small workshops, first set of clients</td>
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<td></td>
<td>• Assessment/Self-assessment</td>
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<th>Day Four</th>
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<tbody>
<tr>
<td></td>
<td>• Small workshops, second set of clients</td>
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<td></td>
<td>• Assessment/Self-assessment</td>
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<th>Day Five</th>
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<tbody>
<tr>
<td></td>
<td>• Presentation of essays on Enterprise Facilitation</td>
</tr>
<tr>
<td></td>
<td>• Assessment of course/self-assessment</td>
</tr>
<tr>
<td></td>
<td>• Presentation of certificates</td>
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The mix of theory, discussion, client assessment, self assessment, readings, and written and oral presentations will give the participants an educational experience that will enable them to incorporate course material into their daily activities.

Much emphasis is given to the practical tools that the Enterprise Facilitator uses in counseling the clients. In particular, great attention and practical exercises are dedicated to the concept of the “Trinity of Management,” an approach to management coaching, developed in response to the commonly expressed and recurrent needs of entrepreneurs. Simply expressed the “Trinity of Management” theory says that bad management kills companies, not lack of finance. No matter how much money you infuse into a badly managed business, the chances of it succeeding are slim. Whereas, if you infuse good management into a financially troubled company, you can expect it to turn around.

This is to say that people, not money, run businesses.

No matter how big, or small a business is, three areas of activities need to be taken care of:

- The technical skills necessary to produce the goods or services one wishes to sell (whether they be shoes or package tours).
- The ability to market one’s goods or services.
- The ability to financially manage one’s affairs.
If any one of the above is missing, the business is not a business, it shouldn’t be called one and it will never succeed.

In assessing the potential success of an Enterprise Facilitator should ascertain which of the three aspects of the business the client can take care of personally and, more importantly, which areas he or she would leave wanting.

It must be said at this point, that it is extremely difficult to find a person who is capable of competently carrying out the three functions. Personally, I have never met anyone who could produce the product, market it and manage the finance of the business. Plenty of people try to do it, many do it badly, but nobody I have ever met has been equally passionate and proficient in all three areas.

The role the facilitator plays is to firstly put a mirror in front of the client and say,
“Look, you are alone, how can you perform the three functions?”

The five-day training course introduces the “Trinity of Management” from a theoretical point of view and then encourages participants to use the approach on real entrepreneurs invited to attend the class and volunteer their ideas for review. The interviews are conducted in small groups, under supervision. The process then shows the Board is selected and trained to assist with providing the networks so businesses can complete the missing links in their Trinity of Management.

5.2.2 HOW THE CONCEPT OF THE TRINITY OF MANAGEMENT CAME TO BE

In the early days of Esperance, my main concern was to prove that a responsive, person centered, approach to local development could work. I was hoping to demonstrate that we could flesh out hidden entrepreneurs with their own (not ours) ideas, energy and passions. They would become, with a bit of help, the engine that would drive local revitalization; providing the example of what could be done to restore local hope and well being.

My attitude was, in other words, the attitude of a political science student who wanted to prove that since there is evidence of intelligence at the local level, we may as well create “facilitative” structures to capture it.

When I met Mauri, the fish processor who became my first client, I had the proof that there was intelligence at the grass roots. Mauri was all that I had hoped for; he
had energy, passion and a great skill at smoking fish.

Now I simply had to show how to transform local frustrated talent into a successful business. Unfortunately, I had no idea about how to do that. I had very limited business experience and without experience I was bound to make lots of mistakes, and the mistakes started with my first two questions to Mauri. After he enthusiastically accepted my offer of help, I asked him, “Is your product good,” and “Does it sell?”

I was so naïve about business at that time that I honestly believed that if your product was good and the market wanted it, then you were on your way to start a successful business. Years later I discovered, with both regret and horror that the quality of the product is in fact irrelevant to the success of a company. The proof is that there are many more companies making money-selling junk than university professors and scientists successfully commercializing life saving inventions. At that time, however, I knew no better, and on the strength of the quality of the product and Mauri’s natural talent for selling it, I helped him to find some capital to start his business. Two months later, after a loan had been secured, the factory had been established, markets had been opened, and Mauri and I had been featured in the local paper, I was made aware of a “problem.” An angry delegation of fishermen came to inform me that “my friend” Mauri had not paid them for two months of fish supplies. On top of that, to rub salt in their wounds, Mauri had just bought himself a brand new car. They told me to tell Mauri that from that day on they will not deliver any more fish to the factory and we could kiss good-bye our newfound markets in the capital city.
My reaction was one of disbelief. Mauri, I thought, would never do something so idiotic and self-destructive. Alas, it took me a few minutes to discover not only that he had done it, but also that he had no idea of the consequences of his actions. The most difficult conversation ensued, and Mauri’s responses to my questions compelled me to ask more and more financial questions until I went from being angry to being absolutely dumfounded. Mauri knew nothing about money. I thought I had problems looking after my own finances, but Mauri was even worse than me. He was practically illiterate when it came to money. He seemed to believe that the money in the till, at the end of each trading day, was his, based on the fact that the company was his. Every night, therefore, he would put the cash in his pockets and use it for whatever he felt needed to be done. He needed a car, he had money, he bought one.

When I told him that the money in the till had to be used to pay suppliers, rent, utilities, interests on loans, transport, equipment and sundry expenses before he could draw an eventual share of the profit, he became very uncomfortable. His discomfort exacerbated my own feelings, and very soon I found myself asking Mauri the question that I now realized I should have asked him when we first started working together. I asked him about the quality of his product and his marketing ability. But I told Mauri, “What I should have asked you was: how good are your financial management skills?” At that question, Mauri became very quiet. He looked down for a long time and finally met my eyes again, and a whisper said, “I have been bankrupt three times before in my life.”
I thought of the recent article in the local paper, “Dreams to Reality.” Our smiling faces the proof that there is intelligence at the grass roots, it only needs a little help and… What would be the future of this human-centered approach to local economic development if the first business to be facilitated will be bankrupt after two months of activity? I asked Mauri if he had an accountant, and initially he told me that he didn’t have one. When I told him that we had to find one, he confessed that indeed he had one, but since he had never paid him, he didn’t feel he could see him again. I asked Mauri to call him, in any case, to ask whether we could see him as a matter of urgency; and two days later we met in his office. I was by now, very disillusioned about the prospects for Mauri’s company, and I was thinking about drastic solutions in the hope of salvaging his operations and possibly my reputation as well.

I thanked the accountant for seeing us notwithstanding Mauri’s unpaid bills. I then told him that I initially would like him to be my witness since I had some important questions to ask Mauri. Depending on the answers, I may then have something to ask him. He agreed to witness our conversation, and I then asked Mauri whether he still wished for me to help him in his business effort. He begged me not to abandon him since nobody had ever done for him what I had done. I then asked him whether he was prepared to relinquish control over the company’s checkbook. Would he be prepared never again, alone, to sign a check? Mauri simply reached in his briefcase and gave me the company’s checks and deposit books. I gave them to the accountant and I told him that the company was still unable to pay him and that I would understand if he would refuse to become involved. I then said that if he wasn’t willing to become a co-signatory of the account and go to the factory once a week to pay all bills, including Mauri’s salary, I would walk out of the project since I didn’t
know what else to do. I explained that according to our marketing estimates, we thought that it would take between four and six weeks before he could start drawing his own salary and to my immense relief, he said, “Yes,” he would assume responsibility for the company accounts by producing financial statements and paying bills on a regular basis.

I left the meeting relieved, but certainly not happy. I felt that fate had been terribly unkind to me by sending my way as first client, a person so unsuited to be an entrepreneur. Someone who instead of being capable to do beautifully the three things that every business has to do, namely: produce the product, market, and keep sound financials, was only capable of doing two of the above. I was still despairing about Mauri’s entrepreneurial skill when I met my second client, and all of a sudden Mauri started to look good to me; he could do two of those things, my new client could only do one.

My new clients were the five fishermen who had so bitterly complained about Mauri. They needed help and their passion was only one: fishing. Brave, strong, energetic, but no marketing nor financial interest. On top of that, they had never worked together before and had been, traditionally, priced-takers, as many primary producers tend to be. With the five of them in the product “box,” we had to find both a passionate marketing director and a competent financial manager. David Leith, as previously explained, became the former, and the wife of one of the fishermen, who was a chartered accountant, became the latter.

Thankfully we were able to form a company that had passionate people in charge of
product, marketing and financial management. The company succeeded beyond our wildest expectation, and many more individuals came to see me with their ideas. It was at that time that I started to develop some doubt about the quality of the people of Esperance. Until that time, I had always thought that if someone wanted to go into business, that person would have loved, wanted to learn, or be prepared to master all that is required to do so, namely: financial information and controls in place. Certainly, one day, I thought, maybe not in Esperance, I would come across the perfect entrepreneur, the person who takes delight in every aspect of business from knocking at doors to reconciling books, from producing the product to chatting with clients.

Seventeen years have passed since those early experiences in Esperance, and I still have yet to meet such a person. Not only, I have never met the “perfect” entrepreneur; I have not heard of one, and not read about such a person in biographies and business literature. For years, the more I looked, the more a different picture emerged, a picture very different from what I initially was expecting to find.

I was expecting to find diligent, well-rounded entrepreneurs who had mastered all that was necessary to run, successfully, their businesses. I thought that these people would be rare judging from the rate of small-business failures. Only a very dedicated minority of special people prepared to learn every aspect of business would make it. I thought, at that time, that I certainly wasn’t one of them because I wasn’t prepared; I didn’t have the heart or the IQ to master accounting and financial management.
Knowing that in every country I knew, Australia, New Zealand, South Africa, Italy, and the USA, “entrepreneurial development” classes were widely offered to train such perfect entrepreneurs corroborated my reasoning. All such schools teach would-be entrepreneurs to learn to do it all, especially the “Business Plan” considered to be the ultimate test of competency.

If the ideal, as taught, is the well rounded “know it all,” how come I couldn’t find a single such specimen to work with? Where were these people? Why was I dealing with all these pathetic creatures who, like me, were unsuited to well-rounded entrepreneurship? And, why would they attempt to go into business when they would be totally unsuitable? It seemed to me that I only ever met small-business people with gaping holes in their personalities, skills and talents.

I met wonderful craftspeople, painfully shy and unable to market their wares and talented marketing people, without a reliable product. Often none of the above had a clue about how to price their wares. Primary producers without marketing skills, starving artists pathetically under selling their canvasses, financial managers failing to attract clients to their financial management services and on, and on, in an endless procession. My clients, it seemed to me, could not even learn the skills they lacked. What hope did I have to transform Mauri, 55 years old, three-time bankrupted, into a decent financial manager assuming responsibility for a sizeable and reasonably complete business? Which of the five young, bearded, rough fishermen would put a suit on and go to Japan to sell fish or learn accounting after having dropped out of school as a teenager to go fishing?
Should all the wonderful people I met, who didn’t have what it took to start a business, be left alone to their frustration, despair and poverty? The answer for me was to simply explain to them that if they couldn’t do something I would help them to find someone who could. They couldn’t market: let’s find someone who could. They didn’t understand finances: well how difficult could it be to find someone who could?

Initially, I was creating teams not because I thought it was smart. On the contrary, I was doing it to obviate the glaring incompetence of my clients. It took years of work with thousands of entrepreneurs to finally have it dawn on me that maybe, just maybe, what Brian, Micko and a host of Enterprise Facilitators and I had been doing to help our clients was not a remedial course to mitigate incompetence. It was the only possible advice to give people wanting to start a business. Slowly, in personal communications with clients, at seminars and conferences, the issue of what it takes to run a business was raised and it became ever more obvious and finally glaringly so, that we could never find a single human being who passionately, equally, would love to produce the product, market it and keep the books. When the empirical evidence became overwhelming my curiosity led me to research the history of some of the most famous and successful companies and to take a closer look at the entrepreneurs who created them.

From General Motors to Ford, from Microsoft to Intel, from Nike to Boeing, everywhere I looked I found one overwhelming truth about successful companies: none had been started by one person.43

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43 Howard Rothman, *50 Companies that Changed the World* (Career Press, 2001)
Two or three people complementing each other’s skills and characters had started all of the above companies and, a lot of others. It seemed that behind the public and, often the smiling face of the visionary entrepreneur, who founded the company, there were other people in the background doing beautifully what he or she couldn’t do.\textsuperscript{44}

The “Trinity of Management” was officially born when, reassured by the facts, it became possible to forcefully and lovingly encourage our clients to imitate the great entrepreneurs of the past. “Do only what you love to do in your company” became the advice “but surround yourself with people who passionately love to do what you have.”

Naturally such advice, in the case of Enterprise Facilitation, comes with two great complements namely “how to form a team with no money” and “where to find suitable people to co-opt in your team”. The key to being able to offer such advice rests in the fact that Enterprise Facilitator’s, working in communities, have access to a volunteer board of up to 50 people who offer their networks to the Enterprise Facilitators in order to support clients.

Such board’s listen sympathetically to clients who “beg, barter, promise delayed compensation” to possible team members.

We have discovered, over the years that most entrepreneurs who fail “die of

\textsuperscript{44} For further information see also: \textit{Forbes Greatest Business Stories of All Time} by Forbes Magazine Staff and Daniel Gross; \textit{Pour Your Heart Into It: How Starbucks Built a Company One Cup at a Time} by Howard Schultz and Dori Jones Yang; \textit{McDonald’s: Behind the Arches} by John F. Love; \textit{My Years with General Motors} by Alfred P. Sloan; \textit{Business} by Perseus Publishing, et al; \textit{The Essential Drucker} by Peter F. Drucker; \textit{Forbes & Reg: Greatest Technology Stories} by Jeffrey Young
solitude”. In other words, they had nobody they could confide in about the problems that they were encountering, and they believed the pernicious idea that they had to do everything by themselves. In our investigations, this idea is the greatest cause of small business failure.

5.2.3 ON-THE-JOB TRAINING

It takes easily two years for an Enterprise Facilitator to become fully comfortable with his/her role. The variety, complexity and skill level of the clients walking through their door is such that only experience can make the role easy to carry out. Over the two-year period, a newly appointed Enterprise Facilitator, remains in touch with an experienced facilitator and establishes professional associations with as many colleagues as possible.

Close association with the local board members is also essential to this success of the facilitator who confides and leans on the board for advice and support.

Regular sessions of debriefing and further training are the recommended norm during these first twenty-four months of practice.

5.3 CONCLUSION

Presently Enterprise Facilitation projects, as described in this chapter, require thirty months to be implemented. Six months are dedicated to training before the
Enterprise Facilitator is engaged and the following twenty-four months are necessary to make sure that the community becomes absolutely capable to run, unaided, a successful and long-lasting Enterprise Facilitation project.

The person-centered approach, which is the foundation of Enterprise Facilitation, has great appeal for educators and counselors. However, the concepts need to be learnt and re-learnt on the job as our whole culture constantly works in the opposite direction. Decision makers, struggling with the need of providing assistance to communities without creating dependency or false hopes are embracing Enterprise Facilitation more and more readily. But the success in achieving this depends in large part on the willingness of civic leaders to learn about the methodology and to be trained in the process.

Perhaps the most powerful message for them to learn is that entrepreneurs, on the whole, do not understand what it takes to successfully establish and run a profitable and sustainable business. When exposed to the “Trinity of Management” concept, civic leaders, Enterprise Facilitators and clients all seem to concur that such a simple, common sense; approach provides them with a practical tool to build not only better businesses but better communities as well.

Local Enterprise Facilitation works because it encourages more people to seriously think about entering the business arena. We know that in a year, in a community of 10,000 people, 150 to 200 clients will see the local facilitator. Out of these, 25 to 35 will open a new business or expand an existing one. 25 to 60 new jobs will be created with a combined annual turn over of $5 to $10 million. These are the kind of
results found in the dozens of Enterprise Facilitation projects so far established in Australia, New Zealand, The USA and Canada.

The methodology of Local Enterprise Facilitation had now been established based on a series of case studies. In the next chapter some potential future directions are assessed based on growing social movements and trends: on planning for economic development, on education and on conservation.
CHAPTER 6     THE FUTURE: WHERE IS ENTERPRISE FACILITATION POTENTIALLY GOING?

6.1 FACILITATION AND PLANNING: How Do We Plan For Economic Development?

Governments everywhere are establishing plans for economic development and putting money into development corporations. How can local Enterprise Facilitation help in this process?

In a chapter called “The vigorous pursuit of Serendipity”, Tom Peters writes the following:

“The market is frightening, even terrifying. It’s not pretty. It’s surely irrational, yet over the long haul, the unfettered market works for the most rational of reasons; it produces more experiments, more tries, more wins, more losses, more information processes (market signals) faster than any alternative.”45

“Business success is” according to Peters “the occasional (and usually accidental) by-product of the far more numerous failures.”46

This is why facilitators will always have more success than planners and Development Corporation Boards. They get involved with hundreds of projects,

46 Ibid. P 485.
whereas planners often paint themselves into a corner trying to pick “winners”, and restricting therefore the numbers of those at the starting blocks. Nobody can pick winners; there is only safety in numbers. Nobody can predict the shape of tomorrow’s market either, nor where the future profit areas will be. Economies, which rely heavily on a few starters and products, are immensely more vulnerable than the ones that are diversified.

The nation with the broader “catchment’s” area will be the leader of tomorrow, not because it produces geniuses or particularly hard workers, but because it tries more. Oscar Wilde wrote, “If you want to succeed in life, do something - the others are doing nothing.” Being there, mixing it in the market place is the only way to learn how to succeed. Failure should be taken for what it really is: a lesson on the way to success. The drama should be taken out of “failure”. Some critics of the Enterprise Facilitation Concept are concerned with the rate of small business failures and imply that it is worthless to assist people to start a small business when its chances of succeeding are statistically slim. This is not rational. What is the alternative to only starting big businesses?

The fallacy in such criticism is obvious when one looks at the figures of both jobs and turnover generated by small businesses everywhere in the world.
Small business and the U.S. economy

According to figures released in 2002 by the American Federal Department for Small Business Administration\textsuperscript{47} small business, innovation and entrepreneurship play an extraordinary role in the economy.

For instance:

- During the last 10 years small firms generated virtually all-new jobs.
- During the same period large companies continued to downsize and “separations” exceeded hires.
- Fastest growing sectors were in the service industry; namely medical, outpatient care, restaurants, computer and data processing, day care, training and counseling.
- High technology is dominated by small business. 94% of High Technology companies are defined as small business and 73% of those have 20 employees or less.
- These businesses produce 55% of all innovations and twice the number of innovations per employee as large firms (with half the contribution from the Federal Government).
- Women are emerging as a true force in small business. At present more than 9 million women own firms that employ 19 million persons, more than are employed by the Fortune 500 industrial firms.
- Women-owned small businesses generate $2.5 trillion dollars in annual sales.
- The growth of women-owned businesses has been rapid: 89% in 10 years and a 209% revenue increase nationally.
- Hispanic businesses are one of the fastest growing segments of the US economy: 82% in the five years 1987-92 and going strong.
- African-American small businesses experienced 50% growth in the same period.
- In 1998 there were more small business registrations in the US that at any other time this century.

\footnote{\textsuperscript{47} (*Figures published and researched by the SBA, Office of Advocacy “The Facts About Small Business”. \url{www.sba.gov/ADVO/stats})}
In 1996, 30 million Americans worked for themselves or were running their own small businesses. The projections now are that by year 2025 half of North America’s workforce will be self-employed.

Individual entrepreneurs are the powerhouses of the economy. It is obvious that economic prosperity depends on the quality of the people at the starting blocks, not on the size of the swimming pool, not the quality of the water in it.

**The wealth of nations**

“We can’t improve the quality of our prisons, until we get a better class of inmates.”
Ex-Georgia Governor.

Like the Georgian Governor who couldn’t improve his prisons until he got a better class of inmates, so too, a country won’t get a better economic outcome until it gets better and more people involved in creating wealth.

The thesis that economic development has to do with people more than with the natural advantages of a country requires a clarification. There is much more to the wealth of a nation than the growth of its GNP and the debate on how to achieve prosperity should therefore never be restricted to economics alone, but take into consideration the other qualities that inspire our society.48

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48 Humanistic economics, broadly defined, is an alternative to the current hegemony of neo-classical economics. Humanistic economics focuses on human economic activity as being social and altruistically constructed, not just individualistically and selfishly derived. The importance of the ethical individual living within a vibrant local community, not merely as a lone wolf or as a consumer of mass culture and
No matter how rich Russia is, in terms of natural resources, no matter how much arable land Argentina has, no matter how much fossil fuel Iraq produces, in the final analysis what makes a society prosper or not is the collective quality of its citizens. These abilities and collective qualities are expressed not only in the fulfillment of material needs and mastery of economic matters. They have to be expressed by equitable laws that create the foundations for peaceful social interactions, tolerance, freedom, collective care of youth, the aged and infirm, respect for the environment and for the inalienable personal rights towards growth, self-fulfillment and happiness.

The shift advocated by governments, away from resource-driven economies to value-added ones, cannot take place without recognizing that our greatest assets are not the ones that lie under the ground. Our greatest assets must be energy, imagination and skill - commitment to good work, to the pursuit of excellence and the courage to fulfill our ambitions.

The shift advocated here has at its core, the development of infrastructures that will make it possible for everyone to become very good at whatever they choose to do. It advocates the development of a supportive society, not one of handouts and production on a global scale, is often stressed. (On this subject see also Alexis De Toqueville’s concept of self-interest rightly understood in Democracy in America, 1831). The importance of accounting for externalities (items not always put on the economic balance sheet like pollution or loss of biodiversity) also are key concepts. Some of the following economists are not specifically humanistic but are included because, in their work, they seem to point in the direction mentioned above. They are: Herman Daly, Henry George, Hazel Henderson, K. William Kapp, Leopold Kohr, David C. Korten, Friedrich List, Karl Polanyi, E.F. Schumacher, Adam Smith, and Thorstein Veblen.
protectionism, but one that recognizes the intrinsic value of individual qualities and of enterprises that facilitate the transformation of good ideas into rewarding works.

The role of Government in supporting such a change needs to be both pro-active (top-down) and responsive (bottom-up). It will have to encourage a change in attitudes towards work and success, and will have to provide infrastructures to facilitate this development. It will also need to be responsive to requests for assistance and provide the entrepreneurs with the information, advice and resources appropriate to the individual’s needs.

**What will not work?**

“Planning as the term is commonly understood is actually incompatible with an entrepreneurial society (...) indeed the opportunities for innovation are found, on the whole, only way down and close to events. They are not to be found in the massive aggregates with which the planner deals of necessity, but in the deviations there from - in the unexpected, in the incongruity, in the difference between “the glass is half full” and “the glass is half empty”, in the weak link in a process. By the time the deviation becomes “statistically significant” and thereby visible to the planner, it is too late. Innovative opportunities do not come with the tempest but with the rustling of the breeze.” P. Drucker.49

I had arrived in Esperance on the same weekend when 80 local people had shut

49 P. DRUCKER, Innovation & Entrepreneurship, p. 284.
themselves into a room on a property outside town to conduct a three-day brainstorming session. This initiative was the first step towards a one-year planning exercise in which seven sub-committees had to come up with specific recommendations in fields such as agriculture, fisheries, transport, tourism etc. While the good citizens of Esperance were busy imagining the future of their town, I walked the streets asking that very stupid question which led me to meet my first client: “Do you know anybody who wants to do anything?”

When the strategic plan for Esperance finally saw the light, one year and many thousands of dollars later, it didn’t contain any of the industries that we had created during that year. The planners, as usual, could not foresee what local people would come up with. One of the recommendations of the fisheries committee was to write to the British fishing fleet of operators to invite them to fish out of Esperance during the off-season. The problem however was that because of their size, the British vessels would not be able to use the newly built, multi-million dollar Fishermen’s Harbor. The committee therefore recommended that letters be written to the Minister for Marine and Harbors to ask that funds be provided to deepen the harbor so they could then write to England. When the same sub-committee was asked whether they could help raise one thousand dollars towards the tuna fishermen’s research, they refused on the grounds that the local fishermen were not to be trusted, that they “would never make it.” It seemed very arrogant to me and typical of bureaucratic decision making in general.

There is a role for planning - but not in generating innovation. Innovation starts between the ears of people, and planners can’t see in there. Facilitators can’t either,
that is why they spend such a long time trying to get people to tell them what it is that they are thinking.

“The map is not the territory” Alfred Korzybski .50

This warning should be carved on the desk of every planner around the world.

For many years now a very trite strategy has been adopted in economic development. Called S.W.O.T. this strategy is based on preparing a strategic plan by analyzing and appraising the strengths, weaknesses, opportunities and threats pertaining to the community under scrutiny. In many cases, the process of formulating the strategic plan instead of being seen as a diagnostic process, i.e. what is wrong with this patient, is confused with the therapy, i.e. it is believed to be the cure for the economic ills of the region. In reality money and time spent in producing a glossy catalogue of intentions and opportunities is basically money spent in producing a book with very limited circulation, with in built obsolescence and very little use. Let’s call it a waste of time and space.

This is because to make a plan without having the will, the money or the power to carry it through is futile. For Governments to encourage cities and rural communities to carry out extensive planning exercises under the assumption that it will help them can be described as either naive or dishonest. Without the power to implement local resolutions, what is the use of local planning? In centralized systems of government where the taxes are collected and administered by State agencies, how can rural communities transform their dreams into reality?

My main objection to wishful planning however relates to those who eventually do the planning. In my experience, so-called community planning is done by a fraction of the local inhabitants. Usually these are what I refer to as local aristocrats i.e. the people with either money or time to sit on committees.

It should be noted here that successful business people don’t automatically make good public policy makers and do-gooders with plenty of time to spare don’t have the monopoly of wisdom. With rare exceptions the strategic planning done by such groups is unimaginative, reflective of local prejudices, and tends to emphasize the “unique” aspects of the local community in a self-congratulatory rhetoric. Once finished, the five or fifty year plan becomes a monument to good intentions and a blue print intended to inspire locals and visitors alike. But what happens to all those good intentions after a few months? Exhausted by the effort to produce “The Plan”, weary committee members start to drop out of the working parties.

Meanwhile various letters sent to government departments seeking funds for identified priority projects are written, and the replies come back in a demoralizing trickle. The tone of these replies is all the same, bureaucratic stonewalling and the substance is that the Government will not provide the funds. After a few years the once beautifully produced and publicized plan for the development of the city/region, is gathering dust; an embarrassing reminder of all the things that should have been and never were. Is there any value at all in planning? I strongly believe that planning’s main role resides in creating the physical infrastructures that facilitate the development and growth of a community. Without public utilities and
communications, for example, it would be very difficult for individuals and companies to even think about initiating an activity. However the balance between planning to make it easier for people to take initiative, and planning to destroy initiative is difficult to achieve.

In the town of Esperance for instance, it was impossible to locate industrial land by the ocean and serviced with power and roads. Nobody in the Town Planning Department had considered the possibility of a group of fishermen ever wishing to invest in an aquaculture plant which required clean deep ocean water, unpolluted air and a large power intake to circulate the water. Maybe when the town’s plan was originally done, aquaculture was unheard of, but this is exactly what happens in planning... nobody can predict what will be required in the future and to make these plans hard to change is ultimately not in the best interests of future generations.

I can’t claim this to be truth, but I read that in 1860 a group of Futurologists were asked to predict how New York City would look after 100 years. They all agreed that by 1960, New York City would not exist because to move the population of that city would have required six million horses, and the manure of six million horses would have created such a problem that the city would have to be abandoned.

Schumacher wrote that we don’t have a machine to foretell the future. Unfortunately we have computers and sophisticated planning programs based on present trends that can modify the future, often worsening the situation. Like in the case of highways - which were planned to ease traffic and end up encouraging further use of cars, finally worsening congestion.
Life cycles are not linear, but are complex systems regenerating themselves, taking unpredictable turns and appearing orderly only at a statistical level.

The challenge is truly to thrive on complexity, to accept that chaos is indeed the reason for the existence of the world, as we know it. Planners that can live with chaos can play a role in the real economic world. Planners should ask themselves this question: Can we plan to change our plans? Can we plan for freedom? Can we increase the chances for activity, initiative and genius to occur? If the answer is no, then they should seriously consider whether their role is of any benefit to their communities and consider their work accordingly.

**Providing infrastructure for development**

We have to provide industry and entrepreneurs with physical infrastructure and competent services to allow them to invest in new export and import substitution industries. The price of energy has to become competitive, industrial land has to be provided, transport and micro-economic reform is needed. The development of an economic system that relies on many more products and services being exported will require the bureaucracy to become more responsive to individual requests for information and advice. It will be harder for Government agencies to plan and specialize simply because many more players will be encouraged to find niche markets and exploit them.

Government agencies will have to become more flexible and be prepared to research and facilitate, as well as plan and target new areas of growth. But the economy is
essentially about people - passionate people, and passionate people are always innovators and entrepreneurs. Entrepreneurs, both social and economic are “irrational” people, who do what they do, not because they seek comfortable, secure, predictable lives, but because they are propelled by inner feelings, which make them take action. Such feelings could be “love” - for the environment, boats, cars, stargazing or story telling or “hatred” - for routine, security without excitement, comfort without romance, and normalcy without adventure.

Economic development is only one of the many developments a passionate culture brings forth.

Helping people to grow, facilitating the transformation of dreams into rewarding work, should not therefore be limited to the economic field but seen for what it really is, a way of bringing forward change in our society by directly tapping into the source of innovation and energy. Every area of human endeavor can benefit from increased participation. What Konosuke Matsushita said in a famous speech about industrial practices should be read in a broader context:

“Your firms are built on the Taylor model; even worse, so are your heads. With your bosses doing the thinking while the workers wield the screwdrivers, you’re convinced deep down that this is the right way to run a business. We are beyond the Taylor model. Business, we know, is now so complex and difficult, the survival of the firms, so hazardous in an environment increasingly unpredictable, competitive and fraught with danger that their continued existence depends on the day-to-day mobilization of every ounce of intelligence. Only by drawing on the combined brain power
of all its employees can a firm face up to the turbulence and constraints of today’s environment.”

Shouldn’t social and political scientists expound the same creed? Instead of training elites, promoting technocrats and perpetuating hierarchical systems, shouldn’t we learn how to “mobilize every ounce of intelligence?” It seems extraordinary that the most profound teaching of Deeming, incarnated in Total Quality Management theory, still escapes the planners.


Edward Deming was an American engineer who in the early 1950’s encouraged the Japanese to adopt a systematic approach to problem solving, which later became known as the Deming or Plan-Do-Check-Act (PDCA) Cycle Fig. 1. He subsequently replaced "Check" by "Study", as that word reflects the actual meaning more accurately. Therefore an alternative abbreviation for the Deming Cycle is PDSA Cycle. Deming also pushed senior managers to become actively involved in their company's quality improvement programs. His greatest contribution to the Japanese is the message regarding a typical business system. It explains that the consumers are the most important part of a production line. Meeting and exceeding the customers' requirements is the task that everyone within an organization needs to accomplish. Furthermore, the management system has to enable everyone to be responsible for the quality of his output to his internal customers.

Deming's thinking in the late 1980's can best be expressed as Management by Positive Co-operation. He talks about the New Climate (organizational culture), which consists of three elements: Joy in Work, Innovation, and Co-operation. He has referred to this New Climate as 'Win: Win', as opposed to the 'I Win: You Lose' attitude engendered by competition. In his seminars in America in the 80's, he spoke of the need for 'the total transformation of Western Style of Management'. One of the foundations of his Management theory was to “Drive fear out of the workplace” as to be able to capture the intelligence and resources of all workers. His basic theory is that people enter the world motivated to learn and do well and that the excessive use
You cannot anymore run the company from the top. Almost every political system is still firmly a top-down system. The fact that what really makes the world go round are millions of individuals going about their lives the best they can, escapes the technocrats, politicians and the bureaucrats who still believe they have a mandate and the skills to “run the firm”.

If running a company is very difficult and requires the “combined brain power of all its employees”, then running a country is immensely more complex and should by reason, draw on the talents of all who can contribute. For the nation/firm to prosper, as indicated earlier, the individual quality of all citizens has to improve and come into play. Individual talents have to be treasured and built upon, skills have to match passions and diversity and participation have to be encouraged.

Facilitation is a way of achieving these aims. It should be understood and encouraged as a viable strategy in such diverse fields as education, counseling, health delivery services, community, economic and social development. Facilitation, however, means one to one confidential client based work.

of extrinsic motivation kills the intrinsic motivation. Deming ideas have inspired management thought over the past 50 years. “No Fear Management” tackles the problem of what the authors dub “Third Reich Management.” See also “No Fear Management: Rebuilding Trust, Performance and Commitment in the New American Workplace” by Harry E. Chambers, Robert Craft (January 1, 1998) CRC Press - St. Lucie Press. This book serves as a guide for the development of the people skills needed to ensure that a business is successful in the changing work environment of the future. Management styles that are dictatorial, insensitive, uncaring, and abusive cannot bring success to organizations in the interdependent global economy of the 21st century.
6.2 FACILITATING EDUCATION

David Hilbert, the greatest mathematician of his era remarked: “Do you know why Einstein said the most original and profound things about space and time that has been said in our generation? Because he had learned nothing about all of the philosophy and mathematics of time and space”.

Education - the Latin word that is the root of education meant the teaching of social mores. It was a mothering term, and it was applied to babies, puppies and the little ones of all species. “Educare” for the Latin, had therefore more to do with toilet training than with learning letters, and “rearing” is the best English translation of the word. Even today in modern Italian, “educazione” refers to social skills, to be polite, nor learned. The Latin distinguished between the responsibility of rearing (educare) which was carried out by mothers and nannies and the responsibility of teaching skills (instruire) carried out by skilled adults, master craftspeople and artists.

It seems that we don’t distinguish anymore between educating and instructing. Ivan Illich in one of his books makes the point that what we tend to do under the guise of mass education, is to treat young adults as babies, extending their “mothering” far beyond what they require and will tolerate. Witnessing the frustration, anger, even violence occurring in our high schools, I often wonder at the insanity of attempting to “mother” a six-foot-two, one hundred and twenty kilo, seventeen year-old, who is probably a front row forward in the rugby team. He doesn’t need “education” i.e. to be told what is good for him; he needs “instruction” i.e. learning skills possibly from
professionals who are so good that he can respect them, look up to them and imitate
them.

The main difference between the two activities is one of responsibility for the
learning. In educating children we, parents, teachers, nannies, assume the
responsibility for the outcome. In other words, the child doesn’t ask us to please
explain how a gas stove works, or whether it is good manners to put a finger up their
nose while being addressed by their great aunt. We take the initiative, we tell them,
whether they like it or not. We toilet train them because the consequences of not
doing so are too inconvenient to mention. The justification for educating children is
found in the inescapable fact that ours is a social species and in order to be accepted
and to have interaction with others, we have to be able to respect some basic social
mores.

A rule of thumb to check on our children’s education should be their ability to
communicate, be accepted by and able to accept people from a different culture - if
they can quickly adapt to different social rules and respect others, then they are well
educated.

Puberty

Joseph Campbell in “The Hero with a Thousand Faces” wrote:

“The so-called rites of passage which occupy such a prominent place in the
life of primitive society (ceremony of birth, naming, puberty, marriage,
burial, etc) are distinguished by formal and usually very severe exercises of severance, whereby the mind is radically cut away from attitudes, attachments and the life patterns of the stage left behind.⁵³

Puberty seems the appropriate time to stop educating and start instructing. The time comes when children are not ours anymore. In the words of Kahil Ghibran “They are arrows to our bows.”⁵⁴

However children are not arrows when they are still suckling at the breast, nor when they are still crawling. They would not go far away if shot from our bows then. After puberty yes, they are young adults whether we think so or not. The proof is that they can conceive and give birth, we can deny them their intellectual maturity, but how can we deny their physical maturity? What are initiation rites but the often-dramatic sign that childhood is ended and responsibility started? The terror of initiation is in the severing from the mother and the beginning of life as an adult. Puberty is the beginning of responsibility and leaving aside the trauma and the pain that some ceremonies arouse, it has to be said that many “primitive” societies achieve in days what Western societies struggle to do, which is conferring on the young the status and recognition of adulthood.

Dignity cannot be given to us, or freedom, or the sense of fulfillment that is the result of achievement. Adulthood has to be achieved and our deeds become an increasingly important part of the process. Games and “make believe” give way to

⁵⁴ K. GHIBRAN, The Prophet (New York, Paladin, 1927)
real action. Skills become a valuable commodity. To be good, whether at dunking a
basketball or organizing a party, can be the difference between being popular or not.
The switch in responsibility from being educated to learning can only occur when
the young realize that they have become young adults and very soon they will have
to fend for themselves. Adolescents desperately need to excel. This fact seems to
escape their parents who think that their “children” are still only playing - they aren’t
- they are proving themselves to the “world”, by becoming the best whether at
surfing, computer games or looking “cool.” The fact that the skills which appeal to
teenagers are different from those which appeal to their elders should never cloud the
real issue that adolescents are eager to learn and that they should be given the
opportunity to do so. What would happen if “education” would ease into
“instruction” in the years immediately following puberty? What would happen if
students could determine what they wished to learn according to their age? And
what would happen if the student could choose to learn from professionals and not
teachers?

Probably what would happen would be the de-mystification of the education system,
as we know it, because students would soon find out that formal education may not
hold the key to success in life. They would discover that out there are people who
are happy and unhappy, rich and poor, fulfilled and unfilled no matter what their
academic qualifications are. They would also discover that the great majority of
individuals resent much of what was imposed on them during their years of formal
schooling and tend to say that they have learned more on the job and by themselves
than at school.
Roald Dahl writes in an article entitled “Things I wish I had known at 18”:

“But I was convinced, even at eighteen and still am, that University is an absolute load of old rubbish unless you go into a profession. People say it’s a marvelous opportunity to take stock and mature, but you can bloody well mature by getting a job, working like hell, and steaming around the place.”55

The point is that we can learn exciting and profitable skills outside the formal education system. And all education, in the end, is self-education. This is because the brain cannot cope with the billions of items of information reaching it. Out of everything which is available, we pick what is of interest, what is relevant to us. We may read the same book, yet we may remember, even be brought to tears, by completely different parts of it. One may love it, another be indifferent to it. Reality, as some philosophers say, may be the same for all of us - the fact is that we perceive it through our senses and process it through our brain. The interpretation of identical experiences may therefore be very different.

Formal education is based on the assumption that information and knowledge may be imparted - that a good teacher is able to make students absorb and comprehend what has been taught. The quality of those who receive the message, however, is as important as the quality of the teacher in making the exchange of information possible. It is like broadcasting a radio message at a frequency that is too high or too low for the receiver to pick up. No matter how good the broadcast is, nothing will be received. This explains why words of immense wisdom spoken by the most sublime

55 Roald Dahl, Going Solo (Farrar, Straus and Giroux, LLC, 1986), pg. 27
masters have failed to change the world. It is not that the masters couldn’t convince us...rather we simply didn’t get the message. We heard the words but we missed the meaning. The fact is that we can only pick what we understand, only what interests us...or maybe it is the other way around, we become interested only in what we understand.

Like children who love swimming because they are good at it, so too, we use our natural buoyancy to excel in doing what we naturally are versed in. A well-educated child, who can read, write and communicate, should by puberty be encouraged to seek responsibility for his/her further studies, including the acquisition of skills with ever-increasing independence. The search for skills coincides with a search for individuality and recognition. Adolescence is the best time to try, to strive and to find out what it is that we love doing. What happens, however, is that often adolescents are eager to learn only skills that are relevant to them. Sometimes the skills provided by the formal education system are relevant to them sometimes they are not.

What happens when they aren’t? Mass education is like a dream gone wrong. The dream may very well have been for every child to become a professional...the nightmare is what we are left with after the artists, the inventors, the lateral thinkers, the manual workers and nearly all of the entrepreneurs are forced through a system they utterly despise. What would happen if “education” would, at puberty, ease into self-determined “instruction”? Could we trust young adults to determine what they want to do? Ivan Illich wrote:
“A good education system should have three purposes: It should provide all who want to learn with access to available resources at any time in their lives; empower all who want to share what they know to find those who want to learn it from them; and, finally, furnish all who want to present an issue to the public with the opportunity to make their challenge known.”

Clearly, the “good education system” of which Illich speaks couldn’t exist without believing that: firstly people want to learn and, secondly, that they know what they wish to learn. Facilitation, the person-centered approach which is the topic of this dissertation, is based on similar assumptions - transferred to the education system it means that no matter how good the outcome of a formal education system can be, what self-educated individuals will create will be immensely more valuable. This is because the richness is with people not with systems, with the exception not the norm, with chaos, not with order, and because, to quote Einstein, “imagination is more important that knowledge”.

Children who have been properly “educated” i.e. can communicate, accept and be accepted by the world’s community, will naturally and effortlessly mature into responsible adults. They will eagerly seek instruction because it is their nature to do so, not because we oblige them to. As a society we would be better off trusting them, rather than trying to achieve the impossible dream, of the planners and bureaucrats.

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The master - the teacher

“Only those who are eager to learn do I instruct”
Confucius

Teachers assume the responsibility to educate. The students’ only responsibility is to carry their physical body to the classroom - they don’t even need to pay attention, the teacher will attract it. Every day sees new tricks, an education aid, a video, a gimmick. The children are in a passive learning situation and the teacher is trying to motivate them. Masters don’t care about motivating the pupils. They are too busy making a living to be concerned about it. The responsibility for learning is squarely on the shoulders of the pupils. If they don’t pay attention, if they don’t come to work, it’s too bad for them.

Adolescents need masters, not teachers. The anger, frustration, boredom and violence so prevalent in our secondary schools could be avoided by providing, on demand, the best possible instructor to each pupil. Some of these instructors will be found among the ranks of the formally educated, i.e. teachers and professionals, some among business people, artists and sports people. The formal school could be used for more as the place where you meet with the facilitators who will help you shape your own unique path towards personal and professional fulfillment.

A friend of mine went to a University a few years ago and asked to be allowed to attend three different courses: in Horse Husbandry, run by the Faculty of Veterinary Studies, in Business and Marketing run by the Faculty of Economics. He explained that he only wanted to learn and that he didn’t want any certificate or recognition for

57 D.H. SMITH, Confucius p. 76.
his attendance. He was laughed out of the Registrar’s office - not only didn’t he have the qualifications to enter Veterinary studies, even if he had, there would have been no way he would have been allowed to attend only horse husbandry. Business and Marketing were out of the question, and the idea of doing one unit here and another there was considered unthinkable. My friend at the time was managing a “Gypsy Caravan Park”, a very successful tourist and holiday attraction for people to drive their self-contained horse-drawn caravan through the forests of Western Australia. The skills he needed were: horse husbandry, business and marketing. He was right in his thinking and the University was clearly inadequate or unwilling to help him.

How many cases are there were legitimate, intelligent, profitable activities “invented” by lateral thinkers and entrepreneurs don’t find any response at formal education level?

There is no correlation that I can find between schooling and entrepreneurial skill. The only association is a negative one, as brutally exemplified in the title of Robert T. Kiyosaki’s book “If you want to be rich and happy don’t go to school!”^58

I have yet to find an entrepreneur who was encouraged to pursue self-employment by a teacher. Could it be that teachers are terrified of the new and unstructured? At something number of migrants who came to Australia in the 1950's with hardly a cent in their pockets, no formal education and not a word of English - some of them still can’t write, but that hasn’t stopped them becoming millionaires.

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^58 Robert Kiyosaki If You Want to be Rich & Happy Don’t Go to School? Ensuring Lifetime Security for Your Life and Your Children (Aslan Pub, 1995)
Keith Bradby, the self-educated botanist and environmentalist, ministerial advisor and author once answered a questionnaire, in which he was required to describe his educational background. Under the heading “EDUCATION” he wrote:” Yes - briefly interrupted by two years of formal schooling.”

Belief in people’s intrinsic wish to grow allows for a change in attitude towards education. The delivery of the national curriculum would be tempered by a degree of responsiveness, which is not seen in today’s schools. Individual, even idiosyncratic, needs would be encouraged and students would be helped to find masters outside the formal school setting who could provide the skills they require. Teachers would rather see their students spending two or three days a week working at something they love doing, rather than sitting bored and despondent in their classrooms. Opening the formal education system to outsiders, by sending students to learn from professionals, presents its challenges. The remuneration of the skill-providers would have to come from the education budget on a pro-rata basis. The credential of the professionals involved would have to be checked. These and probably many other administrative and logistical problems pale to insignificance when compared with the absurdity and waste of forcing the same curriculum on vastly different people. Some of Peter Drucker’s “Chaos” needs to be built into education so that innovation and entrepreneurship can flourish.

From an economic point of view, it is important that educators realize that the so-called “non academically gifted” students who now fall between the cracks of the education system are as important and precious to the economy, as those who will get their higher education certificates. The majority of tomorrow’s entrepreneurs will
probably come from the ranks of the former. They will employ the accountants, engineers and business school graduates.

All over the world, small business is the engine that runs the economy; certainly it is the sector that creates the majority of jobs. Wouldn’t it be appropriate to provide those who wish to run Gypsy Caravan Parks for example, the skills required to do so more efficiently? The idea of providing students with education vouchers is not new but could be the flexible method of development of an individual and self-directed type of education.

Maybe secondary school students could be given an increasingly larger number of vouchers every year. Such vouchers would be redeemable not only when attending formal school but also working with professionals: business people, artists and skilled individuals prepared to pass on their trade.

To qualify to accept and cash in a voucher, the instructor would have to submit to the education department a resume indicating a history of experience. Such a system would allow the carpenter, writer, film director, and mechanic etc. to be a master once again and participate in skilling the young. Those who have experienced what happens when people wishing to learn a skill are exposed to masters of their trade, can see that we should do whatever is in our power to multiply such opportunities.

Nothing tastes sweeter than water to those who are thirsty; nothing will ever be learned faster than something that truly interests us. A society, which makes it easy for people to learn what they wish to learn, will be a society enormously richer than one whose education has been engineered by bureaucrats and statisticians.
Ultimately the message is the same, whether dealing with educational, society or economic issues; there is wisdom at the grassroots level, which cannot be over generalized. Living organisms and the human race in particular, are extremely complex and seem to react in unpredictable ways to the attempts at management by well-intentioned planners.

Going with the energy of individual people requires a shift from having expectations about outcomes to rediscovering faith in people. The way things are in education seems out of step with what is really needed to regenerate a creative spirit in the young. Facilitation is an education process that focuses on the individual first, values the skill of those who went before and stresses the importance of a community to create the partnerships required for a successful business. There is a need for formal education to mirror some of this.

6.3 CONSERVATION ECONOMICS

Enterprise Facilitation has always attracted the attention of environmental groups. From the early recognition of the Esperance model, for instance, to the more recent training of the staff of Ecotrust, an environmental Group based in Canada and the U.S.A., it seems that the respect, understanding even overlap between environmental concern and the proponents of enterprise facilitators are large and obvious.

To use a word from Alice in Wonderland both groups are concerned with the “uglyfication” of our word. Both are concerned with the un-sustainability of present economic practices, it’s unimaginative reliance of non-renewable resources and the
creation of the throw away culture so prevalent in the west. Enterprise Facilitation proponents are as concerned about monocultures as environmental groups are. Monoculture is the opposite of diversity and only in diversity there can possibly be survival and hope.

One of the justifications for the uncritical acceptance, on the part of governments and decision makers, of unsavory corporate and multinational activities is economic necessity. If a community, a province, a state or country is battling unemployment, poverty and despair, then anything and anybody who can create jobs is welcomed.

Both Enterprise Facilitation and environmental concerns oppose crass and unsustainable economic development initiatives that jeopardize the future of the community for short-term gain.

The response of Enterprise Facilitation to poverty and lack of jobs is to create wealth and well being in the community by promoting civic entrepreneurship. A prosperous community will not need to sell out to speculators and developers engaged in short-term “extractive” activities. If locals who use passion, skills and intelligence to guarantee their own prosperity can create wealth locally, then the need to compromise the environment will be vastly diminished.

Enterprise Facilitation has been compared with permaculture: a method of creating wonderful, rich, nutritious, gardens by introducing diversity, nurturing plants and
animals and soil and concentrating love and attention to a small geographic area over a long period of time.\textsuperscript{59}

Enterprise Facilitation, properly understood, can similarly create rich, diverse and prosperous communities by nurturing the individuals within them and by dedicating love and attention to the local area for a long period of time.

\textbf{An Example of Co-operation between Enterprise Facilitation and Conservation Groups}

In the mid-nineties Ecotrust U.S.A. and Ecotrust Canada, two conservation groups dedicated to the preservation of temperate rain forests in the pacific northwest of the American continent, became interested in funding and supporting sustainable job

\textsuperscript{59} The word "permaculture" was coined in 1978 by Bill Mollison, an Australian ecologist, and one of his students, David Holmgren. It is a contraction of "permanent agriculture" or "permanent culture."

Permaculture is about designing ecological human habitats and food production systems. It is a land use and community building movement which strives for the harmonious integration of human dwellings, microclimate, annual and perennial plants, animals, soils, and water into stable, productive communities. The focus is not on these elements themselves, but rather on the relationships created among them by the way we place them in the landscape. This synergy is further enhanced by mimicking patterns found in nature.

A central theme in permaculture is the design of ecological landscapes that produce food. Emphasis is placed on multi-use plants, cultural practices such as sheet mulching and trellising, and the integration of animals to recycle nutrients and graze weeds.

More recently, permaculture has expanded its purview to include economic and social structures that support the evolution and development of more permanent communities. As such, permaculture design concepts are applicable to urban as well as rural settings, and are appropriate for single households as well as whole farms and villages. For more on the topic see:

Bill Mollison and Reny Mia Slay, \textit{Introduction to Permaculture}. (Australia: Tagari, 1991)


Graham Bell, \textit{The Permaculture Way: Practical Ways to Create a Self-Sustaining World} (Thorsons: London 1992)
creation activities.

Rationale for their involvement in providing micro loans and business support for environmentally sustainable businesses was the concern that their lobbying for the preservation of rain forests could be mistaken for lack of concern for timber workers and loggers affected by preservation orders. Not wanting to be seen as “anti-worker” Ecotrust made efforts with support from a celebrated community bank based in Chicago, to establish a revolving loan fund available to both American and Canadian Entrepreneurs working in the rain forest regions of the two countries.

Enterprise Facilitation came to the attention of a Canadian member of Ecotrust in 1998 and during the course of the following two years we were asked to train nine of their operatives in Canada and to run a seminar for the board of Ecotrust U.S.A.

During the training of Ecotrust personnel it became apparent that the logic behind Ecotrust support for sustainable enterprises coincided perfectly with Enterprise Facilitation principles.

Ecotrust’s concern for the environment included, not excluded, the people living there and their attempt to replace logging jobs with sustainable enterprises, was only the visible tip of a profound understanding of sustainability that strived to address the social, economic and environmental needs of the region.

Enterprise Facilitation provided the tools that complemented Ecotrust vision for prosperous communities within living forests. It provided a methodology for both
reassuring civic leaders about the future viability of their communities and the management coaching necessary to transform ideas for sustainable enterprises into sustainable businesses.

Unfortunately, as many environmental groups tend to do, Ecotrust Canada was financially supported by foundations and in 2000 lost most of its funding. Some of our friends there reflected with sadness at the inability of their organization to sustain itself while teaching economic sustainability to others.

The point they made had been done before by other environmental groups upon encountering and understanding Enterprise Facilitation. What is the point to promote and engage in sustainable farming practices if the farm is not financially solvent? How can we reconcile sustainable practices and economic viability?

Whilst Enterprise Facilitation does not explicitly focus on facilitating environmentally sustainable enterprises, its contribution to sustainability is two fold.

Firstly it provides visionary entrepreneurs with the tools to transform their ideas for environmental products and services into jobs, income and the pursuit of the way of life of their choice.

Secondly it provides communities with an alternative to becoming company towns having to kowtow to corporations no matter how polluting or environmentally irresponsible they may be.
A clarification is needed in regards to the sustainability of the businesses that Enterprise Facilitators assist.

Enterprise Facilitators share with their local board of management information about the nature of the business they have been called to assist and the advice they are giving to clients. Both the Facilitators and the Boards are trained to apply their best judgment about the ethics, morality and environmental standards of the proposed businesses before becoming involved in assisting the proponents.

Remarkable as it may seem, Boards and Facilitators are rarely called to deny support to a project on ethical and environmental grounds. The reason could be that those involved in unethical or environmentally dubious activities prefer to do so away from public scrutiny. It could also be, and I prefer to think, that small businesses wanting to succeed have learned that ethical and environmental best practices are a plus and that it is economically wise to adopt the highest possible standards.

We have discovered, over the past 18 years that environmental awareness has made great strides. The public is becoming more and more demanding and prepared to pay a premium for environmentally safer products, from organic milk to “predator free” wool, or wool grown on property that doesn’t kill wolves. The problem now seems to be on the supply side.

Where are the shops, the co-operatives, the manufacturers producing the eco-products to feed, clothe and transport the billions of human beings inhabiting the earth? Even those consumers acutely aware of environmental issues struggle to find the everyday items necessary to run their lives and households.
Environmental groups, like Ecotrust, understand the challenge. It is not by chance that Ecotrust’s founder was involved in one of the first organic produce markets in the U.S.A. in Portland, Oregon.
CHAPTER 7 CONCLUSIONS AND FURTHER WORK

Aim of the Thesis was to test the principles and practices of person-centered facilitation as it applies to economic development.

The work’s initial inspiration was Ernest Schumacher’s book “Small is Beautiful—Economic Development As If People Matter”. The thesis describes Schumacher’s radical approach to development and focuses on that author’s admonition not to initiate, uninvited, aid projects. Schumacher’s admonition, to only help others if invited to do so, echoed the work of a body of professionals who had been working, for more than fifty years, in the field of personal development using an approach that they described as “client-centered”.

The thesis describes the approach by reviewing the work of the two most influential authors in the field of Humanistic Psychology: Abraham Maslow and Carl Rogers.

The work of the two authors can be characterized by their impassionate belief in human potential and in the intrinsic goodness of people. Such beliefs lead them to rethink counseling and to advocate that, since individuals have a natural, or “intrinsic”, wish to grow, the role of the counselor is more akin to facilitating, the natural tendencies of clients, than to prescribe a “cure” that may result in repressing or controlling their behavior. In Roger’s words the role is one of “removing obstacles so that the client can heal himself “.

The work of the Humanistic Psychologists offered a powerful tool to test Schumacher’ own imperative of “responding” to people, rather than initiating aid
projects uninvited. The thesis explores the concept of “responsiveness” and asks whether there is a nexus between personal growth and economic development. The work also explores and attempts to answer a number of questions with implications for both the social scientist and the economist:

- What is Development?
- What is the connection between individual “wish to grow” and fulfilling work?
- Is freedom to better oneself, a precondition for the creation of economically viable and socially stable societies?
- What kinds of institutions and norms have to be put in place to allow for the greatest possible number of people to transform their passion, imagination, energy and motivation into rewarding work?

In regards to this last point the thesis explores the work of Robert Putnam to see whether civic norms can facilitate personal and economic development. The discussion on the experiences of civic societies leads to a final reconciliation of the work of Schumacher, Maslow, Roger and Putnam.

The thesis then describes the experimental work, overtaken by the author, in the field of local economic development using a responsive approach inspired by the abovementioned authors.

Named “Enterprise Facilitation”, the approach concentrates in facilitating individual enterprises in communities in the hope of affecting both the personal growth of the
clients and their social and economic contributions.

The thesis describes how “Enterprise Facilitation” applies the principles of “never initiating” and “never motivating” clients and gives both anecdotal and research data about the results achieved over an 18 years period of experimentation.

The training of Enterprise Facilitators and the community capacity-building are described in detail. Testimonials of communities and individuals who have had first hand experience with the approach are attached.

The results seem to demonstrate that there is a link between freedom to become and economic prosperity. In particular the research offers economic and community practitioners a theoretical framework and useful data for the application of client-centered, responsive approaches to social and economic development.

The thesis describes what additional work needs to be done to test Enterprise Facilitation and the potential of using responsive, client centered, approaches in other field of endeavor such education and the social sciences. It asked the question: Can individuals and communities create meaningful work?

This thesis has shown that the principles and practices of person-centered Local Enterprise Facilitation may offer some encouraging pointers in the direction of sustainable personal and community development.

It developed four principles:
• **Only help those who wish to be helped**

This is the upside of Schumacher’s admonition, “If people do not wish to be helped, leave them alone.”

• **Do not motivate**

Maslow’s hierarchy of needs concept offered the insight that healthy people are always naturally wishing to better themselves.

• **Do not initiate**

Roger’s work pointed to the fact that people could be trusted to grow

• **Trust and enhance civic society**

Putnam pointed to the power of reciprocity and mutuality in civic societies.

The four principles were repeatedly tested, over the past two decades, in different countries, and both in urban and rural areas. The process was then turned into a methodology based on four key organizing principles:

• Only work in communities that have asked for help.

• Build the capacity of local leadership to respond to local ideas and intelligence in a civic manner.

• Provide free, confidential, caring and competent management coaching to self motivated entrepreneurs.

• Ensure the long-term sustainability of Local Enterprise Facilitation by
promoting local funding and governance of the projects.

Critical to the success of the Local Enterprise Facilitation was the insight of the Trinity of Management i.e. that entrepreneurs should surround themselves with passionate and skilled individuals capable of doing beautifully all that the entrepreneurs cannot, personally, do.

A number of manuals of how to implement Local Enterprise Facilitation have been prepared and are now being used in educating and training civic leaders in many communities worldwide. However, this is a long road to walk down and it is clear that many more refinements are needed to make Enterprise Facilitation an accepted and complementary strategy to traditional economic development practices.

Top down, capital-intensive, consultant driven, “from the outside,” solutions to local economic development are still the norm. What the Americans call “Business recruitments” is per se a huge industry with thousands of cities chasing foot-loose companies and offering cash-plus incentives to attract them to their region. Infrastructure development is still the mainstay of economic development from industrial land acquisition to industrial parks development, from main street beautification to city-scaping and roadwork. Few places invest in people-oriented economic development.

Recently though, among all the cement and the asphalt, a few blades of grass have started to appear. From different quarters, inspired by different thinkers and responding to needs barely understood, a new approach has started to emerge: it has
been called the “Gardening Economy.” This is a new, or maybe a return, to a view of the community as an exciting and valuable place to start building from.

New books are appearing praising both individual endeavors and community activism. “Civics,” matters again. In the words of Robert Putnam: “civics…is essential for long-term prosperity.” As shown in this thesis the civics movement is recognition of the diversity of a community and how its networks are the most important part of our economy. Whether this movement of a more people-centered approach to economics will go further and become more embedded in how governments plan their future, remains to be seen.

**Further work**

The thesis has been an action-reflection model assessing the author’s approach to economic development. There are obviously other areas of research where the model could be usefully developed and applied beyond that considered in Chapter 6.

Further work, however, is likely to be most constructive when analytical, evaluative research is conducted on the Local Enterprise Facilitation conducted in communities around the world. This is best done after 10 to 20 years of application have been completed. This will be the real test of the model.
APPENDIX A: QUESTIONS AND ANSWERS ABOUT ENTERPRISE FACILITATION
Appendix A: Q & A about Enterprise Facilitation

Inquiries about Enterprise Facilitation and Economic Development

Q: How is Enterprise Facilitation different from other economic development programs?

A: Enterprise Facilitation delivers uniquely tailored services to individual entrepreneurs identified from within a community by:

♦ Utilizing a client-centered rather than program centered approach—it is this responsive model which differentiates it from other strategic approaches

♦ Focusing project loyalty on the growth needs of the client rather than any particular agency or program—it serves as a switchboard to other resources

♦ Providing long-term mentoring that extends through the many developmental stages of a business—the model offers no pre-determined services before client and business analysis

♦ Assessing passion (the commitment) of the client before recommending any particular service or program—the model tests clients commitments prior to service

♦ Encouraging team formation for proper management in the areas of production, marketing and finance—the Trinity of Management

♦ Never initiating businesses or motivating clients—the model helps steer, but does not row

♦ Matching Facilitators energy and commitment with the client’s commitment—the model remains flexible in its service delivery and provides mentoring over an extended time period
Appendix A: Q & A about Enterprise Facilitation

- Practicing a variety of specific, practical techniques with a proven track record of success in application—Enterprise Facilitators are trained, monitored and supported by professional, senior staff.

Q: What is the most effective way to integrate Enterprise Facilitation with our communities existing economic development efforts?

A: First, community leadership should help educate other economic development boards and staff about what Enterprise Facilitation is and does. If at all possible, existing community resources of all types should be networked. Board members from different groups can sit on each other's boards. The Management Board for the Enterprise Facilitation project might become a sub-committee of the strategic economic development group.

Q: Could a staff member of our existing economic development group be trained as an Enterprise Facilitator?

A: No, we recommend that a new board, trained in Enterprise Facilitation, employs an individual who performs exclusive Enterprise Facilitator duties.

Q: If a staff member of our existing program has been trained in Enterprise Facilitation is our program/community considered to be a certified community with an on-going relationship to the trainer?

A: Unfortunately this is not necessarily the case. A decade of experience has taught us that Enterprise Facilitation works when it is practiced systematically. As indicated above, the system has philosophical, practical and procedural elements which are interconnected parts of a unified whole. A community must commit to all elements of the model before we will certify a community as truly practicing Enterprise Facilitation.
Appendix A: Q & A about Enterprise Facilitation

Q: Is there an economic development model that will help our community grow its economy from within rather than relying upon industrial recruitment to attract new jobs?

A. We believe that industrial recruitment is not the only answer for many communities. It is our view that entrepreneurship has shown itself to be alive and well in every community that operates the Enterprise Facilitation model. We believe, everything considered, that starting new small businesses and expanding or retaining local businesses is an excellent approach to diversifying and expanding the base of local jobs and new wealth.

Inquiries about Local Leadership and Community Capacity Building

Q: Where do you get the leadership from to start-up a project and sustain the Enterprise Facilitation model?

A: A critical component of the Enterprise Facilitation model is the identification and training of local leadership. The first steps by a local official who has heard about the Enterprise Facilitation model. That local leader then invites others to a community meeting to discuss the concept. From these first and subsequent community meetings, local leadership and commitment are then identified.

Q. What are the advantages/disadvantages of having several communities agree together to set up an Enterprise Facilitation project?

A: Especially in rural or inner-city areas, it has proven very useful to have several communities work cooperatively to sponsor a project. This multi-partner sponsorship makes funding and sustainability much easier. It also encourages positive interaction among neighbors.
Appendix A: Q & A about Enterprise Facilitation

**Q:** How do we get the community's confidence in the model and sustain that confidence long enough to give the model a chance to work?

**A:** There is no substitute in building confidence in the model for having an initial community "champion". The identification and education of a core of leadership is also crucial. Usually implementation for the project is not undertaken until two (2) or three (3) years worth of funding is in place. Within six (6) months to a year the project is usually functioning well, creating jobs and wealth and generating lots of positive publicity. By that time community confidence is very sustainable. Voluntary community funding follows.

**Q:** How can one or two local leaders recruit a Management Board?

**A:** Your local leaders need to identify others who are prepared to share the dream of helping entrepreneurs and re-energizing civic spirit. To find these committed people, you must talk up Enterprise Facilitation with friends, civic groups, local government agencies, elected officials, etc.

**Q:** What are the criteria for selecting Management Board members?

**A:**

1. Credibility in the Eyes of the Community - The board needs to work with leaders living in the local area who are known as proven performers. Look for people who are active in the community and commit time on a regular basis to other important community activities.

2. Community Networking Skills - Enterprise Facilitation is at its heart a grassroots revitalization effort. The board carries a lot of responsibility to outreach to both existing businesses who may need help to expand and to individual entrepreneurs who want to start new businesses. People in the
community that know a lot of other people and are willing to work their network will help insure the board’s success.

3. Technical Skills - It is also useful to have professionals on the board that have technical skills. Consider recruiting a committed attorney, advertising agent, accountant, banker, marketing specialist, grant writer, public relations expert, and a variety of experienced small business persons.

4. The Importance of Positive Attitude - The Local Management Board members have to believe in the program and promote it with enthusiasm in the community. Backbiters, nay sayers or habitual community infighters will tear the program down rather than build it up.

5. Love of Community - Look for people who have a spirit of altruism, commitment and compassion for others. These people have a passion for service. They understand the need to create an atmosphere of trust and friendship to build community. They are willing to volunteer, to give of themselves without an expectation of monetary reward.

6. Diversity and representative backgrounds - Look for individuals who come from different social strata with diverse ethnic backgrounds and are able to open diverse community sectors to the program.

Q: What are practical considerations in forming a Management Board?

A:

1. Leadership - The Management Board will not be created in the first place or sustained in the future without leadership. Each person who sits on the Management Board must be willing to work for the community to insure the success of the program. People who are unwilling to commit time to your board
Appendix A: Q & A about Enterprise Facilitation

on a regular basis should be considered for another role, not as core members on your board.

2. Invitations and Presentations - Friends, neighbors, and acquaintances will come to a meeting because you personally invite them. Personal recruitment is the only method to expand your board. Presentations on Enterprise Facilitation can be made individually or have several members of the board make different parts of the presentation.

3. Where and When to Meet - Try to hold meetings in a comfortable place like someone’s living room or at a restaurant or coffee shop. Frequently you will need to make individual presentations to community leaders at their place of work. Be sure to set appointments well in advance and be respectful of their busy schedule. Try to schedule meetings at a time when there will be minimal distractions from the phone, coworkers, or family members. Meet where and when your prospective committee member is comfortable.

4. What to Achieve - Your aim in these meetings is to create enthusiasm for the client-centered development idea. These meetings are a time to share ideas but not necessarily ask for a long-term commitment to your committee on the first meeting. At the close of each meeting that you hold you are looking for an expressed level of commitment from each person. Ask for additional names to contact. Be prepared to offer a definite date for the next meeting.

Q: What is the term of Management Board membership?

A: Terms are either one, two or three years depending upon the length of the communities’ initial commitment and willingness of members to serve. Management Board members are volunteers. They are not compensated for their time monetarily.
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Their rewards are the rewards of positive community service and success in helping their fellow citizens.

**Q:** Does the initial community leadership have to serve on the Management Board?

**A:** No, not necessarily. This depends upon personal commitment and the time availability of each member. Of course, it is useful to have our initial community leadership serve as the core leaders on the Management Board in the first year of the project.

**Q:** How do we measure the passion of a community for the Enterprise Facilitation model?

**A:** Enthusiasm of leadership; willingness to stick with the step-up process when things are going slowly; securing of funding commitments; diversity of Management Board leadership; and a positive and altruistic attitude toward improving the community as a whole, are all factors we evaluate.

**Q:** How does a community assess the potential of Enterprise Facilitation for itself?

**A:** It is absolutely essential that each participating community realistically assess this model for themselves. Ask the Institute staff the hard questions. Talk to leaders in other communities who are practicing the model. Read and study Institute training materials carefully. Keep an open mind and evaluate your community’s alternatives carefully.

**Q:** Does there need to be total community consensus before a model project goes ahead?

**A:** No. A strong commitment from a core group of committed leaders and their community partners is enough of a commitment to start the process. It is not
possible to satisfy all the people all the time. Many community members will need to see verifiable, practical results before they will be convinced.

**Q:** How does Enterprise Facilitation build synergy and spirit within the community?

**A:** As Alexis De Tocqueville said over one hundred-fifty years ago, a "spirit" of community unfolds when committed people work together over time for a common cause. We believe they gain strength through their associations with one another. In active citizenship we thrive as human beings. As Tocqueville warned, if a person "exists only in himself and for himself alone he may be said to have lost his country." In giving the free gift of self-actualization and self-transcendence to others, our project participants frequently find they also gain much for themselves. Successful entrepreneurship is very exciting and contagious.

**Inquiries about Community Qualifications**

**Q:** Is there a minimum/maximum size of community for the model to be most effective? What are the geographic limits for the model beyond which it does not work?

**A:** The Enterprise Facilitation model is working well in communities with as few as 5,000 people and with as many as 50,000. A Public/Private Partnership in the United States is currently creating a countywide project in Minneapolis, Minnesota (population 400,000) by setting up a series of interlocking Enterprise Facilitation programs in neighborhoods of approximately 20,000 people. In the Badlands of South Dakota a successful Enterprise Facilitation program is operating in an eight county area of 12,500 square miles with a population of 25,000 people. The largest town in the area has 3,000 people. By having many small local communities work cooperatively to partner the program the model is working well in the Badlands. The
Appendix A: Q & A about Enterprise Facilitation

first Enterprise Facilitation communities in Canada are located in Camrose and Stettler. Each serve population bases of 10,000 to 15,000 people with geographic areas of over 4,000 square kilometers. In short, Enterprise Facilitation works with a wide range and variety of communities by differing population size and geography.

Q: With what types of communities will this model work? Are there types of communities where it will not work?

A: Currently, the Enterprise Facilitation model is working in rural, urban and suburban communities. It is working in very impoverished areas as well as working-class and middle-class neighborhoods. More important than the type of community is the spirit, vision, altruism and commitment of local leaders to the common good of their community.

Q: What community conditions should exist prior to Enterprise Facilitation Implementation?

A: Prior to actual implementation of an Enterprise Facilitation project, several pre-conditions need to exist:

1. Local leadership needs to be identified which is voluntarily committed to give the Enterprise Facilitation model a fair community test for a minimum of two (2) years.

2. Local leadership must be educated committed to the client-centered approach to community development that is central to the model.

3. Local leadership needs to be sincerely committed to the common good of the community. They also should support the goal of developing the social and economic potential of their own citizens rather than believing economic revitalization can only be recruited from outside.

4. Government, business, labor, education and service sector representatives must all be willing to accept responsibility, work together and focus on a common
mission. The greatest hindrance to successful implementation of this community managed/partnership model is government resistance to coordination and sharing of resources.

5. An adequate source of funding needs to be identified to sustain the model during its initial two (2) or three (3) year test period.

Q: How do a community and potential funding partners know when they are ready to use the Enterprise Facilitation approach?

A: Communities are ready to use Enterprise Facilitation:

♦ When a community and its funding partners are willing to play an active role helping local citizens bring their dreams to reality;

♦ When the community is willing to provide leadership to help local citizens start new businesses and assist local businesses to expand;

♦ When a community is willing to work to meet the challenges of changing economic and social condition

Enterprise Facilitation is not merely a collection of business assistance techniques. It is also a philosophy that encourages personal fulfillment through good work and creative self-expression. It is the philosophical foundation of this model that makes for an effective support mechanism for entrepreneurship and innovation. If a community wants only program techniques but is lacking a sincere commitment to the development of its people, this model will not be successful in that community. Also, Enterprise Facilitation is not just a collection of business service techniques. It is based upon sound community processes. Thus, it is a system that requires implementation as a whole, not piece meal.

Q: Do communities who want to experiment with the Enterprise Facilitation model have clear responsibilities for participation?
Appendix A: Q & A about Enterprise Facilitation

A: Each community participating in the Enterprise Facilitation Program agrees to the following:

♦ The Enterprise Facilitation program will remain a community-based program under the direction of a Local Management Board, which meets on a regular basis and exercises de facto operational control of the project.

♦ One or more full-time Enterprise Facilitators will provide the small business services delivered by the project.

♦ Local leadership will work to create a community-based, sustainable program using the partnership principles outlined in the model namely: 1.) Local Leadership Identification and Education; 2.) Community Capacity Building for Sustainability; 3.) Multi-partner Participation and Funding, and; 4.) Commitment to On-going Technical Assistance. These items will be explained to prospective Management Board members in detail during the Management Board development process and in their training.

Q: In the past, the United States federal government has funded a pilot demonstration. On what basis were communities selected to participate in that pilot demonstration project?

A: In the past we have used pilot demonstration communities that:

1. Have a community champion or lead agency that will assume a large share of the responsibility for organizing and sustaining a grassroots, client-centered local development program.

2. Have a small (4-6 person) or larger (10-16 person) leadership group understanding the model and wholeheartedly supporting it. Usually these leaders have strong ties to or actually represent partnership groups within the broader
Appendix A: Q & A about Enterprise Facilitation

community. It has proven very useful in other communities that this broader group represents diverse partners within the community.

3. The partnership groups within the community must carry the responsibility for raising funds that will be required as local match for the program.

4. The partnership group must genuinely be focused on the common good of the entire community and be willing to work in a dedicated manner to insure implementation of the model.

Inquiries about Community Outreach

Q: How will our community outreach to find entrepreneurs to participate in the program?

A: Management Board members conduct initial outreach for the project at the grass roots level. A typical Management Board is composed of 40-50 members. Within the first 60 days of the program they personally introduce the Enterprise Facilitator to 10 individuals each. From these initial 400/500 introductions 40-50 business clients’ will self-refer themselves for assistance.

Q: Is there a lag period after the first wave of clients served by the Facilitator?

A: After one or more clients have been successfully served, the Management Board should go to the media with those local clients and accurately describe their business success. Word-of-mouth and networking about this success slowly but surely draws people out and so far has insured a steady flow of clients in communities where the model works. We believe that there is no more effective form of advertising than word-of-mouth referral.

Inquiries about Fundraising for the Project

Q: How do we finance our local Enterprise Facilitation Program?
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A: Communities across America and Canada are financing this project in a variety of ways. Banks, local businesses, city and county governments, private foundations, federal government resources and local economic development agencies have all played a significant role in various communities.

Q: Who are the appropriate local partners needed to participate in order to ensure successful project implementation?

A: In our experience any combination of partners that are willing to provide the sustained leadership and financing needed to start and implement the project seems to work; however, involvement of either federal or local government or both makes implementation of the model easier.

Q: Who actually raises funds for the project? How much time does the Enterprise Facilitator have to spend on fundraising?

A: The Local Management Board assumes full responsibility for the raising of funds. The Enterprise Facilitator should be focusing his/her time as much as is possible on providing assistance to small business clients.

Q: Under the Enterprise Facilitation model, service is provided to local clients on a free and confidential basis. If Enterprise Facilitation is free, where does the funding come from that flows through the project?

A: Each Local Management Board must face this question squarely. It is the Management Board’s responsibility to raise the $80,000-$100,000 average annual budget. The Local Management Board can, obviously, begin the leadership identification, community capacity building and fundraising steps with much less than the total annual budget.

Q: How can the Federal or State/Provincial governments use the Enterprise Facilitation model to address local economic and community development problems
Appendix A: Q & A about Enterprise Facilitation

facing our community?

A: The starting point for government supported development policy should be a clear delineation of objectives. Much local development policy today is best characterized as a collection of programs, expenditures and regulations launched indiscriminately at an undefined target called economic development. Enterprise Facilitation is a pre-packaged system with measurable objectives to generate jobs; increase income; increase total wealth; create cross-program, cross-sector community partnerships; identify and empower local leadership; build community capacity for sustainability; assist diversification of local economies; increase local vitality by augmenting capacity to generate new products and services over time; educate local communities about sustainable development as a holistic approach to improve the quality of life.

The federal and state/provincial governments can fund a model demonstration program relatively inexpensively to determine whether this pre-packaged system of community managed multi-partner economic development in fact works. The government leadership in demonstrating this model is of invaluable assistance. Local communities may want to inquire about federal and provincial support for their community.

Q: How can private sector, local government, state/provincial government and federal government resources be effectively coordinated to achieve measurable results that truly address the needs of the local people though a genuine partnership?

A: In a time when federal and provincial governments have limited ability to provide assistance, local communities must position themselves to strengthen their own economic vitality. They must learn to act as gatekeepers to their own economic futures. Development systems such as Enterprise Facilitation are innovations that
work at the community level to provide a common focus where interests of a broad range of local stakeholders can meet on common ground. There the focus is not on agency turf or project budget share. Instead the focus can be placed upon the common economic good of the community and development of its citizens full potential. Enterprise Facilitation’s multi-partner, community-based model can be a platform where all partners take responsibility for collaborative action.

Q: How does Enterprise Facilitation become a sustainable project?

A: Committed local leadership, broad-base community support, adequate funding and proven effectiveness lead to a decision by local communities to sustain the effort primarily with local resources.

Inquiries about Enterprise Facilitators and the Practice Itself

Q: Do we hire an Enterprise Facilitator from within the community or from the outside?

A: This is a decision completely at the discretion of the Local Management Board. The position of Enterprise Facilitator is a publicly advertised position. The best-qualified candidate is hired after an extensive screening and interview process. More often than not the Facilitator is hired from within the local community.

Q: What are the characteristics of an effective Enterprise Facilitator?

A: The principal duty of the person selected for this position is to Facilitate the establishment of individual enterprises by becoming a mentor, advocate, business advisor and guide to any community member with a “Bona Fide” business idea.

The person you are seeking will be:

♦ An excellent communicator able to reach a wide cross-section of the community (from wealthy business people to unemployed youth).
Appendix A: Q & A about Enterprise Facilitation

♦ A resourceful “go-getter” able to find information, money, volunteers and resources, including “governmental resources” on demand.

♦ A “people-person,” that is, someone who enjoys mixing with people and helping them achieve their dreams.

♦ A skilled public relations person able to win friends and supporters both within the community and the media.

♦ A self-motivated, mature person who needs no supervision and who is “performance motivated” more than “task motivated” (i.e., it doesn’t matter if he/she works 12 hours per day, if he/she doesn’t achieve results — he/she is not good enough for your committee.)

♦ A Facilitator must have a quick and practical business mind with a “nose” for good, viable, sustainable enterprises and be able to assess the strength, character and motivation of the person behind the idea.

Effective Enterprise Facilitators need to have a number of common personal and experiential characteristics:

♦ **Approachability.** It is important for clients not to feel intimidated by the Enterprise Facilitator.

♦ **A positive approach/vision/motivation.** It is important for the Enterprise Facilitator to objectively consider each client without any preconceptions or bias.

♦ **Ability to show empathy toward clients and the proposal/problems that they bring to the program.** This is related to the issue of approachability.
Appendix A: Q & A about Enterprise Facilitation

♦ **A practical approach.** Enterprise Facilitators must be able to discuss matters with clients in simple and practical terms. Common sense goes a long way.

♦ **Self-confident and able to make decisions.** This is important as decisions must be made on likelihood of success and these must be clearly communicated to clients. In this regard tact is important. Enterprise Facilitators are client-centered. They should take the approach that it is the client who must finally decide whether the proposed business is, or is not, worthy of continuation.

♦ **Business Skills, particularly in terms of management, marketing methods and cash flow.** Management, marketing and cash flow issues have proven to be the most commonly raised issues with Enterprise Facilitators. Some background in these matters is useful.

♦ **An exposure to business.** Enterprise Facilitators must have a practical exposure or experience of working with or in small business.

♦ **Ability to communicate simply to clients.** Clients come from all walks of life and as a result, being able to communicate at all levels are important.

♦ **Self-starter.** This is important, as the Enterprise Facilitator must network to become personally known in his or her geographic area. Relationship building is a very important skill.

♦ **Ability to clearly direct people on steps involved.** The Enterprise Facilitator must be a person who can direct others rather than to carry out the tasks for the clients. In effect, this means assuming a “hands off” approach as much as possible. Networking and delegating are keys.

♦ **An understanding of Government processes.** This is a critical skill in order to maximize the possibility of receipt of grants and other forms of government
Appendix A: Q & A about Enterprise Facilitation

assistance in an efficient manner. However, knowledge of government assistance is much less important than people skills.

Q: What percentage of Enterprise Facilitators Are Women?

A: More than half of our present facilitators are women. We do not view either sex as better qualified for the practice. Women as well as men do a wonderful job.

Q: Is it possible to have an Enterprise Facilitator hired on a part time basis?

A: The Enterprise Facilitation model works better with a full-time employee. Even in small communities a Facilitator will be serving 30-50 clients within a few months. Helping to effectively solve small business problems can be very demanding. The position requires full professional attention.

Q: What kind of turnover do communities have with their Enterprise Facilitators?

A: Turnover is infrequent. Several facilitators have been on the same job for ten to fourteen years in the United States and Australia.

Q: What happens if a community loses their trained Enterprise Facilitator?

A: The local Board of Management quickly finds and trains a replacement. If other communities nearby have a facilitator they are usually more than willing to help fill in the gap in the interim to service an existing client base.

Q: How does the Enterprise Facilitator determine what businesses are appropriate to help?

A: Enterprise Facilitators do two things. They help individuals start new business and they help existing business expand or stay in business. Enterprise Facilitators are not in the business of picking winners and losers. They test the passion of clients by giving management assignments. Clients with no commitment select themselves out of the program.
Appendix A: Q & A about Enterprise Facilitation

Q: Who actually pays the Enterprise Facilitators salary? Are they hired as contractors or employees?

A: The Local Management Board or their fiduciary agent pays the Enterprise Facilitator. Some Enterprise Facilitators are hired as employees. Some are retained as contractors on an annual contract basis.

Q: How blunt are Facilitators with clients about their shortcomings? How often are these assessments right or wrong?

A: Enterprise Facilitators are trained as business generalists. They are trained in helping small business owners to assess their own management deficiencies. Truthfulness and directness are combined with a gentle caring attitude. Sometimes assessments are in error. Honesty and openness usually resolve these errors.

Q: What salary is usually paid to an Enterprise Facilitator? Are benefits offered?

A: Issues of compensation are handled by Local Management Board. Wages are paid that are competitive with the prevailing wage scale in that community. Salaries range from $40,000 to $60,000 per year. Benefits are more often paid than not.

Q: How does a community maintain the motivation of an Enterprise Facilitator?

A: Most Enterprise Facilitators are hired because they are people persons. The success, which they have in assisting their clients, is quite motivating and fulfilling. To date maintaining motivation has not proven to be a problem.

Q: How much time is allocated to work with any particular client?

A: One of the unique aspects of Enterprise Facilitation is that it does not place any pre-determined limits or conditions on the amount or intensity of service given to a
Appendix A: Q & A about Enterprise Facilitation

particular client. Clients are frequently helped over a period of months and years to assist them to grow through the stages of development of their business. Over time 40,60, 80, 100 hours of assistance is not uncommon. The assistance given, changes over time, to match the appropriate developmental stage of the business.

Q: What kinds of businesses approach the Enterprise Facilitator for help? Do ethical issues ever arise within a community over the types of businesses seeking help?

A: All types of businesses imaginable approach the Enterprise Facilitator for help. Ethical or competitive conflicts are referred to the Local Management Board for resolution should ethical issues arise. There is no desirable age, sex, ethnic or other demographic variable which will predict which clients will come forward for service.

Q: How important is networking and relationship building to the Enterprise Facilitation model?

A: Enterprise Facilitation is a method of providing critically needed management and marketing information to clients. We sometimes liken the role of the Enterprise Facilitator to the old fashion switchboard operator at the local telephone company. Networking with other resource providers and establishing deep professional relationships is at the heart of this model.

Q: Where does the Enterprise Facilitator find capital for client projects?

A: As indicated in the answer immediately above, the Facilitator must become adept at networking and building relationships with a whole variety of funding sources. In the end, however, it is the entrepreneur’s job to find his/her own financing. Facilitators help steer the entrepreneurial effort for a time. They do not row the boat.
Appendix A: Q & A about Enterprise Facilitation

Q: Do Enterprise Facilitators help establish linkages between businesses in cooperative efforts to solve their common problems?

A: Yes, frequently. Team building is the key to successful Enterprise Facilitation practice.

Q: Does the Enterprise Facilitator ever focus on training one person within a business to perform all those functions of the Trinity of Management?

A: No. No matter how big or small, every successful business has to satisfy the requirements of three different areas of endeavor. These management requirements include:

1. Managing the production of the actual goods or services of the business.
2. Managing the marketing and selling of those products or services.
3. Managing the finances of the business operation.

This is what we refer to as the Trinity of Management; i.e., do it, sell it, and make sure that you don’t lose money in the meantime. When a client tells us what they want to do, after understanding the broad aspects of their project, we check the Trinity and ask who in the company will be responsible for each of the production, marketing, and financial operations.

It has to be said at this point that it is nearly impossible to find one entrepreneur who is equally passionate about all three aspects of a business. It is possible, and it is often the case, that a good technical person able to oversee manufacturing operations, may also possess expertise in marketing or bookkeeping; but it is very rare indeed to find a person who loves both marketing and bookkeeping. Could it be that marketing appeals to outgoing personalities and bookkeeping to introverted ones?
Appendix A: Q & A about Enterprise Facilitation

Our task is to point out to the clients that to transform their ideas into successful businesses they have to fill whatever element of the Trinity that is found lacking. How they do it may vary according to their financial situation and resourcefulness. The bottom line is that successful business involves teamwork. Get the clients thinking about the management team. To meet the management requirements of the Trinity, the entrepreneur may:

1. Employ staff on a full-time, part-time or as-needed basis. Or the client can engage a professional on a commission basis or as an outside agent.

2. Offer equity in return for professional services and be prepared to share some of the future profit in return for expertise.

3. Find one or more partners for the enterprise. Give him/her a piece of the pie.

4. Beg a friend or their partners to volunteer some hours every week to accomplish particular focused tasks.

5. Partner with another cooperative business.

Whatever they do, clients have to realize that they will not be successful in business until the three areas of management expertise are covered. Naturally, the better the skills of the client(s) and the professionals they enlist, the better the opportunity for success. As the chances for success are enhanced, so will be the opportunities for their company to attract credit from banks and gain credibility with customers.
Appendix A: Q & A about Enterprise Facilitation

Q: What happens if the Enterprise Facilitator fails to follow the philosophy or practice of Enterprise Facilitation while working in a local community?

A. If this happens, gently and persistently the local Board of Management will nudge the Facilitator back to acceptable practices. If the success of a community-based project becomes threatened, (worst case scenario) the Facilitator is replaced by the Local Management Board.
Appendix B: Community Operations Manual

Enterprise Facilitation Program
Community Operations Manual for Local Management Boards

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I. Introduction

This Manual presents a step-by-step guide to operating your local Enterprise Facilitation community program. We want the advice and information in this manual to be of practical assistance to your Management Board in managing your organization and program.

A. Enterprise Facilitation

Enterprise Facilitation is based upon a philosophy that encourages personal fulfillment through good work. It defines good work as doing beautifully whatever it is that individuals wish to do. Its global applicability is based on the universal truth that anywhere, at any given time, there are individuals who have energy, ideas and motivation for self-fulfillment but often lack the skills necessary to transform their dreams into rewarding and fulfilling enterprises.

Enterprise Facilitation is grounded in the belief that the practices of development should reflect the true meaning of the word, which is to unfold and that enough attention should be given to indigenous talent and imagination.

It follows from the above stated philosophy that Enterprise Facilitation concentrates its efforts in finding and nurturing local bona fide entrepreneurs. In particular:

- It looks to the unique needs of individuals within a community before it looks to a predetermined service or a program.

- It assesses personal commitment to a business idea before assessing that idea’s business viability.
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- It helps take that idea from a passionate dream to a practical reality through proper management.

- It teaches team building to achieve that business practicality.

- It provides creative solutions for each individual and situation.

- It maintains a long-term responsive and confidential approach to business development.

- It sparks an environment of encouragement that inspires others.

- It becomes a locally financed and controlled initiative.

B. Enterprise Facilitation and Traditional Economic Development Approaches

Enterprise Facilitation does not conflict with traditional economic development in that it:

- does not replace existing business technical assistance or research programs - it increases the need for this type of activity

- does not encourage entrepreneurs to start new businesses or seek to motivate individuals - it relies on the entrepreneur’s own inner spirit of motivation

- does not recruit or attract business to relocate - it encourages local expansion and retention

- does not offer incentives or loans to clients or replace micro-lending initiatives - it increases the need for alternative capital resources

- does not replace revitalization programs or long-term planning - it maximizes their effectiveness by making appropriate and timely referrals to them
C. The Philosophy Which Underlies Enterprise Facilitation

The organization of our ‘polis’ (the Greek word for city) is not, and cannot be, a matter for politicians alone. As citizens of a community we share the fate of all our neighbors whether they are close to us physically or miles away. The last quarter of a century has clearly brought home to all of us the fact that we all live on a small spaceship we call Earth, which can be seen against the backdrop of space in its entirety from only a few hundred miles above the atmosphere.

Enterprise Facilitation is based upon a philosophy that encourages personal fulfillment through good work. It defines good work as doing your best at your vocation of choice. Anywhere, at any given time there are individuals who have energy, ideas and motivation for self-fulfillment but often lack the skills necessary to transform their dreams into rewarding and fulfilling enterprises.

The responsibility of Facilitating good work goes hand-in-hand with the realization that only good people can produce good work and that the future of our society/civilization/earth is ultimately in our hands as individuals. We realize that the only possible course of action on this path of right livelihood is to make ourselves better people and help other to do the same.

Our philosophy position is simple; it says that the locus, the source, of all action is the human soul. Beyond reason, we do what we do and become the best of what we can become because we have inner talents urging to be expressed and realized. Our talents, i.e. our unique mixture of intellectual, spiritual, attitudinal and physical capabilities, are the tools to express our individuality and to return to the world the gifts that we have received.
Enterprise Facilitation is grounded in the belief that the practices of economic development should reflect the true meaning of the word develop (Latin root is vellum) which is to unfold and that communities and governments should invest more in their citizens indigenous talent and imagination.

We distinguish between strategic or top-down economic development and responsive local development. Top-down approaches create plans for infrastructure, build industrial parks, create financing programs and redevelop streets or neighborhoods. Enterprise Facilitation, on the other hand, is responsive or client-centered. It deals with entrepreneurship, creativity and innovation. It focuses on capturing the energy, passion, intelligence, motivation and commitment of individual entrepreneurs. Bottom-up development is accomplished responsively by facilitating the transformation of individual good ideas into viable and fulfilling enterprise.

As a civic leader you have been invited, and you have accepted, to become involved in the creation of the “responsive” leg of economic development in your community. To do so you will be asked to leave aside what you know about community development and prepare to learn a new game which is played following different rules. You may be excellent hockey players but we are now showing you how to play soccer. Nobody will oblige you to play if you do not wish to…but if you join the team, these are the rules.
Economic Development Should Walk on Two Legs

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Each Leg Supports the Other
The Overall Role of the Local Board of Management

Enterprise Facilitation cannot be implemented without local ownership.

Governments cannot implement it—individual facilitators cannot either.

Enterprise Facilitation can only be implemented by a group of caring and active civic leaders who are willing to try something new for the benefit of the community.

You have been invited on this board because of your background. We believe that you:

- love your community
- believe that there is “intelligence” here
- are in favor of private enterprise
- have contacts that you are willing to share
- have personal skills that you wish to volunteer

Before we proceed, we need to make sure that you are prepared to pledge the following for the good of the project:

1. Absolute confidentiality in all matters concerning clients and their dealings with the Enterprise Facilitator

2. Non-partisan, unbiased care for all clients independent from sex, family and racial background, status and religious convictions
Appendix B: Community Operations Manual

3. Commitment to introduce the Enterprise Facilitator to a minimum of ten of your friends and acquaintances in the first three months of the project in the manner described in this document.

4. Dedication to attend organizational and monthly meetings as deemed necessary for the successful implementation of the project.

A Fundraising and Loyalty

It has to be understood that this project cannot take place without funding for the salary of the Enterprise Facilitator, on costs and training.

Not only will you be called upon for fundraising, you will have to assume the responsibility for protecting the Facilitator and the project from possible outside interference.

As can be seen in the diagram below, a very important philosophical premise of Enterprise Facilitation involves the concept of loyalty. Enterprise Facilitation is intentionally client-centered. The full-time employee is this model, the Enterprise Facilitator, and his/her community-based management board; serve the unique needs of individual entrepreneurs in a local community. When successful, this facilitation process draws together management information and team building resources. It helps establish critically needed business relationships. It assists in finding capital resources from a wide variety of government and private sector institutions.

In this process of information and relationship linkage, it is extremely important for the success of this model that the loyalty of the Enterprise Facilitator and Board of Management be with the client and not with the resource providers. By focusing loyalty with clients, issues of bureaucratic turf or territory; issues of control; and issues of agency funding are
minimized. In the past, the client-centered focus of this model has enabled previously
competitive organizations to work cooperatively toward the common goal of client-centered
service.
Resources

The Enterprise Facilitator and the members of the Management Board are activated by requests from the “Bottom Up.”

Enterprise Facilitator

LOYALTY LINE

Enterprise Facilitator loyalty rests with its clients - never does it rest with resource providers.

CLIENTS

The Enterprise Facilitator and the members of the Management Board are activated by requests from the “Bottom Up.”
B Two Basic Duties

The Local Management board has two basic roles: The first is one of governance of the project; the second is to provide direct assistance to the project and the Facilitator by mobilizing skills and resources.

1. Governance

- To operate an Enterprise Facilitation program in your community you will need to raise funds to pay for the initial setup and ongoing operation of the program and you have to ensure that funds are properly accounted for. Unless you can find a partner in the community to be fiscally responsible for these funds you will need to organize your management board under the laws of the province/state in which you operate. This is a major decision for your committee. If you can use the municipal government or some other major institution as your fiscal agent, you may be able to operate without registration.

- If you choose to incorporate, or incorporation is your only viable organizational alternative, we recommend that you use an attorney for this registration process. Some state or provincial governments provide sample forms of organization registration. For your benefit we have attached information regarding incorporation and board duties at the back of this manual. (Appendix A)

2. Direct Assistance

- Outreach

There are two distinct stages for your project as you provide direct assistance to your Facilitator.
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The first stage takes place in the first 90 days of the life of the project. Each board member will assume the responsibility to personally introduce the newly appointed facilitator to 10 friends in the community. The aim of such a meeting is not to identify possible clients but simply to introduce the facilitator to community members in a friendly, casual, relaxed and direct way.

The hope is that out of the initial 150/200 contacts some will refer clients to the facilitator. The quality of the contacts will reflect outcomes but it is reasonable to expect that between 20 and 40 prospective clients will hear of the new program from the initial word-of-mouth public relation exercise.

Meetings have to be organized in such a way that the Enterprise Facilitator can describe his/her task and get to know the community member. Make allowance for 30 minutes per meeting.

- **Network**

Enough clients will emerge from the initial stage of outreach to see that one client will establish a new or expanded venture in the community. Skillful publicity will then introduce Enterprise Facilitation to the wider community and clients will find their way to the facilitator in increasing numbers. The role of the board will change to become one of assisting the facilitator in locating resources for individual clients. Such resources could include information, know-how, local expertise, industry contacts, etc.

You are under no obligation to volunteer contacts, skills or time to assist individual clients. It is entirely up to you to offer advice or resources to the Enterprise Facilitator in support of his/her work. Remember that the Enterprise Facilitator will
develop networks independently from you both in the community and the world beyond. It has to be said, however, that active and generous board members receive the greatest reward. They see clients prosper and their community flourish because of the energy and trust that they have decided to invest in them.

III. How to Find and How to Hire an Effective Enterprise Facilitator

Your most crucial decision will be to hire a person who will do justice to the project and honor the trust that you and the community have put in him/her.

To assist you in your recruitment effort we have provided the following advice:

A. The Facilitator’s Role

Notwithstanding the critical role played by the Board of Management, the main way service is delivered to entrepreneurs and would-be entrepreneurs is through direct contact with the Enterprise Facilitator.

Based upon the experience of existing Board of Management the features of the Enterprise Facilitator most appreciated by clients include the following: immediate responsiveness to requests of help; persistence; always being available; accessibility, on-one relationships with clients; a side-by-side approach to working with clients rather than a one-way expert-recipient approach; the personal interest in the projects taken on by the Enterprise Facilitator; the continuing assistance provided after commencement of an enterprise; the fact that clients’ ideas are never belittled; the frankness with which business assessments are communicated; and, the caring attitude exhibited.

A core function of the Enterprise Facilitator is that they act as brokers between entrepreneurs at the grassroots and the professional and formal services available to assist such entrepreneurs through a variety of existing programs. In principle many of these services are available to the local people in need of them without the use of an Enterprise Facilitator. The practicalities of making use of such services in the face of physical distance,
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cost, time, psychological and administrative barriers between the “center” and the “periphery,” however, mean that in many cases the Enterprise Facilitator function is invaluable.

A great deal of the Enterprise Facilitator’s time will probably be taken up on the telephone seeking out information, of both a technical and non-technical kind, on behalf of clients. Enterprise Facilitators must act as information brokers, translating the requirements of the entrepreneurs into terms relevant to experts and professional bodies, and then translating technical or legal information into terms amenable to the clients. Other functions carried out by the Enterprise Facilitators include: lending legitimacy to clients when approaching financial institutions; assisting entrepreneurs and their teams to do financial planning and marketing; helping to build coalitions and partnerships between complementary enterprises; training budding entrepreneurs in the basics of business management through “on the job” coaching.

B. Personal Characteristics and Key Attributes of an Effective Facilitator

Effective Enterprise Facilitators need to have a number of common personal and experiential characteristics:

- *Ability to learn* a new management coaching system.

- *Approachability,* it is important for clients not to feel intimidated by the Enterprise Facilitator.

- *A positive approach.* It is important for the Enterprise Facilitator to objectively consider each client without any preconceptions or bias.

- *Ability to show empathy toward clients and the proposal/problems that they bring to the program.* This is related to the issue of approachability.
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- **A practical approach.** Enterprise Facilitators must be able to discuss matters with clients in simple and practical terms.

- **Tactful.** Enterprise Facilitators should take the approach that it is the client who should conclude that the proposed business is, or is not, worthy of continuation.

- **Business Skills.** Management, marketing and cash flow issues have proven to be the most commonly raised issues with Enterprise Facilitators.

- **An exposure to business.** Enterprise Facilitators must have a practical exposure or experience of working with or in small business.

- **Ability to communicate simply to clients.** Clients come from all walks of life and as a result, being able to communicate at all levels is important.

- **Self-starter.** This is important, as the Enterprise Facilitator must network to become personally known in his or her geographic area.

- **Ability to clearly direct people on steps involved.** The Enterprise Facilitator must be a person who can direct others rather than to carry out the tasks for the clients. In effect, this means assuming a “hands off” approach as much as possible. Networking and delegating are keys.

- **An understanding of Government processes.** This is a critical skill if the Facilitator is expected to access forms of Government assistance for his clients.

In short form, the key attributes required of a Facilitator are:

- Good people skills
- Results orientation and drive
- A practical business sense with emphasis on marketing
A real understanding of the value of and ability to effectively use networks

The person you are seeking will be:

- An excellent communicator able to reach a wide cross-section of the community (from wealthy business people to unemployed young people on the dole).
- A resourceful “go-getter” able to find information, money, volunteers and resources, including “governmental resources” on demand.
- A “people-person,” that is, someone who enjoys mixing with people and helping them achieve their dreams.
- A skilled public relations person able to win friends and supporters both within the community and the media.
- A self-motivated, mature person who needs no supervision and who is “performance motivated” more than “task motivated” (i.e., it doesn’t matter if he/she works 12 hours per day, if he/she doesn’t achieve results — he/she is not good enough for your committee.)

And finally, the person must be “street smart” and be able to assess the strength, character and motivation of the person(s) behind the business ideas.

C. Enterprise Facilitator’s Job Description

The Facilitator will:

- Implement the policy decisions and the directives of the board
- Uphold and adhere to the policies and the by-laws of the organization
- Report regularly to the Chairman of the board on day-to-day operations and insure that the board is fully informed of all organizational activities
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- Advise the board of directors in a timely fashion of any developments that may affect the organization’s well-being
- Develop a network of communications at all levels of government and throughout the community
- Efficiently manage the day-to-day operations of the Enterprise Facilitation office
- Establish and maintain an efficient record keeping system
- Prepare budgetary and financial statements to the board of directors with the assistance of the treasurer and finance committee
- Provide a detailed report on the activities carried out each month
- Conduct business research for clients as is consistent with the aims and objectives of the project
- Represent the corporation to other organizations, the media, and the public at large in consultation with the Board
- Maintain the confidentiality of all sensitive information

- All other duties that may be directed by the board of directors from time to time in relation to the further development of the Enterprise Facilitation project in the region

D. Sample Advertisement

After your board of directors has raised sufficient funding for the salary and operations overhead for the program you will want to advertise for an Enterprise Facilitator in local newspapers. The following are examples of the type of ads which have worked successfully for other Boards of Management.
ENTERPRISE FACILITATOR

Highly motivated person needed for a new and challenging position. The XYZ Center for Enterprise Facilitation is a non-profit organization that fosters local economic and community development by providing one-on-one assistance to new and expanding enterprises in the XYZ County area.

The candidate should possess: Excellent communication skills, private sector/small business experience, networking/interpersonal skills, positive attitude, problem solving skills, energy, empathy and civic-mindedness. Training provided. Varied and successful business management or consulting experience preferred. Salary commensurate with experience. XYZ Center for Enterprise Facilitation is an equal opportunity employer.

Closing date:
Send detailed cover letter and resume with references to: XYZ Center for Enterprise Facilitation PO Box 0000 Any Town, 12345
ENTERPRISE FACILITATOR

The New Westminster Community Development Society is proud to implement the first ENTERPRISE FACILITATION PROJECT in British Columbia. A highly motivated individual is required for this new and challenging initiative. The successful applicant will be providing one-on-one assistance to new and expanding businesses in the city of New Westminster.

Candidates will be able to demonstrate: excellent communication skills, private sector or small business experience, networking/interpersonal skills, positive attitude, problem-solving skills, energy, empathy and civic-mindedness. Applicants with a demonstrated knowledge of and passion for the city of New Westminster will be given preference. An intensive five-day training program will be provided.

Closing date:

Salary commensurate with experience. Send detailed cover letter and resume to:

New Westminster Community Development Society
1001 Columbia Street, New Westminster, B.C. V3M 1C4
ENTERPRISE FACILITATOR

The West ……. Enterprise Development Society is looking to contract an ENTERPRISE FACILITATOR to promote our communities’ entrepreneurial spirit.

Within the framework of Enterprise Facilitation, the successful applicant will be providing one-on-one assistance to new and expanding businesses in the area encompassed by Cody, Lincoln and Adams.

Candidates will be able to demonstrate: excellent communication, problem solving, and networking/interpersonal skills, varied private sector or small business experience, a willingness to learn, empathy, and community mindedness. An intensive five-day training program will be provided. A local working board will provide support to the position.

Competitive compensation on a contract basis.

Deadline for applications:

Thanks for all applications; only short listed candidates will be notified. Send detailed cover letter and resume to:

The West ……. Enterprise Development Society
edc@city.com.

Fax: ###.###.###

*Sample interview questions can be found in the Appendix.
IV. Additional Role for the Board

A. Media Coverage of Successes

The Enterprise Facilitation model is based upon both a philosophy and grassroots organizational approach that is not easy to explain in a 30-second sound byte. The best explanation of the program is the voices of successful clients and board members who have witnessed such successes. There is some danger in announcing a new program publicly to the community at a premature stage. It is best to go to the media when local clients who are successful can describe their business progress and testify what the project has done for them. This does not mean that the board and the Facilitator shouldn’t talk to the media. It is important to have good working relationships with all local media, especially print. As a program we have nothing to hide from the media — ever — if we do, there is something wrong with the management of the organization. When we counsel to wait for success before publicity, we are speaking from experience.

B. Public Relations and Funding

One of the most important functions of the board of directors, as has been discussed above, is the ongoing task of fund-raising. This task will continue for the life of the project. Positive public relations are essential to create the proper image and enthusiasm for the project in the community. The time for public relations is not two weeks prior to local, provincial, and federal funding cycles. The time for positive public relations is immediate and continuous. If relationships with the public, the media, and the government are properly handled, you will be informed of gossip about small problems before they become large.
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C. When and Where to Use Media

For your program to be successful, your program must be perceived by others to be successful. Hype is no substitute for effective and efficient service to the community. Work hard. Publicize success — especially with pictures of satisfied clients. Integrate those public success stories into your ongoing fundraising activities. If questioned in a negative manner by the press or by government officials, always respond quickly and candidly.

Program Evaluation

Please also refer to the Quality Control and Evaluation Manual

A. Evaluating the Facilitator’s Performance

The Board of Management need not be sentimental about the performance of any Enterprise Facilitator. If your Facilitator is performing well praise, encouragement, respect, and recognition are required. If your Enterprise Facilitator is performing inadequately he/she needs to be dealt with promptly. If your Facilitator cannot get the job done that individual needs to be replaced. Occasionally a Board will hire a Facilitator whose personality is incompatible with the job of Enterprise Facilitation. It is possible to hire a person who interviews well but lacks personal integrity. It is possible that a Facilitator may have some racial or religious bias. In these cases the board should terminate the relationship. The Enterprise Facilitation program, by definition, is funded in whole or in part with public funds. It is the responsibility of the board to hire success and fire incompetence. This is a trust that has been given to the Board.

It is difficult to evaluate an Enterprise Facilitator during the first three months of employment. After that time an evaluation should be completed annually. We will be available for assistance with Facilitator review if the Board of Management so chooses.
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B. Evaluating the Board’s Performance

Enterprise Facilitation is a social technology based on values that should be shared and understood by those who decide to serve on Local Management Boards. The Quality Control and Evaluation Manual offers an opportunity for Board members to reflect on the philosophy and governance of the project.

C. Evaluating Program Performance

The following performance benchmarks have been established by evaluating a number of ongoing Enterprise Facilitation programs from both Australia and the United States. These numbers represent the results of a 24-month demonstration program after hiring a facilitator. Your program should expect similar results over a similar time period.

- 250-350 clients will receive initial consultation. Many of these individuals will be referred to other agencies/organizations that are more appropriately matched with the Client’s identified needs.

- 100-120 clients will be enrolled and served directly by the Enterprise Facilitation program.

- 25-30 new businesses will be established.

The goals of the program are to enhance the economic self-sufficiency of individuals and the communities in which they reside. While this may be documented by cataloging the number of business start-ups, jobs created, annual payroll increase and reduction in entitlement subsidy there are numerous other benefits much less tangible to quantify. For example, if a client participates in the program and comes to a determination that their idea for a business is not economically viable, we have not generated economic benefit, but, rather helped to avoid economic loss.
If a client does succeed in launching a business venture through the help of this approach it is quite likely that effect upon the individual will transcend the economic gain which they have received; i.e., this program will help to develop a sense of “community” within the participants.

- 25-30 existing businesses will be retained or expanded.

- 60-80 new jobs will be created.
A. Registration and Bylaws

There are six basic steps that you will need to take to organize your management board:

1. **Name your organization** - This task would not be difficult if you could give your organization any name you desired. Such is not the case. You cannot name an organization without first conducting a name search in the province in which you register. Conduct a name search before spending any money on printing.

2. **Settle the question of membership** - The Institute recommends that you establish your organization as a not-for-profit company or a society. The annual meetings of the organization are the meetings of the board, even though the board may permit volunteers associated with the organization to observe. However, voting controls the organization and only the board or members may vote.

3. **Fill out and file the registration documents** - The certificate that you must prepare is a relatively simple form. You will need to provide the following:

   a) Name of organization

   b) Duration of the organization (usually perpetual)

   c) Address of its initial registered office and the name of the initial registered agent of the organization

   d) Purposes for which the organization is formed

   e) A declaration that no capital stock will be issued

   f) Names and address of original organizing members
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g) Name and address of each member

h) Provisions for distribution of the assets of the organization on dissolution

4. **Write your organization by-laws** - Articles of incorporation or registration provide only a broad outline of the organization’s form. The initial board of directors should quickly adopt a set of by-laws where more detailed rules for governing the organization are written. By-laws often begin with a restatement of the name and purposes of the organization consistent with the articles; but also they add basic rules for operation of the organization including:

a) The frequency, notice, and quorum requirements for organizational meetings;

b) Voting qualifications, proxies, and procedures;

c) The number and terms of the members of the board of directors, scope of authority, method of nomination and election to the board, and provisions for filling vacancies;

d) List of officers, method of nomination and election, terms of office, powers, duties, and succession;

e) Title and scope of authority of the Enterprise Facilitator;

f) Record keeping and financial reporting responsibilities; and

g) By-law amendment procedures and provisions for dissolution of the organization.

5. **Accept your registration from the province** - If the registrar approves the proposed name of your organization and determines that the documents contain all the required information and have been properly executed, and that nothing in your proposed activities violates provincial law or public policy, s/he will issue your registration documents. If s/he spots a problem in your documents, s/he will return that form to you, asking for qualifying answers to specific
questions.

6. **Hold an organizational meeting** - Once you have received your registration, you will have to round up all parties concerned and hold an organizational meeting. Subsequent meetings of the board should be conducted using *Robert’s Rules of Order* as a guide for parliamentary procedure. Officers will need to be elected and the by-laws adopted. In the initial organizational meeting the board will need to establish where the bank account for the organization will be opened and maintained. Hiring a Facilitator and raising funds will need to be discussed and a plan of action formulated.

B. **Roles and Responsibilities of Governing Board Members**

The governing board of your organization and the Enterprise Facilitator, whom you will hire, share in the responsibility for your organization’s success. Many Enterprise Facilitation™ boards are established with a 9- to 15-person board of directors. That includes officers who chair each of the organization’s boards.

Regardless of the size of your board or the number of staff that you will ultimately hire, each individual accepting a position on your governing board has a number of fiduciary, moral, and ethical responsibilities.

1. **Ensure Mission is Carried Out** - Nonprofit organizations are established to achieve a specific mission. Unless the organization’s mission is clear and all parties accept it and make a commitment to carry it out, the organization will flounder. It is incumbent on the board to establish policies and priorities, approve the procedures to accomplish them, and monitor and assess the organization’s success in achieving its mission.
2. **Meet Fiduciary Responsibilities** - In addition to insuring that the non-profit’s mission drives all the organization’s activity, governing board members have a responsibility to assure that the organization remains financially sound. It is every board member’s responsibility to understand the budget and the organization’s financial history. It is also the responsibility of each and every board member to assist with fund-raising to insure the ongoing operation of the program.

3. **Contribute to the Organization’s Bottom Line** - Each board member must be well aware of the need to give willingly of their time for the meetings of the board. In addition, board members bring their technical expertise, providing free council on a variety of issues. As we will discuss below, fund-raising will be critical for your organization. Board members must be active in identifying and soliciting funding sources.

4. **Respect Other Board Members** - It is incumbent on all board members to respect other members by both attending and being prepared for meetings. If a board assignment is accepted, it should be completed by the agreed upon deadline. While there may be unexpected circumstances that preclude attendance at scheduled board meetings, any member of the board who fails to attend at least the majority of its meetings should assess his commitment to the organization and consider resigning from the board.

    Respect for other board members also requires that members argue positions, not personalities. Decisions regarding the future of a non-profit do not come easily and often there will be differing points of view. At these times, stepping into the other person’s shoes and carefully listening to his or her perspective will be particularly critical to quality decision making.
5. **Maintain Professional and Ethical Standards** - The members of your board are entrusted with the care and the nurturing of your community. Board members must maintain high professional and ethical standards for the conduct of all activities within and outside the organization. Two areas of particular concern include confidentiality and conflict of interest:

**Confidentiality.** The issue of confidentiality in Enterprise Facilitation™ is particularly critical. The hopes, dreams, and financial situation of individual clients will be discussed in board meetings. Each client is made a solemn promise that the information they share with the Facilitator will be held in confidence. In order for the program, the board, and the Facilitator to retain the trust of the community this confidentiality must be respected. Any board or staff member violating this principle should be disciplined or removed. Sample confidentiality agreements are provided in the Appendix.

**Conflict of Interest.** The board of directors should be very careful about any board member that may have opportunity to benefit from the board’s actions. Providing services for a fee, although not illegal, gives the appearance of self-interest. When confronted with potential conflicts, board members should identify the conflict and remove themselves from the discussion and/or any vote on the matter.

6. **Hiring and Firing the Facilitator** - It is the responsibilities of the board to advertise for, interview, and hire your community’s Enterprise Facilitator. As with any other personnel decision, this step needs to be taken with great care after interviewing interested applicants. Should the person that you hire as a Facilitator fail to perform adequately, that person should be fired and replaced by someone with a greater passion and skill for the job.
7. **Respect and Support Your Facilitator** - Once the Enterprise Facilitator has been hired, the board plays a critical role in initial community outreach to introduce the new Facilitator and the project to the wider community. Each board member assumes personal responsibility to introduce the newly appointed Facilitator to ten (10) friends and colleagues in the community. Historically, board members introduce the Facilitator to 120 to 140 contacts. From these contacts between 10 and 30 initial prospective businesses will hear of the program and voluntarily seek assistance.

To insure an effective, long-lasting relationship, the lines of communication between your Facilitator and board need to be clearly identified and maintained. You will need to clearly delineate the roles and responsibilities of your Enterprise Facilitator. Boards need to recognize the talent of their Facilitator and support him/her with opportunities for professional development. An Enterprise Facilitator who has gained knowledge through experience will be the board’s most valuable asset.

The board should bear in mind that its primary role is as a policy maker and networking resource. The Facilitator’s role is that of an administrator and implementer. The Facilitator will be expected to provide recommendations for policies to the board and not just take orders. The board members as volunteers may be called upon to handle some specific administrative tasks. It is important, however, for board members to refrain from managing the day-to-day office activities. That is the responsibility of the Facilitator. The board’s responsibility is to identify priorities and to establish the policy directives so that the Facilitator can manage the day-to-day activities of the organization.

8. **Resolve Issues of Competition** - A client could ask to be assisted in establishing a business which could result in the closure of an existing business
operating in the community. The Facilitator will defer to the board the decision whether to assist the new business or not. It is the board’s duty to decide case by case on the merit of assisting businesses and it assumes responsibility for the decision, not the Facilitator.

9. **Recruit Other Volunteer Leaders** - One of the responsibilities of your organization’s governing board is to identify and develop future board members and leaders. Current board members are in the best position to know the kind of expertise needed on the board to replace those board members whose terms are ending. Is expertise needed in the financial area? Fund-raising? Strategic planning?

10. **Enhance the Public Image of the Program** - Members of your board must assume an advocacy role on behalf of the program. Very often individual board members will be called upon to speak on behalf of the organization. Board members should accept such invitations to speak and be sure to present information “on behalf of the board” rather than presenting their personal position on issues. It is important for board members to know the official position of the governing board on all major issues facing the organization.

11. **Minutes** - Normally, an organization needs to maintain a formal record of its meetings (called the Minutes) if it wants to be taken seriously. Minutes are taken by a person at the meeting who is a good listener and who can write notes reasonably swiftly. Avoid having the chairperson write the minutes—this asks too much of that person. Avoid having minutes that are too detailed—simply record the following:

   - name, date, and location of the meeting
   - names of people who attended, who chaired, and who took minutes
   - specific topics in the order they were discussed
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- any decisions (motions) made or voted on
- any actions or tasks agreed on—with names of people who agreed to perform them
- date of next meeting

The minutes should be typed up and mailed to everyone who attended the meeting. This should be done very soon after the meeting has occurred. The Facilitator in cooperation with the President of the Board will prepare and mail meeting agenda’s in advance of the next meeting.

12. **Tax Exemption** - An organization is considered to be “non-profit” if it is organized and operated solely for reasons other than to make a profit. In addition, to be non-profit, none of the income can be payable to, or be available for, the personal benefit of any proprietor, member, or shareholder of the organization. Because no profit is allowed, there is no income to tax. However, this does not eliminate the need for a non-profit to file annual returns with their respective province. An annual return must be filed by the fiscal year end of the organization. The board may choose December 31 as their fiscal year end. A tax-exempt number is filed in conjunction with this annual return.

13. **Officer, Director, and Executive Liability** - The officers and directors of a nonprofit organization have a position of trust vis-à-vis the organization. The fundamental power and authority of the organization reside in the organization itself not with any individual on the board.

The directors and officers of a nonprofit should be alert that the test of good faith must be met by all of the actions or decisions of those officers and directors. Conflicts of interest are a hazard, which may increase as the organization becomes more successful. The Facilitator should be careful that decisions are not made for the benefit of any of the officers or directors.
Contracting for services with the firm of one of the officers at a higher price than might be obtain through a competitive bidding process is a good example of the type of activity that could fail the good faith test and render the decision-makers liable for restitution to the organization.

Because of the litigious nature of the society in which we live, it is wise to obtain some protection for the Facilitator and the volunteer leaders through the purchase of Directors and Officers (D & O) Liability Insurance. Such insurance will offer coverage for the payment of legal fees and expenses in defending against legal actions. But careful attention should be paid to the terms of the policy to assure that it covers all types of claims.

C. Develop Organizational Focus

1. Mission Statement

Every group of people working together for a common purpose should write down what this purpose is on paper. This is often called a Mission Statement. When just starting out, you only need a preliminary statement of your mission — something simple that can be achieved early on. An example of such a statement is:

Based on the belief that the future of any community lies in the dreams and aspirations of its people, the Sirolli Institute was founded to promote economic and community revitalization by capturing the passion, skill, resources and imagination of local entrepreneurs. Our mission is to benefit our local community by supporting local business enterprise success through grassroots level delivery of the most appropriate guidance information, referral and support.

All mission statements should be agreed to (or “ratified”) by a majority vote.
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held at a general meeting of the board. Some members may have helpful
suggestions for changing the wording, but avoid wasting lots of meeting time
arguing over words and their meaning. If the statement needs revisions, do this
outside the meeting and bring it back a second time for ratification.

2. Goals and Objectives

Your board of directors should develop its own set of goals and objectives
to fulfill its local mission. Some examples of key goals are as follows:

• to provide the highest quality guidance and problem-solving assistance as a
  unique business advisory program

• to provide a comprehensive, down-to-earth, one-stop business resource
  center

• to effectively and efficiently deliver intensive one-on-one assistance that
  enhances other programs offered by local development organizations and
  professionals

• to operate in a highly visible, highly accessible, and intensive support role
  spending as much time as necessary with each client

• to act as a catalyst to assist and encourage local innovation

• to continuously improve the quality of the service we provide

• to surround ourselves with competent and productive people who are
  committed to our mission and share responsibility for its success

• to manage our committee finances and assets in a business-like
  manner to create a caring and cooperative atmosphere that nurtures
  new businesses, new jobs, and new wealth for our community.
APPENDIX B
A. Daily Responsibilities of a Facilitator

1. Networking Within the Community
   • First Three Months — The first three months is a stage where one-on-one networking and public relations is critical. Recall from above that each board member is going to introduce the Facilitator on a one-on-one basis to their friends, business associates, and relatives in the community.
   • Initial Contact Message — When first meeting a new client in the community the Enterprise Facilitator will briefly and simply explain their role in the community to help create and expand businesses. It will be explained that this service is being provided by the community on a free and confidential basis. Any referrals to would-be entrepreneurs would be greatly appreciated.
   • 60 Days/100 Contacts — If the board of directors properly does its job in the first 90 days of the program the Enterprise Facilitator will be in fact very well networked throughout the community. Each board member must commit to connect the Facilitator with 10 contacts.

2. Never Initiate/Never Motivate
   • Never Initiate — The very essence of Enterprise Facilitation is to never initiate projects on behalf of clients or the community at large.
The Facilitator is not being employed by the board to use his/her talents and abilities to create projects. Enterprise Facilitation works as a model by using the energy of committed entrepreneurs to propel projects forward. The passion of each client is what ultimately makes projects succeed. In this sense passion equates with energy. The role of the Facilitator is to steer projects in the right direction. Passionate clients provide the energy to propel the project forward.

- *Never Motivate* — Another fundamental principle of Enterprise Facilitation is to never motivate clients. Every time you motivate someone, you take control of their lives and their actions. It is our belief that most motivational theory is flawed. You can influence people for a short period of time but ultimately as that individual grows and matures he/she will need to make their own way in life. If motivational theory really worked we could motivate our children. Most of us know this is, if not impossible, frequently counterproductive. If by some strange occurrence we were able to motivate people and direct the course of their lives, then surely we would have some responsibility for the outcome of that person’s life. If we have taken the responsibility for a person’s life we also have to take responsibility for that person’s failures. Entrepreneurs must take the ultimate responsibility for their own successes and failures. That is not the job of the Enterprise Facilitation program.
3. Free and Confidential

- **Free** — The Facilitator is being paid by the community to assist any individual or group of individuals to start or expand a business. The community has decided to invest in this mode of economic development and create this service on the assumption that there are individuals in the community who need Enterprise Facilitation. In our communities there are a variety of individuals who cannot afford this service but who, nevertheless, need it.

- **Confidential** — The essence of the work to be accomplished by this program is to provide a very personal and confidential service. It is extremely important that confidential information be respected and held in confidence. In the course of our work with clients they will confide in us information about their financial situation, their marital situation. They will discuss possible competition, former bankruptcies or legal problems. They will discuss specific details of inventions and strategies. Clients may even share business information that is not being discussed with their friends, business partners, or spouses. Clients must have confidence that these highly sensitive matters will not be disclosed.

4. Innovations and Creativity

- **Innovation** — We ask that the individual you hire as a Facilitator believe deeply in the principle that each and **every client whom we**
serve is unique. In the Enterprise Facilitation model we do not assign people to pigeonholes. There are no predetermined solutions for clients. The job of the Enterprise Facilitator is to assess the passion of each client, then to assess the client’s idea. Each idea and each client requires a solution that must be innovated for that client. The Enterprise Facilitation model is a person-centered or client-centered model. Our job is to innovate individual solutions to individual business problems.

- Creativity — Creativity is one of the most important skills that an Enterprise Facilitator must develop. The job of the Enterprise Facilitator is to find an original pathway for each client to bring that client’s dream to the successful establishment of an enterprise. Each client’s path can take many different potential directions. Only by carefully studying the needs of each individual client can that path be assisted. There are no canned solutions to the myriad problems brought to the table by clients. The Enterprise Facilitator holds his/her job solely to assist clients to find an original pathway to solve their unique and special problems.

5. Visibility and Accessibility of the Facilitator

- Visibility — It is very important for the Enterprise Facilitator to be very visible in the community. He/she should attend community meetings, be visible at appropriate social functions, get invited to
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speak at clubs — Rotary, Kiwanis, Lions, Chamber of Commerce, local development commission, etc.

- **Accessibility** — The Enterprise Facilitator has to be accessible to the people of the community. The nature of our program is to offer a service which is free and confidential to people who have need. People in the community need to be able to easily find the facilitator. Secure an office in a central and easy to find location. Have more than one phone number where people can leave a message on a machine when the Facilitator is on another line. The Facilitator should communicate accessibility through his/her demeanor, mode of dress, and speech. The Enterprise Facilitator is not a person in a power suit. There are no secretaries in between scheduling appointments weeks in advance. Dress as the locals dress. This is a bottom up approach to economic development, not top down.

6. **Time and Intensity**

- **The Victim** — The first client of a new Facilitator is the most important client he/she will ever have. The quality of the work done and the consequent results will establish the facilitator’s reputation in the community and guarantee future work. The only way to be accepted and utilized by the community is for the Facilitator to demonstrate his/her worth. The first client offers that opportunity and should be treated accordingly.
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As an inside joke we sometimes refer to the Enterprise Facilitator’s first client as the “victim.” This is because the inexperienced Facilitator will probably put a lot more energy and work into the first project. He/she will be like a cyclone unleashed on the first client with an unlimited number of hours and work to get the first project off the ground. Sometimes this project will take several months. In the future the Enterprise Facilitator will have to become very good at networking, finding volunteers, and delegating. However, time is not of the essence when dealing with the first client.

• **Intensity** — One of the distinguishing characteristics of Enterprise Facilitation is the intensity with which we serve clients. It is not uncommon for a Facilitator to spend 30, 40, or 80 hours with a single client spread over a period of 4 to 6 months or more. The only possibility for the Enterprise Facilitator to keep his/her job is to successfully help clients set up new businesses or expand existing enterprises. The success of our clients is the yardstick against which we are measured. The Enterprise Facilitator must pursue all avenues to help achieve that success. The board should replace an Enterprise Facilitator who cannot dedicate the necessary intensity to all of his/her clients.
7. **Interviewing Clients - First Interview**

- *Location* — It is very important that the client feel comfortable in the first interview. Location is a critical element. The Enterprise Facilitator must be careful about holding a first interview in the best possible location. There is nothing wrong with meeting a farmer’s wife in her kitchen. It may be best to meet a mechanic at his garage or an unemployed single mother at a coffee shop. Be aware of the comfort level of the client.

- *Test the Passion* — After the client has become comfortable in the first interview, the Enterprise Facilitator will test the intensity of the commitment of the client before assessing the viability of the business idea being presented. Although the idea for the business will be discussed and needs to be understood by the facilitator, our method is to first understand the level of passion. At the end of the first interview the Enterprise Facilitator must send the client with some specific task to be performed as a test of the client’s commitment. If the client comes back, this test will help to reveal their self-motivation and commitment. In subsequent interviews more probing of the client’s skills will be undertaken.

- *Assess Skill Level* — As described above, 80% of the facilitator’s time in the first interview will be spent trying to understand the client’s determination and making sure the client understands what the Enterprise Facilitation program is about. 20% of the facilitator’s time
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needs to be spent understanding the skills that the client brings to the table.
8. Interviewing Clients - Second Interview

- *Detailed Skills Assessment* — If the client comes back, having successfully completed their initial test or assignment, a detailed interview is conducted to assess the technical skills that the client brings to the project in the areas of product development, marketing, and financial management. The Enterprise Facilitator needs to explain our philosophy that these three skills are essential to the success of every business. It is very seldom that we find a client that has an equal passion for making the product or providing the service, marketing, and financial management. Very seldom do you find an individual with a personality of a terrific salesman who also makes a wonderful bookkeeper. Good financial managers seldom work out on the shop floor with a welding mask on. The Enterprise Facilitator must strongly encourage each individual entrepreneur to engage in the process of self assessment to realistically face that which they are truly committed to doing. What are they really in love with? What is really moving them to want to pursue this business? What skill are they confident enough in to learn to properly manage that area of the business?

- *The Trinity of Management* — As discussed above, bad management is what kills companies. Companies are not, as a rule, killed by lack of finance. No matter how much money you infuse into a badly managed business, the chances of it succeeding are slim. Whereas, if you infuse good management into a financially troubled company,
you can expect it to turn around. The literature available on this subject is vast and conclusive. This is to say, that people, not money, run businesses.

A grasp of the fundamentals of management is absolutely required before your committee can operate a successful facilitation program. No matter how big or how small a business is, the three areas of activity discussed above need to be taken care of.

a. Production Skills — A successful company will not be created if the technical skills necessary to produce the goods or services one wishes to sell are missing.

b. Ability to Market — A successful company will not be created if the marketing skills necessary to sell the goods or services produced are missing.

c. Financial Skills — A successful company will not be created if the financial skills necessary to sell the goods or services produced are missing.

These three areas are what we refer to as the trinity of management. If any one of the above is missing the business is not a whole business and it shouldn’t be called one. Without all of the three elements above in balance there is substantial risk of business failure.

It comes as no surprise then, that in assessing the potential success of the client’s idea, the Facilitator should ascertain which of
the three aspects of the business the client can take care of and more importantly which areas will be left wanting.

9. Find the People; Form the Team

At the beginning there is one person with an idea. Before you can have a business, one has to become three. It is a bit theological but the symbolism hopefully will help to recall this simple truth. It could be that two people can cover three functions; still all three functions have to be adequately covered.

The role the Facilitator plays is to firstly put a mirror in front of the client and say “Look, you are alone, how can you perform the three functions?” Facilitators help to find the missing team members. Here the facilitator’s wit, nose, cunning, experience, talent, or whatever you want to call it, comes into play. How does the Facilitator co-opt people into a non-existent business often under-resourced and under-capitalized?

The Facilitator has to package the client’s dream and sell it. The Facilitator has to become an advocate for lavender herb farms, smoked fish, welding shops and so on. He/she has to extol the virtues of such enterprises and convince one or two other people to become involved in the project in question.

In a sense the Facilitator momentarily fulfills the marketing or promotional function in the “would be” company with the added psychological advantage that he/she is more credible since he/she has no financial involvement in it.
To fill the Trinity is simple if the client can employ or remunerate people. Unfortunately, not many start-ups can do so in the early stages of the business. We therefore have to use a different strategy. Here are some which have been used and we can recommend: 1) beg; 2) promise something you don’t yet have; 3) give shares in the as yet worthless company; 4) find volunteer help; 5) utilize the Facilitator to actually accomplish specific tasks when no other help can be found, until that help can be found and not any longer.

10. The Back of the Envelope Business Plan

Grab a piece of paper; an old envelope will do; a napkin if you’re sitting at a café, or a beer coaster, and ask your client the following:

- How much money do you need to make every week out of this new business to survive?

- How many hamburgers/alarm-systems/jars of jelly, do you need to sell to make that much after expenses? At what price do you need to sell them? If they don’t know ask them to take a guess.

- How many pounds of meat? At what cost? How much rent? How much good-will do they have to finance to buy the hamburger business in question?

- Have they thought about raw materials, personnel, insurance, utilities and such costs?

Write down, there and then, those approximate figures, even guesses,
for the client to see. It may become immediately evident that it would take selling 10,000 hamburgers a week, every week of the year to make a living. Is it achievable?

You have to get your client to flesh out their ideas by understanding that the fundamentals of business have to add up. Show them, no matter how roughly, what is meant by the “bottom line.” What it will take to simply survive in the business for a time.

The last line of your scribbles is the one that shows a profit or a loss. It is not for you to discourage or encourage a client to embark on a new venture. It is for you to help to assess at this very early stage, whether or not conditions exist to even consider such a venture. This exercise should be, for the client, a taste of things to come. They should understand that for their dream to become a viable and rewarding activity, they will have to learn to ask appropriate questions and come up with answers which are as accurate as possible.

Only two things can happen after this very first look at the figures: either the client is convinced to carry on with the idea or to abandon it. If the first look at the figures is not positive, and this happens a great percentage of the time, you have probably managed to save the client quite a lot of money, that they may have otherwise wasted in trying to start up an non-viable business.

If the idea after this very early and superficial examination stacks up, and the client is determined to proceed, then make a time to meet again to talk serious business.
11. Working with Start-Up Businesses

- **Focus on Management** — Many people wrongly believe that the most important ingredient in the success of small businesses is capital. We believe the most important element in small business success is management. Most clients who want to start up small businesses lack a balance of management skills between the elements of product, marketing, and finance. Most small businesses are usually driven by one individual who does not appreciate the extraordinary requirements which most small business calls for. They tend to underestimate the need to find and engage technically competent, passionate, and compatible people to assist them in the management areas where they are weak.

- **Fear Prevents Team-Building** — Most would-be entrepreneurs have a difficulty in relinquishing a part of their company to build a better team. Some people fear a loss of control over the business. Some fear a lack of confidentiality. Some fear loss of their creative ideas to which they have become very attached. Some fear failure in front of others. Some lack confidence in themselves and are afraid to expose their weaknesses to others. The job of the Enterprise Facilitator is to force exposure of these fears. These fears stand in the way of successful team building.

- **Legal Structure** — One of the decisions every company must make in its early life is the legal form a business will take. Sole
propietorships, partnerships, and corporations are the three primary forms of organization, and there are several types of partnerships and corporations. There is no one best form of organization; it depends on the company and its owner’s situation. Nevertheless, choosing a form of business is one of the primary considerations in establishing a new business. This decision needs to be made early. We recommend an attorney be found to properly fulfill legal requirements, which vary from province to province.

- The Real Business Plan — The term business plan has become very popular in the last decade. Bankers, investors, and venture capitalists want to see one before they make an investment decision. Experienced business people encourage aspiring entrepreneurs to write their own business plan. This is sound advice. Writing a business plan forces the principals to think about all aspects of their new venture. A solid business plan may require up to 200 hours of researching and writing before the plan is polished. Sometimes a less formal prospectus can be developed to raise initial capital. These documents need to be produced by the management team discussed above. The names of the team members in charge of product, marketing, and finance need to be identified and their resumes included. The outline below describes the major sections of a typical business plan:

◊ Executive Summary

◊ The Company and Its Overall Strategy
12. Working with Business Expansions

Dealing with business expansions is perhaps a more complicated problem than dealing with new business start-ups. This is because an existing business should have a working management team in place. Their level of product and marketing sophistication, in general, should be higher than that of a start up. The skills required by an Enterprise Facilitator have more to do with listening and advising clients on such subjects as marketing mix, internal rates of return on investment, and new product development and introduction. Frequently expert advice, beyond the skills of the Facilitator, is required. This is where the experienced Facilitator will serve as an information broker and intermediary between a variety of sophisticated
financial, marketing, and manufacturing or service advisors. Remember to constantly keep the strengths and weaknesses of the company’s basic management team in mind.

13. Utilizing Existing Resources

The skilled Enterprise Facilitator must spend a considerable amount of time and energy in developing excellent working relationships with a variety of both private and public business technical assistance providers. Each province and community has a variety of different programs that are offered. It is the responsibility of the Enterprise Facilitator to identify these resources, understand the services they offer in detail, and be prepared to assist clients by introducing the client to these resources. The following list is suggestive of the types of programs available:

- Federal / Provincial / State Governments

  - Economic Development
  - Agriculture
  - Municipal Affairs
  - Family and Social Services
  - Labor
  - Transportation and Utilities
  - Advanced Education and Career Development
  - Registry
  - Crown Corporation offering counseling and loans
  - Bureau of Statistics
• Local
  — Planning and Development
  — Licensing
  — Board of Health
  — Libraries
  — Colleges and Universities
  — Research Councils
  — Micro-lending programs
  — Chambers of Commerce
  — Economic Development boards

• Other
  — Business and Trade Associations
  — Small Business Investment Corporations
  — Venture Capitalists
  — Business Professional Associations
  — Small Business Incubators
  — Private Business Consultants
  — Mentor Banks
  — Bookstores
  — Professionals such as lawyers, accountants, bankers

14. Annual Budget and Financing

It is the ultimate responsibility of the Enterprise Facilitator as the
chief staff person of the organization to prepare an annual budget. Expenditures against this budget need to be presented formally to the board of directors at each monthly meeting. It is also the responsibility of the Enterprise Facilitator to assist the board in raising the necessary funds for the annual budget.

In some communities it may be necessary for finances to be handled by a local unit of government. An example would be a County that wants to fund an Enterprise Facilitation program but wants to disperse its own funds. In this case, the board of directors will still oversee and manage the program but will utilize an outside entity for fiscal management.

15. Government Relations

It is the responsibility of the Enterprise Facilitator to interface with all local government units and agencies. It is critical to the success of the project that excellent relationships and rapport are developed with all significant stakeholders in the community. These relationships cannot be built two weeks before the next county meeting where appropriation of additional funds is to be discussed. This is an ongoing aspect of public relations, which can be ignored only to the detriment of the project.

16. Collecting Data and Files

- Data Collection — It is the responsibility of the Enterprise Facilitator to collect and file information from the many existing resource
programs described in item 14 above. It will not be known beforehand what kinds of business problems will arise. The Enterprise Facilitator starts the process of data collection by networking not only with locals but with resources regionally and nationally. Real databases of information are built over time as specific problems are encountered and overcome.

- **Files** — Building and maintaining client files and sub-files by subject matter are an extremely important task of the Enterprise Facilitator. Typically, each new client will be assigned a number that is associated with the name of the company confidentially. If the name of the company changes, this number, however, does not change. Meeting notes, correspondence, business documents, business plans, etc. are to be kept on file for each client. The Facilitator will summarize progress on each active client at the end of the month for the board of directors. This summary report will be provided to the board at their monthly meeting so that the progress of the Facilitator can be adequately evaluated.

17. **Information Systems**

We have created a template on computer disk that can be provided to every Enterprise Facilitation program. That template contains many of the forms and procedures to be used for information handling. In order to use the diskette, new Enterprise Facilitation programs being established should have an adequate computer with Microsoft Office or Microsoft Word available. In addition, an evaluation manual is also available. This will assist the project in evaluating not
only the progress of the Facilitator, but that of the Board as well.

18. Linking Facilitators

Advancing technology allows the confidential linking of individuals. Facilitators have the opportunity to email in confidence to other Facilitators, sharing resources and ideas for the benefit of their clients.
Interview Team 1

1. What have you done before that has prepared you to be an Enterprise Facilitator?

2. Describe a situation that taught you an important lesson about running a small business.

3. Tell us about a situation where you brought diverse people and resources together to achieve a successful result.

4. Describe for us a situation that illustrates your communication style.

5. Give us an example of how you’ve helped someone else to achieve a personal or professional goal.

6. Tell us about your ability to get results.

7. Any other questions the members of the interview team wish to ask.

Interview Team 2

1. Based on what you know about Enterprise Facilitation so far, how would you go about setting up an effective small business mentoring program?

2. What are most important factors in starting a new business or expanding an existing one?

3. Describe a situation where you have raised money from sources other than a commercial bank.

4. Tell us about the community activities you are or have been involved with.

5. Tell us about the professional achievement you are most proud of.

6. Any other questions the members of the interview team wish to ask.

These questions are designed to allow each group to evaluate the following
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ccharacteristics of the candidates:

- Understanding of Enterprise Facilitation
- Understanding of entrepreneurship and small business development
- Ability to coordinate resources
- Communicate skills
- Empathy/ability to help others
- Results orientation
- Civic-minded
Appendix B: Community Operations Manual

Interview Checklist

Applicant Name  Date
Position desired  Interviewer

Based on the requirements of the current position opening, check the appropriate box in each category, then make additional comments and recommendations below.

Experience

- background experience does not relate to current position opening
- has little relevant background experience; needs much training.
- has some relevant background experience; needs some training.
- Possesses adequate background experience, needs little training.
- Background experience is exceptional match to job requirements.

Job Knowledge

- None as pertains to this position
- Will need considerable training.
- Basic, but will learn on the job.
- Well versed in the position, little training needed.
- Extremely well versed, able to work without further training.

Education

- No relevant educational background.
- Weak educational background.
- Strong relevant educational background.
- Strong educational background.
- Excellent educational background.
Motivation

- None, apathetic, indifferent, disinterested.
- Doubtful interest in the position.
- Sincere desire to work.
- Strong interest in the position, asks questions.
- Highly motivated, eager to work, asks many questions.

Expression

- Uncommunicative confused thoughts, poor vocabulary.
- Poor speaker, hazy thoughts and ideas
- Speaks well, expresses ideas adequately.
- Speaks, thinks clearly with confidence
- Exceptional, speaks clearly, concisely, with confidence, ideas well thought out.

Appearance

- Indifferent to attire and grooming, sloppy, unkempt
- Careless in attire, poor grooming.
- Functional attire, neatly groomed
- Well groomed.
- Immaculate attire and grooming

Overall Impression

- Unsatisfactory
- Marginal
- Satisfactory
- Very Good
Appendix B: Community Operations Manual

- Excellent

**Additional Comments and Recommendations**
The following are an extract from the manual provided to local board of management to assess the effectiveness of the Enterprise Facilitator and of the board members.
Appendix C: Quality Control and Evaluation Manual

RANDOM CLIENT SURVEY

TO EVALUATE LOCAL ENTERPRISE FACILITATOR

This survey is part of the Agency’s Facilitator Program’s ongoing effort to improve service to their clients.

BUSINESS

1) What is your business status?

☐ Developing a Business Idea ☐ Starting a New Business
☐ Currently in Business ☐ Buying an Existing Business

2) What type of business do you have or plan to start?

☐ Retail ☐ Wholesale ☐ Manufacturing
☐ Repair ☐ Consulting ☐ Food
☐ Construction ☐ Personal Service ☐ Agriculture
☐ Other _______________________

3) Please check the types of assistance you requested and received from the Agency.

☐ Business Feasibility ☐ Advertising/Promotion ☐ Sources of Supplies
☐ Finance/Budgeting ☐ Business Management ☐ Marketing
☐ Goal Setting ☐ General Information ☐ Pricing
☐ Government Regulations ☐ Record Keeping ☐ Low Cost Finance
☐ Business Planning ☐ Inventory ☐ Other ________

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Appendix C: Quality Control and Evaluation Manual

FACILITATOR

1) How did you hear about the Enterprise Facilitator?

☐ Word of Mouth    ☐ Publicity    ☐ Other ______________________
☐ Referral From Other Agency ______________________

Comment: ____________________________________________

2) Accessibility:

☐ Very Accessible    ☐ Accessible    ☐ Not Accessible

Comment:

3) Being easy to communicate with:

☐ Very Easy    ☐ Easy    ☐ Hard    ☐ Very Hard

Comment: ____________________________________________

4) Being easy to work with:

☐ Very Easy    ☐ Easy    ☐ Hard    ☐ Very Hard

Comment: ____________________________________________
5) Spends needed time with me:

☐ Yes  ☐ No

Comment: ________________________________________________

6) Promptness of follow-up:

☐ Very Prompt  ☐ Prompt  ☐ Not Prompt

Comment: ________________________________________________

7) a) Did Facilitator offer suggestions on other resources which may be able to assist you with your issues?

☐ Yes  ☐ No

Comment: ________________________________________________

b) If you contacted these sources, how helpful were they?

☐ Very helpful  ☐ Somewhat helpful  ☐ Not helpful

Comment: ________________________________________________
Appendix C: Quality Control and Evaluation Manual

Did the Facilitator offer insight on how to proceed with your enterprise?

☐ Yes  ☐ No

Comment: __________________________________________________________

8) Did the Facilitator meet your needs in developing your enterprise?

☐ Yes  ☐ No

Comment: __________________________________________________________

9) How frequently do you contact the Facilitator for assistance (or would you feel comfortable contacting them in the future)?

☐ Frequently  ☐ Once in a while  ☐ Never

Comment: __________________________________________________________

10) The Agency provides quality service.

☐ Yes  ☐ No

Comment: __________________________________________________________
Appendix C: Quality Control and Evaluation Manual

Have you sought assistance from other agencies in this area?

☐ Yes  ☐ No

If Yes, Which Ones?

Comment:  

11) Would you recommend the Agency to other entrepreneurs?

☐ Yes  ☐ No

Comment:  

12) Do you feel this program would be helpful in other cities or countries?

☐ Yes  ☐ No

Comment:  

13) As a result of the assistance you were provided, have you established a business in the area?

☐ Yes  ☐ No

Comment:  

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14) If the answer is “No” to the previous question, have you established a business in any case?

☐ Yes ☐ No

If Yes, did you do so with some other agency’s assistance? ____________

Comment: ____________________________________________________________

15) If you established a business, how many jobs did you create?

Place Number Here

16) Did the Facilitators provide you with information you believe would be unavailable without their assistance?

☐ Yes ☐ No

Comment: ____________________________________________________________

17) What according to you are the major impediments to people establishing new ventures?

☐ Lack of Finances ☐ Lack of Management Expertise

☐ Lack of Motivation ☐ Other _________________________________

Comment: ____________________________________________________________
Appendix C: Quality Control and Evaluation Manual

18) What recommendation would you make on the implementation of the Facilitator Program?

Thank you for your time.
We appreciate it.
ENTERPRISE FACILITATION

CLIENT PROJECT EVALUATION

Time Start: ___________________________ Date: ___________________________
Time Finish: ___________________________ Database: Yes ☐ No ☐
Total Time Taken: ___________________________ Database: Yes ☐ No ☐

Interviewer’s No. Coding No. ___________________________

Hello, my name is ___________________________ from ___________________________.
Regarding the services that they provide. As you have recently experienced contact with ___________________________, we would appreciate a few minutes of your time for your opinions on the service provided.

Firstly, can I just confirm – do you or anyone you know well work or have recently worked:

- In market research ☐ If yes, cancel interview
- In advertising ☐
- For the ☐

Q1 Have you made contact with or visited the Enterprise Facilitator in the last 12 months? (Do not read out)

Yes ☐ No ☐
Appendix C: Quality Control and Evaluation Manual

3

Q2 When you contacted the (service), were you: (Read Out)

SR

Operating your own business ........................................................... 1
Intending to start or buy your own business ................................. 2
Other ................................................................. 3

Q3 Was your contact made by: (Read Out)

MR

Telephone ................................................................. 1
Personal Visit ............................................................. 2
Mail ........................................................................ 3
Authorized consultant ......................................................... 4
Other (specify)

Q4 How would you rate the usefulness of the information/advice provided to you by the service?

SR

Very useful ................................................................. 1
Somewhat useful ............................................................ 2
Unsure/Don’t Know ......................................................... 3
Not very useful ............................................................. 4
Not useful at all ............................................................. 5

Q5 To what extent would you agree that the advice/information you received contributed either
Appendix C: Quality Control and Evaluation Manual

directly or indirectly to an improvement in your decision making?

SR

Very useful................................................................. 1

Somewhat useful......................................................... 2

Unsure/Don’t Know ....................................................... 3

Not very useful ............................................................. 4

If in business in Q2 – Answer 1 – Continue
If starting business – Answer 2 – Skip to Q8

Q6 To what extent would you say the advice or information you received has contributed to the health and stability of your business?

SR

Yes, definitely................................................................. 1

Yes, possibly ................................................................. 2

No, not at all................................................................. 3

Unsure/unable to say ..................................................... 4

Q7 To what extent would you say the advice or information you received has contributed either directly or indirectly to your ability to maintain or increase staffing levels?

SR

Yes, definitely................................................................. 1

Yes, possibly ................................................................. 2

No, not at all................................................................. 3

Unsure/unable to say ..................................................... 4

For Business Starters Only

If starting business - Skip to Q9
Appendix C: Quality Control and Evaluation Manual

Q8 Would you say your contact with the (service) directly contributed to your making an informed decision about starting or buying your business?

SR

Yes, definitely................................................................. 1
Yes, possibly................................................................. 2
No, not at all ................................................................. 3
Unsure/unable to say ......................................................

Q9 Can you suggest any ways in which the service could be improved? (Probe Fully)

____________________________________________________________________________________

____________________________________________________________________________________

____________________________________________________________________________________

THANK YOU FOR YOUR TIME. IT IS VERY MUCH APPRECIATED.

Respondent’s Name: ________________________________

Telephone Number: ________________________________

Interviewer’s Signature: _____________________________ Date: __________________
LOCAL BOARD OF MANAGEMENT SELF- EVALUATION

The following issue areas are to be ranked 1 - 5 depending on how effectively you feel your organization is dealing with the particular issue area. If you feel your organization is:

Not very effective at all, poor relations result because of this area
Circle #1

Only moderately effective, improvement in this area could lead to a more effective Board
Circle #3

Excellent, no improvement needed
Circle #5

The number statements are examples of “excellent” rating statements. Circle the appropriate number based on the rating guidelines listed above.

1. **Nomination Process:** Our Board has a system in place which is actively recruiting new members and which clearly identifies skills we are looking for in Board Members.

1  2  3  4  5

COMMENTS:
2. **Board Orientation/Training:** We have no ongoing process for Board Orientation and Training which helps bring new Board Members up to speed quickly and helps everyone understand roles and responsibilities of the Board.

3. **Board/Staff Communications Link:** We have a facilitator who is responsible for official communications with the Board; Board Members can feel free to contact our facilitator with program-related questions.
4. **Board Evaluation of Facilitator:** Our Board is active in the evaluation of the Facilitator; performance reviews occur regularly and through a clear process which seeks input from a variety of persons.

```
1  2  3  4  5
```

No Answer

COMMENTS:

5. **Board Structures:** Our organization has a Board structure which complements the Facilitator program. Everyone knows what philosophy to development we expose. The structure supports implementation of this philosophy.

```
1  2  3  4  5
```

COMMENTS:
6. **Planning:** Our organization has an ongoing planning process which defines mission, values and long-range goals; everyone knows the priorities of the organization.

7. **Conflict:** Conflict is accepted as a necessary part of growth in our organization; Board Members speak freely at Board meetings of real issues which affect the organization.

8. **Recognition of Volunteers:** Board Members are valued for their contributions; annually, volunteer Board Members are rewarded for their services to the organization.
9. **Role of Officers/Executive Committee:** The roles of the Officers are clear; the Executive Committee is empowered to act on behalf of the Board in clearly understood areas and all decisions are ratified by the full Board.

   1  2  3  4  5

COMMENTS:

10. **Role of Other Committees:** The roles of other committees are clear; relations among committees, Board, and Facilitator are well defined and expectations are shared mutually.

   1  2  3  4  5

No Answer

COMMENTS:

11. **Board’s Job Description:** The Board has a clear job description, everyone is clear about expectations of Board Members.

   1  2  3  4  5

COMMENTS:
12. **Board’s Role in Resource Development:** The Board is clear that its role in resource development includes active participation, understanding, and moral support as well as support for fund raising activities.

1  2  3  4  5

COMMENTS:

13. **Evaluation:** The Board annually reviews its role and how well it is doing its job.

1  2  3  4  5

No Answer

COMMENTS:
14. **The Facilitator’s Role:** The work of the Facilitator is clear in our organization. The Facilitator knows why Board Members are involved in the work of the organization and works to stimulate their interest.

1  2  3  4  5

COMMENTS:

15. **Policy vs Procedure:** The Facilitator and Board are clear about their respective roles around policy and implementation or procedural issues.

1  2  3  4  5

COMMENTS:

16. **Public Relations:** The Board plays a key role in strengthening public relations - both formally and informally.

1  2  3  4  5

No Answer

COMMENTS:
Appendix C: Quality Control and Evaluation Manual

17. **Financial Management:** The Board annually reviews and approves the budget and monitors expenditures against the budget at least quarterly.

12345

COMMENTS:

18. **Audit:** The Board contracts for an annual financial audit, receives the management letter and audit, and discusses outstanding issues with the Facilitator.

1 2 3 4 5

No Answer

COMMENTS:
### Client Tracking Form (office use only)

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<thead>
<tr>
<th>Name</th>
<th>Description of Enterprise Type</th>
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<tbody>
<tr>
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<table>
<thead>
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<table>
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<table>
<thead>
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<table>
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<tr>
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#### Employment Status:

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<td>Unemployed</td>
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<td>Additional business</td>
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<th>Estimated Client Income:</th>
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#### Business Size

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<th>Number of Jobs</th>
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<th>Payroll $ / year</th>
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<th>Investment $ needed</th>
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#### Facilitator Benchmarks

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<tr>
<th>Continued Program Assistance</th>
<th>Barriers to Success</th>
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<td>Help on:</td>
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<tr>
<td>1 Marketing</td>
<td>1 Lack of capital</td>
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<tr>
<td>1 Financial Management</td>
<td>1 Lack of</td>
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<td>Product or Service</td>
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<td>1 Development</td>
<td>1 Partnership</td>
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#### Enterprise Status:

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<th>In-Business Assistance</th>
<th>Purchase current business</th>
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<th>Other</th>
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### Appendix C: Quality Control and Evaluation Manual

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<td>Met client in community environment</td>
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<table>
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Facilitators perception of initial interview

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<th>2</th>
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2nd or 3rd meeting assessment

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Reason for assessment

Facilitators perception of initial interview

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2nd or 3rd meeting assessment

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Date: Facilitator’s Initials

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Appendix D: Testimonials from those involved in local Enterprise Facilitation

APPENDIX D: TESTIMONIALS FROM THOSE INVOLVED IN LOCAL ENTERPRISE FACILITATION
Appendix D: Testimonials from those involved in local Enterprise Facilitation

Dear Mr. Sirolli,

I would like to take this opportunity to thank you for your ingenious vision of Enterprise Facilitation. It has enhanced the lives of many Creston entrepreneurs, me included. Two years ago I had one consultation with Debby Johnson and my business has more than doubled. Her advice was so simple, "If there is one aspect of your business that you are not absolutely passionate about, get some help with that aspect." I did follow her advice and business has boomed. I was so impressed with the professional way Debby did her presentation that I started sitting on the EF Board soon after that. It has been an absolute pleasure to be a part of the board. All the board members have been enthusiastic and it is very gratifying to read the statistics each month of the number of individuals and businesses that are starting or expanding. I can't believe that 120 entrepreneurs, 40 new and expanded businesses and 84 jobs have been created or maintained in just the past 2 years in this small community. I have heard from many community members who rave about how Debby has helped them. It is a blessing to have such a positive program as Enterprise Facilitation in the community when the economy and political climate are not at their best. I do hope you will come to Creston again. I was so sorry not to be there for the celebration and thank you in person for your wonderful philosophy that the future of every community lies in capturing the imagination, intelligence and passion of its people.

Sincerely,

Sharon Brocklesby, DTCM

Thu, 23 May 2002

"...Before we contacted Debbie, we were lost, not having a clear vision of where we wanted to go with all our ideas and capabilities. Debbie took what we had, helped us get organized, and linked us up with some wonderful people who have all helped us in some way to reach our goal. We know that with her help, our business will be successful. Without this caliber
Appendix D: Testimonials from those involved in local Enterprise Facilitation

of facilitation, we would be struggling, and may not ever reach our goal, or meet with the level of success we hope to reach having this kind of support.

How we learned of Debbie was through other business entrepreneurs, who have greatly benefited from Debbie's service to them. They shared this information with us long before we ever planned to embark on our own business venture merely to express their appreciation for Debbie's service to them.

I believe that with this type of service available to local businesses, our valley has a greater chance of succeeding economically. If this service was no longer available, it would be a great loss to our community. If there's anything we can do to ensure this service remains available to our community, please feel free to contact us."

*Jeannine and Damien Vincent*

*Creston BC*

*Canada*

“...Most small business owners know very little about business but rather come into entrepreneurial situations with ideas and other expertise. This is the only program I’ve used that actually seems to recognize that individuals need help individually. By personalizing the learning process, the Sirolli method makes business management something that anyone can tackle and handle.”

*Thomas Cournoyer*

“...We particularly like the fact that we do not have to fit into an already existent economic development plan. Our business has a very particular focus (we are the only company in Canada making therapeutic board games) and our needs are also very particular. To be able to sit down with our facilitator and hash out ideas has been extremely useful to us.

*Blake Parker*
Appendix D: Testimonials from those involved in local Enterprise Facilitation

“...One thing our meeting did make me realize, and it is a very important thing, is that instead of me expecting the Government to do everything for me, I best get out and do it myself...”

Mark Best

“...We hope that others like us have a chance to realize through our facilitator's expertise - “Aah, it IS possible, THIS way!” We certainly encourage most enthusiastically the recipients of this letter to put their energy into keeping this facilitating project GOING. There is enough poverty in our province to let capable but underprivileged people fail in their sincere enterprising efforts just because they cannot afford extremely expensive business advisors. The three of us are truly grateful (and more successful!) for this gift.”

Slava Estok, Pamela Griffin & Hana Culen

“...It has been extremely useful to me to be able to talk to our facilitator about my plans; her support has helped me be more organized and realistic about how to go about this huge endeavor. I would recommend that this program continue, it is desperately needed in my area where local businesses are closing down and our local economy slipping. This is a fantastic program and it helped me greatly.”

Wendy Allen

“...Working with our facilitator, I have accomplished more than I thought possible in such a short time. She is able to quickly focus on areas which need consideration, and has the knowledge and expertise to advise as to how to proceed...”

Barb Hodges

“...As an individual trying to start a business it’s very easy to get discouraged and blocked by a seemingly impassable barrier... Just talking to you about what I’m trying to do has opened up other ideas for me on how to approach and get beyond those impassable barriers...” (My business has since begun operations)

Leon Davidoff
"Having had access to our facilitator’s knowledge and resources has been of great benefit to our emerging business. Being able to ask questions and get feedback on small business management issues from a person well versed and experienced in this field could make the difference between success and failure for a new business venture. Her help with accessing governmental and non-governmental resources has been especially helpful to our business. In a region with such a large number and diversity of small and new businesses, this service will without doubt assist in creating positive economic activity for this area.

Kai Korinth

"Attending the five day Enterprise Facilitation course has had a number of benefits, but for me the most profound impact has been the gift of hope.

I have been a Community Development Worker for the past seven years, and feel the lack of suitable tools and practical information previously given to me has slowly drained my energy and enthusiasm to effect positive change.

This course has injected hope and inspiration into my work. I can now see a realistic recipe for effective work that really helps people and reduces their long term dependence on services.

The most incredible thing is its simplicity. But it’s this simplicity that can hinder its implementation. It takes faith to trust that this process will work, faith to believe that what works in one community can be implemented in another. Those in power want complex formulas and constraining accountability before they will invest. Do the five day course and find out for yourself. You will see that the process produces results beyond your expectations and that putting conditions on the program actually limits its effectiveness.

Give the power back to the people at grass roots level and watch the magic grow.

Hope can be a wonderfully contagious thing. I encourage everyone to explore the enterprise facilitation process. It brings personal inspiration, community hope and belief that the future
Appendix D: Testimonials from those involved in local Enterprise Facilitation

can be positive and sustaining. You can’t measure the value of such incredible outcomes like these.

I thank the various people and organizations that encouraged me to attend this course, it has been an inspirational experience that has restored my passion.”

Kim Lochner
Community Development Worker

"For communities looking for a sensible, sensitive and sustainable development program, Enterprise Facilitation offers a simple, yet comprehensive and prosperous alternative."

"Ernesto Sirolli is the master craftsman. So skilled is he, that his work is elevated to art. In the training course, he offers both the tools and their use, or, in other words, the skill and the wisdom."

Richard Harvey
U.S. Training participant

"I am convinced that there is something to the EF model and that we need it in Florida. I love the people based/bottom's up approach because it's simple, real and based in the best of human endeavor - fulfilling our dreams."

Susan Cook
Florida Department of Community Affairs

“A good process, evolutionary, liked the philosophical background at the beginning, and then the passion, the trinity, etc. The reality however of one-on-one was most revealing and challenging. Keeping all the points up front, while being in simulated situations, was very demanding. So that was worthwhile, very worthwhile. The stories and real experiences of Ernesto make all the difference. The course has proven to me completely that Enterprise Facilitation works and is a necessary part of building a strong economy and community at
Appendix D: Testimonials from those involved in local Enterprise Facilitation

least in this part of the world.”

Bob Williams
Regional Development Corporation
VanCity Savings and Credit Union

“Intense, stimulating, very dynamic. I walked away with a very positive feeling. Enterprise Facilitation is almost revolutionary in its approach to economic development because of its emphasis on support for individual people at the local level who want to start businesses. I work with local entrepreneurs on a case-by-case basis now and what I learned in the "Introduction to Enterprise Facilitation" training is definitely of value in my working with them.”

Lee Malleau
Director, Economic Development
Town of Golden, BC

“Enterprise Facilitation” inspires my soul. From an early age, I have always found my greatest satisfaction in those times when individuals or groups or communities have discovered their own strengths and have used that discovery to move forward with their goals. EF confirms that I have been on the right track. The difference is that I have learned the techniques which make this model so effective when used in working with individuals in the world of economic development. Now my job is to determine how I can take what I have learned and apply those skills in a public sector environment. That will be the easy part.”

Joan Langille, Director
Alberta Family & Social Services
Red Deer, Alberta

“After much thought of what I will take away from this course, I concluded that there is no part of this course that could not be applied to everyday business and personal situations and
Appendix D: Testimonials from those involved in local Enterprise Facilitation

experience. The tools/skills achieved in this course will be utilized in all aspects of our business, not just lending.”

Gloria Rendell
Northern Savings
Prince Rupert, BC

“What did I like?
- Enterprise Facilitation, entire concept
- Ernesto’s stories and insights
- Using the excerpts of various books/articles and discussion of same by participants
- Relaxed/informal atmosphere
- Non-lecture portions
- Working with real business people
- Environment for personal growth”

Randee Halladay
Holistic Management
Certified Educator and Project Leader
Rocky Mountain House, Alberta

The skills that we learned have transformed how we look at our business. I feel that my capacity to be a successful agriculture entrepreneur has grown. I hope that more opportunities will be available for others, for it is my belief that Enterprise Facilitation is what agriculture and rural western communities need to survive and prosper.

Andrea Malmberg
Twin Creek Ranch
768 Twin Creek Road
Lander, Wyoming 82520
APPENDIX E: SELECTED NEWS CLIPPINGS ABOUT ENTERPRISE FACILITATION
Local Economic Development Group Receives National Award

Enterprise, Oregon, June 29, 2001--- The Northeast Oregon Economic Development District (NEOEDD), serving Baker, Union and Wallowa counties, was selected as one of the top three winners of the prestigious Pioneer Award for Leadership in Entrepreneurial Promotion. As part of their ongoing efforts to support business development in rural America, the National Association of Development Organizations (NADO) selected NEOEDD as the first runner-up.

The award, funded through a grant from the Kauffman Center for Entrepreneurial Leadership at the Ewing Marion Kauffman Foundation, recognizes organizations that have developed programs to promote the growth of entrepreneurship in rural America. The top three winners were selected by an expert panel from 21 applications with a wide variety of strategies for supporting entrepreneurs.

NEOEDD is receiving the award for the implementation of Enterprise Facilitation programs in Baker and Wallowa counties. This bottom-up model of entrepreneurial support assumes that no individual is equally passionate about their product or service, marketing, and financial management, yet all three of these areas are critical to business success. The programs draw on the expertise of a volunteer local board and a hired facilitator to help each entrepreneur build a team to cover the areas they are less passionate about. The facilitator provides confidential, on-demand business counseling services free-of-charge for as long as the business desires. In the programs’ first ten months, 264 entrepreneurs have been served, 15 new businesses started, 11 businesses expanded and 42 new jobs created.

To receive the Pioneer Award, applicants must demonstrate how their program overcomes major challenges to rural entrepreneurial growth. These challenges
Appendix E: Selected News Clippings about Enterprise Facilitation

include: distance to markets and services, independent spirit of rural populations, capital availability, economies of scale and the absence of rural entrepreneurial networks.

NEOEDD and the two other winning organizations will be featured at the opening session of NADO’s Annual Training Conference in San Antonio, TX, August 26-28, 2001. NADO is a public interest group founded in 1967 to promote community and economic development in America’s small metropolitan and rural regions. The winners will also be featured in NADO publications and on their web site at www.nado.org.

Northeast Oregon Economic Development District
Enterprise, OR

Contact: Lisa Lang or Sara Miller
Phone: 541-426-3598  Fax: 541-426-9058
APPENDIX F: THE 1ST TWO CANADIAN PROJECTS - AN EYE WITNESS VIEW
APPENDIX G: LIST OF ENTERPRISE FACILITATION PROJECTS
Appendix G: List of Enterprise Facilitation Projects

What follows is a list of Enterprise Facilitation Projects implemented with the direct involvement of Ernesto Sirolli from 1985 to present, March, 2003. Many more projects have been established in Australia and New Zealand by communities inspired by the approach. In Western Australia all the Enterprise Facilitation Projects go under the new name BEC, Business Enterprise Centers, and they number 37 at the present time. In New Zealand the first trainee of Ernesto Sirolli became responsible for implementing the approach in 71 communities on behalf of the state government. In NSW, Australia 48 BEC’s were established with training from Ernesto Sirolli first Enterprise Facilitator in Casino, NSW.
## Appendix G: List of Enterprise Facilitation Projects

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<th>Project Name</th>
<th>Country</th>
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*Total Active 45 Projects*
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