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## ABSTRACT

These proceedings include the following reports: "Entrepreneurship Education: The Seed of Economic Development" (Gordon Ropp); "A Community College Statewide System" (Randy Grissom); "REAL [Rural Education Action Learning] Enterprises" (June Atkinson); "SBIR [Small Business Innovation Research] Opportunities" (Lou Perry); "The Trade and International Economic Policy Reform Act of October 1937" (Robert E. Taylor); "The Role of Vocational Education in Developing Entrepreneurial Talent and Small Business" (Sally Novetzke); "Partnerships for Economic Development--Introduction" (Nelson Ronsvalle); "Partnerships for Economic Development--New York" (Nelson Ronsvalle); "Partnerships for Economic Development--Ohio" (Sonia Price); "Partnerships for Economic Development--Minnesota" (Lynda Rago); and "Partnerships for Economic Development--Oklahoma" (Gene Warner). A list of 1987-1988 members of the National Entrepreneurship Education Consortium, a statement of the consortium's mission, and the agenda of the consortium's December 1987 meeting are also included. (MN)

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**ENTREPRENEURSHIP  
and  
ECONOMIC DEVELOPMENT**

**Catalysts for Change**

**Proceedings  
National Entrepreneurship Education  
Consortium Meeting  
December 3, 1987  
Las Vegas, Nevada**

**Edited by  
M. Catherine Ashmore**

**The National Center for Research in  
Vocational Education  
The Ohio State University  
1960 Kenny Road  
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**1988**

## FOREWORD

The members of the National Entrepreneurship Education Consortium meet twice a year to gain new ideas and professional growth in entrepreneurship education. These meetings provide an opportunity to hear from national leaders and our own members on issues of importance to each member. It is an opportunity to take new ideas home to each state or associate member organizations.

We are proud to have the resources to publish these speeches not only for our members, but for others who do not have access to new information on entrepreneurship education. Without the financial support of all members this publication would not have been possible.

We encourage you, the reader, to duplicate materials herein and share them with your colleagues, so that the ideas shared in a small room may spread throughout the educational systems of this nation.

We are particularly appreciative of the part played in planning this program by the Consortium Executive Committee:

Nelson Ronsvalle	President
Lynda Rago	Past President
Linda VanBallenberghe	Board Member
Gene Reed	Board Member
Gregg Christensen	Board Member
Lou Perry	Board Member
Cathy Ashmore	Program Director

Thanks are extended to Rita Charlton for her excellent preparation of the document.

Ray D. Ryan  
Executive Director  
National Center for Research  
in Vocational Education

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## **"ENTREPRENEURSHIP EDUCATION: THE SEED OF ECONOMIC DEVELOPMENT"**

By Gordon Ropp  
President, NASCOVE

As a farmer and a State Representative in a state which is going through major changes and economic revitalization, I hope that before I finish this speech you can clearly see why I have selected "Entrepreneurship Education: The Seed of Economic Development" as the title of this presentation. Information reported by the National Commission on Jobs and Small Business in their publication **MAKING AMERICA WORK AGAIN** shows that:

- o Since 1970 the growth of American **PRODUCTIVITY** has been cut in half
- o **REAL WAGES** have been falling for everyone since 1972
- o 1.1 million production workers have been **DISPLACED** since 1980
- o More than 40 percent of black **TEENAGERS** are jobless
- o Each locality in the nation must be prepared to **REPLACE HALF ITS JOBS** every five years.

I believe it is absolutely imperative that vocational educators must become partners in economic development and take seriously the challenge of the purpose of the Carl Perkins Act which states, "To strengthen and expand the economic base of the Nation, develop human resources, reduce structural unemployment, increase productivity, and strengthen the Nation's defense capabilities by assisting the states to expand, improve, and update high-quality programs of vocational-technical education, and for other purposes."

The National Association of State Council on Vocational Education in May, 1986 issued a position statement on entrepreneurship education and vocational education. The Executive Summary position statement and recommendations are as follows:

**Position:** The National Association of State Councils on Vocational Education (NASCOVE) believes that vocational education should play a key role in fostering education in entrepreneurship.

**Recommendations:** The National Association of State Councils on Vocational Education recommends that:

1. All States include evaluative criteria relating to entrepreneurship.
2. All States participate in the National Entrepreneurship Education Consortium operated by The National Center for Research in Vocational Education.
3. Representatives of State Councils, State Departments of Education, and local educational agencies establish liaisons with leaders in agencies and associations for entrepreneurship education.

Research conducted at the Massachusetts Institute of Technology, Brookings Institute, Harvard, SRI International, Northeast-Midwest Institute, and Northern Illinois University highlight the need for effective long-term economic revitalization strategies:

- o The inability of commerce and industry to adjust and implement new technology, which is changing every 5-7 years, is the most crucial problem facing America.
- o Collectively the Fortune 500 companies have not added a single net job to the economy; in fact, in the past decade they have lost four or five million jobs. Therefore, most of the twenty million jobs we have been able to count have come from small, new enterprises.
- o Approximately 50 percent of the jobs in a given area change every five years and only 1-2 percent is due to relocation of commerce and industry.
- o A trained workforce is the key to increased economic efficiency. Constant retraining and updating is a necessity. Investment in human resources is both the quickest and most efficient way of increasing productivity.
- o The ability to develop the "spirit of entrepreneurship" is the key to the future.

## THE CHALLENGE AND OPPORTUNITY

Education for this nation's entrepreneurs is needed. Small business men and women confront a myriad of difficulties, and they often feel all alone against the world, single-handedly fending off bureaucrats and competitors. They need specialized information about their business as well as general knowledge about why and how small businesses succeed and fail. Small business leaders are busy reacting to events that are largely beyond their control. They are so busy that they are largely invisible to the general American public.

Americans have been brought up to think big when they think business, but many of the true heroes of American business today are the pioneers of small business. The small manufacturers and producers of business services are especially vital as they translate the new technologies into consumer products and employment opportunities. Working largely on their own in an incredibly fast-moving and worldwide business situation, they have to match wits on problems, technologies, and opportunities against other individuals around the world. This is no place for the bored or the lazy.

But how many Americans know either what small business owners are doing or how important it is to the nation that they succeed? Particularly, how many students in high school know about opportunities for adventure, challenge, bankruptcy and good income open to the small entrepreneur? Do educational institutions emphasize education only for "jobs" in big business and the professions? They should at least consider bringing the successful small business man and woman to the schools to tell their stories and their visions.

It is disappointing for all of us when we see studies that indicate that grade 7 students are far more entrepreneurial than high school graduates, but perhaps on reflection that result shouldn't surprise us. My exposure to education was not the least bit theoretical, it was totally practical. I learned about education as a student. And during the process, I learned more about content than I did about skills. I learned more about other people's thoughts than I did about thinking on my own. And I learned, in too many cases, that repeating what I had heard was rewarded more highly than trying to express what I thought.

My experience was not unique, so we shouldn't be perplexed when we see results that indicate that our educational system has a tendency to discourage entrepreneurs rather than to develop them. Indeed, I would go so far as to state that America's educational system has failed to recognize the fundamental importance of teaching entrepreneurship, of recognizing the value to our future economic and social growth. We have been short-sighted in our half-hearted commitment to, first, instilling the proper attitudes required by entrepreneurs, and secondly, of nurturing that first seed of entrepreneurship into a full-fledged and self-supporting business.

To support that view, I would like to turn to a study of entrepreneurs in 11 nations, produced for the 1984 Amsterdam Small Business Conference. That survey showed that, on average, Canadian entrepreneurs had spent 13 years in the education system. Despite that or perhaps as a result of that, over 60% of Canadian respondents, including two-thirds of those with new firms, reported that they had gained their business expertise, not from the education system but from working as an employee in another firm. Only 11.5 percent mentioned they had acquired any business knowledge through the educational system. Another study conducted in Canada showed that more than half the first-year students in business administration say they want, one day, to operate their own business. However, at the end of their studies, not more than 5 percent of students still have this ambition. Could it be that existing business administration courses

focus primarily on the management of big enterprises, and do not encourage individual entrepreneurship in students? I believe the results in America would be quite similar.

This reminds me of a story. The Christophers tell about an American Indian with a story about a brave who found an eagle's egg and put it into the nest of a prairie chicken. The eaglet hatched with a brood of chicks and grew up with them.

All its life, the changeling eagle, thinking it was a prairie chicken, did what the prairie chickens did. It scratched the dirt for seeds and insects to eat. It clucked and cackled. And it flew in a brief thrashing of wings and flurry of feathers no more than a few feet off the ground. After all, that's how prairie chickens were supposed to fly.

Years passed. And the changeling eagle grew very old. One day it saw a magnificent bird far above in the cloudless sky. Hanging with graceful majesty on the powerful wind currents, it soared with scarcely a beat of its strong golden wings.

"What a beautiful bird!" said the changeling eagle to its neighbor. "What is it?" "That's an eagle," the chicken said, "but don't give it a thought. You can't never be like him."

So the changeling eagle never gave it another thought. And it died thinking it was a prairie chicken.

Another reason for the need for entrepreneurship education is the lack of understanding of the American economic system. The Opinion Research Corporation, of Princeton, New Jersey, in surveying 9,500 high school students, found 53 percent believe government ownership of business is a good idea. Fifty percent said government should guarantee jobs for everyone willing to work; and 45 percent thought workers should receive payment according to their individual need for profit; and 62 percent did not think a worker should produce all he or she could.

James Harvey, the author of both **NATION AT RISK** and **MAKING AMERICA WORK AGAIN**, in a speech to your Consortium challenged vocational educators to get involved in entrepreneurship education and stated, "Entrepreneurship education is one of the most important things going on...not simply in education but in the whole area of economic growth and development."

The following key facts contained in **MAKING AMERICA WORK AGAIN** offer support to the importance of small business and entrepreneurship education to the future of the United States:

- o Small businesses created most of the innovative ideas and inventions in the last decade.



- o Small firms give two out of three Americans their first jobs -- therefore basic workforce training.
- o Women-owned businesses have increased three times as fast as men-owned businesses in the last 10 years.
- o The number of self-employed blacks has risen by nearly 50 percent in the last decade.
- o More than two thirds of all new jobs are generated by firms with less than 20 employees.

### BENEFITS OF ENTREPRENEURSHIP EDUCATION

Dr. Catherine Ashmore, Director of the National Entrepreneurship Education Consortium, has identified the following 7 benefits of entrepreneurship education:

- o Creativity -- Entrepreneurship education encourages all kinds of innovative thinking related to new products, new services, changes in demographics, new technology, societal change, and community needs. Creating a business on paper that might be started in your community is an excellent exercise in such business creativity.
- o Career Planning -- Individuals should understand their opportunities to start a business or become self-employed sometime in their career. Generally, most are not ready for this at graduation, but they should see how they can move toward this option eventually in their career plans.
- o Business Understanding -- Entrepreneurship education may serve as a vehicle for individuals to see ways to become employed with the skills they are acquiring in a vocational program. It provides a method to explore all the ways these job skills may be applied to community business needs.
- o Community Understanding -- Individuals may use the entrepreneurship education program to study entrepreneurs in the community, opportunities for new businesses in the area, understanding of the suppliers available, and analysis of the demographics that would contribute to the success of selected enterprises.
- o Self Understanding -- Experience with the life story of successful entrepreneurs can be used to help individuals think about their personal attributes and life-style choices. It is important to look at both the positive and negative factors in a person's make-up before choosing entrepreneurship as a career.

- o Orientation To Change -- Individuals will learn to look for changes that may lead to business opportunities of the future. Entrepreneurs seem to have a single-minded drive to try the "new" and stay ahead of others.

I would also like to commend Dr. Ashmore and you, the members of the National Entrepreneurship Education Consortium, for developing the Lifelong Learning Model for Entrepreneurship Education, which has served as a guide for designing and implementing entrepreneurship throughout the United States. This model shows that entrepreneurship education must be designed to emphasize that entrepreneurship is developed over an extended period of an entrepreneur's life, and does not take place in any one setting or at one specific time. The model defines the difference one would expect to see in varied types of entrepreneurial programs. Another strength of the model is that it also indicates the importance of defining a number of important needs and learning processes before infusing entrepreneurship into any vocational education program.

As correctly visioned, entrepreneurship education should be infused into the total curriculum from kindergarten through adult levels. At elementary and secondary levels, programs should be designed and implemented that will be primarily responsive to achieving Stages 1 through 3 of the model. Post-secondary and adult programs should be designed toward the achievement of Stages 4 and 5.

#### NEEDED: A STATE AND NATIONAL POLICY FOR ENTREPRENEURSHIP EDUCATION

Because the Government, in the most recent decades, has tended to view Americans as employees and consumers rather than as entrepreneurs and producers, the climate for small independent ventures has not prospered to the level deserved. The owners of America's small businesses are learning that they must participate more in formulation of Government policies and make their views known not only to benefit small business but to benefit the economy. In August of 1986 a total of 1,816 delegates attended the White House Conference on Small Business. Small business owners placed the need for entrepreneurship education in the 6th and 34th top priority positions in the National Small Business Agenda. But what has happened during the past 15 months at the national level -- almost nothing! The only positive actions are those which have been taken by your National Entrepreneurship Education Consortium and The National Center for Research in Vocational Education.

Historically, a variety of organizations has developed programs to prepare people for new venture creation; there have been limited opportunities to build networks to deliver education and training appropriate for the different types of entrepreneurs. What is needed is a realistic, coordinated plan that would bring together programs that affect entrepreneurial education to one degree or another. The result would be coordination among agencies that now frequently work at cross purposes, and greater efficiency in the expenditure of public and private sector funds. A plan could provide the framework under which a range of public and

private sector agencies -- commerce, industry, government and education at all levels could work together toward economic development goals that they could not achieve alone.

## THE ILLINOIS INSTITUTE FOR ENTREPRENEURSHIP EDUCATION

I am proud to be able to report that the state of Illinois is the first state to create a comprehensive lifelong learning entrepreneurship education policy with the passage of the Illinois Institute for Entrepreneurship Education by the 85th General Assembly. The Illinois Institute for Entrepreneurship Education has been designed to achieve the following purposes:

- o determine "what is needed."
- o develop programs and materials required for the teaching of entrepreneurship and economic understanding.
- o help insure the maximizing of entrepreneurial opportunities, and
- o serve as a central coordinating body in the delivery of programs and in the tracking of results.

Specifically, the mission of the Institute is to help remedy the deficiencies in the preparation of entrepreneurship education programs, improve curriculum materials, and prepare personnel to serve as leaders and consultants in the field of entrepreneurship education and economic development.

The strategies for the achieving the purposes include:

- o identifying and articulating model entrepreneurship education programs in all education levels,
- o supporting entrepreneurship education in vocational education, small business development centers, and teacher education programs,
- o designing and implementing in-service and pre-service programs for elementary, secondary teachers, and other instructors,
- o developing and disseminating curriculum materials, and
- o identifying self-employment occupations and those areas where business opportunities have a high probability of success and serving as an advocate for small business development.

The clients to be served by the Illinois Institute for Entrepreneurship Education include:

1. elementary and middle school students,
2. all secondary education students,
3. secondary school students receiving entrepreneurial education instruction through vocational education programs,
4. secondary school students preparing for careers in entrepreneurship,
5. students pursuing small business degree programs in post-secondary institutions,
6. adults who are considering the idea of going into business for themselves,
7. individuals who are developing plans to go into business for themselves, and
8. existing small business owners deciding to expand or improve their businesses.

I am proud to be one of the sponsors of the legislation that created the Illinois Institute for Entrepreneurship Education. This statute represents the culmination of three years' efforts by the Governor's Small Business Advisory Council and the Illinois Entrepreneurship Education Task Force under the leadership of Dr. E. Edward Harris and with the support of Lt. Governor George H. Ryan. I am also pleased to report that through the vision of Mr. James Galloway of the Illinois Department of Adult, Vocational and Technical Education, federal vocational education funds have been used to support Dr. Harris' economic development and entrepreneurship education efforts the past 6 years. I do have a few copies of the legislation and diagrams of the Illinois Institute for Entrepreneurship Education for those of you who might be interested.

One model entrepreneurship education program I am personally interested in is a new one that is being tested in North Carolina and Georgia. In the operation of the rural school-based enterprise programs the school acts as "small business incubator" where students get first hand experience in running a business. Partnerships are formed with government and business leaders who support students in a business endeavor.

What is also needed is a national policy for entrepreneurship education that is supported at the highest level. That would, (1) encourage the promotion of entrepreneurship as a career option; (2) remove obstacles to entrepreneurship education, and (3) ensure that there is a strong advocacy function within government for fostering entrepreneurship education.

I sincerely hope that each of you will carefully study Ed Harris' proposed National Management Model for Entrepreneurship Education that has gained extensive state and national acceptance and served as the basis for creating the Illinois Institute for Entrepreneurship Education as a priority during the White House Conference on Small Business. I have brought copies of the proposed National Management Model for Entrepreneurship Education for your consideration. Hopefully, we can work to create a national policy for entrepreneurship education within the next year.

### A LOOK FORWARD

I encourage all vocational educators to analyze carefully the reports such as THE AMERICAN EXPRESS SMALL BUSINESS CLIMATE INDEX. The INDEX shows that in the first half of 1986 small business employment rose 1.86 percent, surpassing a .51 percent increased employment attributed to large businesses. Sales of small business goods and services also increased. Small business sales for the 6-month period increased 1.27 percent, compared to an 0.1 percent increase for large companies in the same period. The INDEX also showed an increase in the number of new small business incorporations for the first half of the year were up 3.57 percent from the previous six months.

David Birch, an economist at the Massachusetts Institute of Technology and Chairman of the American Express Small Business Partnership paints a positive picture for small businesses. "Smaller companies increased their sales much more relative to their employment growth than large companies did during the last six months," Birch said.

Louis V. Gerstner, Jr., American Express President, said, "Small business is playing an increasingly important role in our nation's economy. It not only contributes significantly to the gross national product, but also creates a majority of new jobs."

### SUMMARY

There is little question that small business currently plays a significant role in the economy of the United States. Small business will continue to help restore competitiveness by helping to improve technology utilization, management practices, education and training, and capital investment.

In 1840, Alexis de Tocqueville provided one of the more interesting observations ever made about the American economy. He wrote: "...what most astonished me in the United States is not so much the marvelous grandeur of some undertakings as the innumerable multitude of the small ones." Should an equally observant Frenchman visit this land in the year 2040, he would make a similar observation.

The ability of vocational educators to help unleash the "entrepreneurial spirit" in their students may well provide the answer. The unique proven advantages of small business such as creating most of the new jobs, being 2.4 percent times more productive per dollar of research and development expenditures, flexibility, willingness to take risks, and being responsive to needs of employees and community-serving must continue to be documented.

The strategies that are needed, both private and public, to foster small business and entrepreneurship are complex and difficult. Success will require imagination, cooperation and hard work. However, the contributions of small business will continue to be significant.

Entrepreneurship education is a viable economic development strategy that can make contributions in the United States. It is very clear that the economic future of the United States is directly related to the extent that the "Spirit of Entrepreneurship" can be constructively unleashed.

Every state and the United States needs a policy that will foster the growth and development of entrepreneurship education. The policy should provide for improving the quality of the preparation of entrepreneurship education teachers, increase the quality of entrepreneurship education programs, improve instructional materials and prepare personnel to serve as leaders and consultants in the field of entrepreneurship education and economic development. The goal of the policy should be to promote entrepreneurship as a career option and promote and support the development of innovative entrepreneurship education materials and delivery systems; the need to stimulate commerce, industry and education partnerships, collaboration and involvement in entrepreneurship education programs has never been greater.

The challenge that politicians, bureaucrats and academics face is to make sure that government and educational programs respond to the results-driven need of the individual entrepreneur rather than the process-driven needs of our own system. If we can face this challenge successfully, the resulting achievement will be there for all to share.

Vocational educators have a unique opportunity for a new image in the eyes of:

1. employers,
2. community leaders and legislators,

3. school administrators,
4. creative students, and
5. parents.

Yes, entrepreneurship education is the "seed of economic development." The challenge of implementation is ours. The future at stake is that of America as a world power.



## "A COMMUNITY COLLEGE STATEWIDE SYSTEM"

By Randy Grissom

What I want to talk a little bit about is what we've done in New Mexico. To some of you who were at the conference in June, some of this will be a review. A lot of things have happened in New Mexico since June. The orientation we've taken in New Mexico at the postsecondary level is the product put together by a network of community colleges who have what we call "business assistance programs." It all started with the encouragement of our state director of vocational education, who is now in El Salvador putting together a vocational program. She encouraged many of the schools to write proposals seeking funding to get started putting together business assistance programs. And what happened was the first year one program was funded and the next year, four more programs receive funding. And when she funded the next four programs, she pretty much required, with strong encouragement, that we start meeting together to look at forming a network of sharing information, problem-solving around the state, to see if we could go as far as fitting together a statewide network like the system in Oregon, which we used pretty much as a model.

So we started meeting and problems, of course, cropped up. We couldn't come up with a solution as to how we could have a statewide coordinator in order to go after outside funding, primarily SBA funding to start out with. This is to let you know that New Mexico is one of three states in the United States that does not have a Small Business Development Center program through the SBA. We're working hard at it right now to try to come up with a proposal, and I'll talk a little bit more about that later on. But we started meeting primarily to see if we could form a network, if we could come up with a consensus as to how we could come up with a single coordinating institution or offices in a state agency, so that we could go after SBA funding and we knew we'd have to go as a group if we wanted to get something from our legislature.

So we met for about a year and a half, and during that time we formed what we call in New Mexico the "Business Assistance Network" and I have been the Acting Coordinator of that since day one. And we've adopted some objectives. The primary objective is to encourage and help assist in economic development throughout the state of New Mexico. And the second objective is to make people more aware at both the secondary level and the postsecondary level of the opportunities of entrepreneurship as a career alternative.

We agreed within our program that we would all do three different things. And how we do those will be up to our individual institutions and our individual communities. We all would provide counseling services to both existing businesses and potential business owners; we would provide training to those same and that training would be done in a variety of ways, and would be both through credit courses and noncredit workshops and seminars; and that we would all establish resource centers in which we would have materials, publications from institutions such as the National Center, computers and software. And some things may be self-paced instructional modules, some may be resource people to help a small business person learn how to use a microcomputer and to help him in his business until he gets to the point where he can afford to buy his own. And those are some of the things that we have been doing.



So those were the objectives of the network and the three components we all agreed to have. One of the reasons that we wanted the community colleges to be the primary source of business assistance in New Mexico is that there are 17 community colleges in New Mexico statewide, and New Mexico is a small state in population but a large state in land area--we're the fifth largest in land area, I don't know where we fit but we have 1.4 million people. And over 1/3 of those 1/4 million people are located in Albuquerque, which is right in the middle of the state. The rest of us are pretty much spread out. To give you a little bit more information about New Mexico, about 1/3 of the state is federal land, 1/3 of the state is Indian land, and the other 1/3 is where the towns and most of the people live. We're a very poor state; we rely heavily on oil and gas, and we've had a lot of trouble the last couple of years. Within the state and the community college system, there are three types of community and junior colleges in the state. There are branch colleges of 4-year universities, there are independent community colleges that are primarily locally supported from tax levies and also get some funds from the legislature, and there is one constitutional community college that receives all its funding directly from the legislature and does not have a local board appointed by the governor. It's different from some states; New Mexico is very old--Santa Fe is the second oldest city in North America--we're about 1/3 Spanish, 1/3 native American, and 1/3 Anglo of some nature. So it makes for a unique mix of politics. And we have some very old landgrant-based families, in the northern part of the state, that are still very powerful in politics. So when things get politicized, sometimes they can get mired down, and it takes a long time for things to progress.

Now, back to what we did with our network. The state department of vocational education funded five projects in the 2-year time period. Since that time they have added five more programs. Currently we have seven community colleges with operational business assistance programs in New Mexico, we have three more coming up next July 1st (we have received notification of approval of their proposals for next year) so as of next year, 10 of the 17 community colleges will have funded programs through the State Department of Vocational Education.

One of the problems though, that we have been facing all along, and one of the reasons for meeting as a network, is that we knew that once we got off that 3-year funding cycle we had to have some outside funds to keep us going. We still have not worked that one out totally; we are in the midst of doing that right now. Our first school comes off at the end of this fiscal year, June 30th. So effective next year they have got to have some kind of outside funding to get them along, either their institution is going to have to pick them up or we have to have another outside funding mechanism. And unfortunately for them, they are in a part of the state that relies only on oil and gas, and they are in an institution that's 90 percent locally funded, so they are in very dire straits economically as an institution, but they are probably also in the part of the state where the business people need the most assistance. So we're working closely, we're trying to see what we can work out with them.

As a network we not only include as active members the institutions that have active programs, but we invite all of the community colleges of New Mexico, invite all of the 4-year universities of New Mexico and various economic development people to attend our meetings and from time to time they do. We tend to meet quarterly, we try to move around as much as we can so that we are accessible to most of those people.

So we've been trying to work out our two key answers, and the problem we've been approaching is how to expand to all 17 community colleges and how to have continued funding once you come off of the Vocational Education Funding formula. We have written several outside proposals to receive temporary funding, we received a Sears/AACJC consortium grant this year, we received \$18,000, and the primary use of that is we're going to sponsor a conference in April, a statewide economic development conference, that is going to be a training conference to both train people in community colleges to provide the assistance to the business community, and we've all been doing training components (workshops & seminars), but we're going to be helping them learn how to use some of the models, the Minnesota curriculum, some of the counseling techniques that are being successful in the southern programs that are in operation right now.

But in addition to that, we're going to be inviting all of the state legislators in New Mexico and inviting all of the economic development people from around the state. There are local economic development groups, there are regional economic development groups, Chambers and so forth, and we're going to try to bring in those people from the state and from outside of New Mexico to conduct training seminars--we're hoping it will be hands-on program rather than just speeches; we're going to do some hands-on training. So it's two purposes--to train the community college people and it's also to get us some pluses with legislators and economic development people.

That is one of the programs. We have been approaching and working with private foundations of some of the larger businesses in New Mexico. Our version of Baby Bell was Mountain Bell. It is going to be funding us. We don't know how much yet because they're still in their budget cycle, but we've made a presentation and they've committed that they will give us some money, possibly over two or three years. We asked for \$90,000 a year for two years; it looks like we'll probably get something like \$450,000 a year for three years. After the first year, if they like the project, they may try to give us some more. We've got a commitment for the first year from their foundation. And it may be the Mountain Bell Small Business Development Center Program, if all goes through.

The main emphasis lately has been on trying to get a SBA Small Business Development Center Program approved for New Mexico. We felt we had enough of a track record that we could fit together a proposal, so we enlisted the governor's endorsement that we would be able to go to the legislature--possibly this January--to seek some permanent money because our local communities tend to have problems coming up with the cash match that is required for SBA funding. We started working on a proposal and at the same time a New Mexico State University, which is one of the two large universities in New Mexico, decided that they were going to present a proposal. So, you have to have the governor's endorsement and in June we were both asking for the governor's endorsement. The problem is that we had 12 institutions, all community colleges, in our proposal, and they had 5 institutions in their proposal, one of which was the main campus and 4 of which were branch campuses of New Mexico State University. The governor decided that rather than make a choice--and we have a problem in New Mexico in that our new governor is a professor from New Mexico State University--he didn't want to have to make a decision. So he decided that he would instruct the State Department of Economic Development and Tourism to try to work out a compromise. They had us come in and make presentations on our two proposals. The community colleges pretty much knocked the 4-year university out of the picture, but it did not

receive the recommendation. The State Department of Economic Development decided that they would act as the coordinator of the SBDC program. They decided to break the state down into nine regions. They used the Illinois approach and the RFP as a draft and it took them forever, unfortunately, to work it out. They did divide the state into nine regions, which presented a problem for the community colleges in that in some regions there are as many as three community colleges and some regions there is one and in one region there is not a community college at all. And how would we address that? Their specifics said that in each region there had to be a lead institution or lead center, and there could be satellites of that lead center. We've been having the regional problem all along, but we finally got our act together, and the community colleges as a whole are basically taking the leadership of the new state director for vocational education. His commitment has followed the footsteps of Wilma Ludwig, who started the whole project. He came to the community college president's association meeting, where he said that he would guarantee that he would continue funding until all 17 of the 2-year institutions in New Mexico had received the 3 years of funding from vocational education, provided we came in as a united network and wrote a proposal to Economic Development to that effect.

And what that meant was that within the region, if there was more than one community college, it was necessary to work out some kind of compromise to name one of those institutions as a lead institution and the other two as satellites. I'm proud to say that as far as I know we have done that. I am the coordinator of the proposal and everyone's part of the proposal is due to me when I return, because we have to submit our proposal to Economic Development & Tourism by the 14th. We have been forced to coordinate and work together, and not only are we working together as community colleges, but we're working together with other economic development entities.

Just to give you an example of some of the things that are going on within the proposal--in one of the regions there are three community colleges, who do not communicate. They are very competitive with each other. And they're in the same region. There was some question as to whether they would agree to designate one institution as the lead center. But they have agreed to use the regional Economic Development Agency as the lead center for that region, and they're going to sub-contract into three community college.

And that is the only region where our community college apparently is not going to act as the lead center. We have one region that does not have a community college, but does have a 4-year university with an associate degree program that the State Department of Vocational Education can provide some funding to. They are going to be in that one region.

So, we are putting together a package proposal to address all nine regions of the state, naming a lead institution in each of those nine regions, and mixing together vocational education dollars (which are federal dollars), SBDC dollars, local cash, and in-kind dollars. For New Mexico, because of the formula SBA uses, there is \$370,000 of SBA money available, and that doesn't go very far trying to cover a state which is so widely dispersed geographically as we are. But by putting together our vocational education dollars, which for next year total \$455,000 and our local cash and in-kind match, we're going to have a proposal that we're turning in that has a statewide budget of somewhere around \$1.4 million. Hopefully that's what will win the proposal for us.

We are asking that, as a community college, because other development groups can respond to it. We are going in united; we're asking that it be considered only in its entirety, that we are willing to work with other groups, and we do have other groups participating in our proposal. We think, if nothing else, the dollars will make people take notice because we do have such a large amount of money in a state that doesn't have much. I don't know how we put it all together--we have private participation with companies like Mountain Bell and Sears, and there may be others as time goes by.

All of our emphasis on the community front has been that we are locally based, and we can respond quickly to local community and business needs which gives us local accountability. One of the concerns in all postsecondary-type business assistance programs is the fact that the people who heed our assistance are people who are afraid of the education system. They are afraid of failure. They think that it's going to be too theoretical for them. And we think that the community colleges come closer to being able to get through that fear than a 4-year university would be able to, especially in New Mexico. And within New Mexico, there's a community college within 25 miles of 95 percent of the population, so we are accessible to the business community, as such.

Of the 7 institutions that are currently in existence, 5 have served over 1500 businesses in just a little over a year of operation. As far as vocational funding goes, the nine institutions that will be receiving funding next year will receive between a minimum of \$35,000 to a maximum of \$79,000 to operate their centers. The discrepancy occurs because of the amounts requested in the proposals. There is a point at which funds will be cut off, but by combining the vocational dollars and the SBA dollars within our proposal, everyone has a minimum of \$30,000 of funding from outside sources, either vocational education for SBA or a combination of the two, to which they add any of their local cash and in-kind match that they have to operate a center. We feel that if you've got a \$70,000 budget you can operate a center in New Mexico. I know that in other states like Oregon they feel that \$100,000 is minimum and there are areas in New Mexico where that is probably the case, but we are a very rural state and salaries are fairly low.

We still have a network going. We have decided that no matter what happens with SBA funding this New Mexico Business Assistance Network will continue to exist. And if we don't get SBA dollars we're going straight to the legislature, not this January but next January. We've already made presentations to the legislature committees, we have received positive feedback, so we have built our base at the bottom; we are still having trouble at the top. One of the problems that we're running into is the orientation in New Mexico that has been to try to lure bigger businesses into the state. This new administration has said they're going to try to change that, to try to build from within, but there's still a lot of the same people there still trying to lure big business. And that needs to be done. Even within our centers we worked on a proposal recently to lure a division of U.S. West research facilities to New Mexico. We didn't win, Colorado won out, but at least it pulled us all together and our Business Assistance Centers were involved in the proposals. We helped write part of them, we were mentioned in the proposals, etc.

And New Mexico is trying to lure high tech and be high tech. We have two of the very large federal laboratory facilities, one in Los Alamos and one Sandia lab that is in Albuquerque. And they're doing a lot of technology transfer.



A lot of businesses are getting started from products or ideas that started at those laboratories and then were moving into businesses.

We are trying to convince everyone that the way for New Mexico to develop economically is to help existing businesses survive--most of our businesses have less than three employees--and helping local people get started in business. We have a very high minority population and the jobs that most of them get are very menial and low-paying jobs. At Santa Fe Community College the majority of our clients are minorities who are trying to get started but have no background to do so. We think that we have a track record already; we have about 20 startups out of our 1 center alone, another center has about 20 startups.

One of the problems we have run into, though, is that we are not formally connected as a network with an official coordinator, and we are not collecting the same information. It is hard to fit together the figures on the economic impact of our programs in the state, so within our proposal we are coming up with estimates of the number of jobs that will be created through our programs in the years, beginning next July 1st.

At a couple of our colleges we are doing our programs for credit. These are classes where they are using either Beyond a Dream or the Minnesota curriculum. The Beyond a Dream curriculum is for people thinking of going into business, who have never pursued that orientation. They end up with a formal business plan and that is where several of our startups have come from. The Minnesota curriculum is for people already in business. They meet one night a month for nine months and then counseling goes on between the instructor and the business. It is either at the place of business or at the college. At Santa Fe Community College and one other community college we are doing that for credit. We are putting together an Associate in Applied Science degree in small business management and it has two options. There is the General Studies curriculum that everyone must take, but we have a pre-entrepreneurship option for those people who are not currently in business for themselves and are going to take courses leading to a business startup. And then we have an entrepreneurship option, which is designed for those people already in business. We recently presented that to our advisory committee; they gave us some good feedback. We're fine-tuning it based upon the information they provided to us. And that should be ready shortly after the first of the year. Even though we have all the classes going, we do not have the formal package together and the small business owners (at least in our community) are very excited about being able to pursue something that would give them a certificate of degree.

There is a lot going on in New Mexico. There is still a lot to be done. Things that I would caution you about is to avoid the politics if you can. Force people to work together and if your community colleges are not involved get them to be involved. This has become a showcase curriculum for those institutions that have it. There is more publicity in our community than any other program and our institution has made a commitment that no matter what, if we don't get outside funding, we are going to keep ours going. We are building a new campus. and we have designated an area in Phase II that will be very plush and highly visible for Business Assistance Centers. Word-of-mouth has gotten out. We cannot keep up with the demand, and we haven't even had to publicize. We put together a brochure and we have a stack of them on a desk because we don't have time to pass them out. Word-of-mouth is bringing people in and we are generating

enough FFE so that I can justify paying my coordinator's salary out of institutional funds. This is happening just by doing credit programs. The business people seem to be pleased because we are basing their grades primarily on objectives that they establish between themselves and the coordinator at the beginning of the course. Their attainment of their objectives are processed through the year. It is not based on taking a standard test, although they do that. They set objectives that relate to their business and what their goals are, and we evaluate based upon that.

That is where we stand in New Mexico.

## "REAL ENTERPRISES"

By June Atkinson

If you would like to get away from the hustle and bustle of your everyday life and go to a place that's quite, where the sea breezes blow, then the place to go is Ocracoke. Cathy and I were there this summer. Ocracoke is an island off the coast of North Carolina. And if you're there, I know a place where you can rent a boat, movies, and a VCR. Also, if you need a T-shirt that says "I made a million in Las Vegas," I know where you can order anywhere from 10 to 3,000 T-shirts with that on it. Or, if you have another slogan that you'd like to have on that T-shirt, I know a place where you can place your order. And that place is Gumberry, North Carolina. How many of you have ever heard of Gumberry? Well, 99 percent of the people in North Carolina have never heard of Gumberry. But Gumberry is a rural area in our state next to the Virginia border.

It's a long way from the bright lights of Broadway to the small town in North Carolina called St. Pauls. St. Pauls is on the I-95 route from Florida to New York. There are places in St. Pauls where you can get fried chicken and barbecue. But there's one place called Way-Off-Broadway Deli where you can get a pastrami sandwich. The taste is definitely New York, but you'll hear a lot of southern accents in that place.

Now I have mentioned all these areas, you may think what does that have to do with real enterprise and what's the difference from those companies than from those that might be in your state. Well, here's the difference. all of those businesses are school-based enterprises, started by REAL Enterprise. REAL Enterprise has operated in North Carolina for several years. REAL stands for Rural Education Action Learning. The purpose of REAL Enterprise is to encourage and assist in the creation of school-based enterprises at rural high schools and community colleges. In our state, rural enterprise is sponsored by two groups. One, Small Business and Technology Development Center (a unit of Greater North Carolina University Systems). They have offices on seven campuses in our state. And then the other is North Carolina REAL Enterprise, a private, non-profit organization headed by Dr. Jonathan Sher.

Jonathan has an interesting background. He has worked in Paris and served as associate dean for research at one of our major universities, North Carolina State, and now he heads REAL Enterprise.

The geographic area that REAL Enterprises is restricted to is North Carolina. The goal is for this project to be statewide, but now it is restricted to five sites in the eastern part of our state and five more sites in the western part of our state. If you know anything about the jobs in North Carolina, you can relate to my saying that the eastern part of our state is primarily rural and flat. The center of our state has more metropolitan centers (as metropolitan centers go in North Carolina). We have Raleigh, the capitol; the Research Triangle park, the high technology aspect of our state; and Greensboro and Charlotte. Then we have the western part of our state where we have our mountains. It's definitely rural, and I'm sure my friends from Kentucky and Tennessee and those states can relate to that area.

The target group is the rural high school students. REAL Enterprises has four primary goals. One is institutional. That goal is to help rural schools become effective small-business incubators. The second purpose is educational. To help participants, the students, become competent in entrepreneurship and business management. The third goal is economic. To help create new jobs through finding and exploiting untapped opportunities in the local economy. And the fourth goal is individual. To foster empowerment and capacity to help students become successful and productive community members.

The basic idea of REAL Enterprises is very, very simple, but very difficult, very challenging. The basic idea is that rural students research, plan, set up, and operate small businesses in cooperation with local educational institutions. The program has a classroom component, in which students take courses offered by either Marketing Education or Business Education. They receive credit. The experiential component is where they really develop their own honest-to-goodness venture.

Now let me tell you what they are and what they are not. They are ventures designed to create long-term viable businesses. They are simulations or projects. That's how they differ from Junior Achievement or some of the activities that we may have done through our marketing; business; or other vocational education programs with production work activities, in which the kids build a house.

They are to build depth in the local economy. They are not to compete with local businesses. These programs are tailored to local realities and they're not pre-packaged or standardized programs per se. They are to help schools become business incubators. They're not designed to help schools become long-term business operators. They are open to all interested students. The programs are not pigeon holes for one group to be in. They enable students to earn wages and profits. The purpose is not to use students as cheap labor. They are to prepare students to become owners, job creators--not to prepare them for narrow areas. They are to help students become self-sufficient, and they are not designed to become dependent upon long-term external subsidies. They're supported by technical assistance. They're not sink-or-swim efforts. They're not wholly dependent on community or commercial funding.

Now you may wonder how REAL Enterprises got started. Perhaps some of you are familiar with the first pilot sites that were launched in Georgia. How many of you are familiar with those sites? OK, then you know that those sites were started about eight years ago. They were financed from the Mott Foundation and also the U.S. Department of Labor. They started a child care center, and that child care center is now in operation. They also started a feeder pig concern, a successful venture, but they're having a little problem, now. While the Georgia projects have been very valuable, there is a difference in North Carolina. The difference is that through REAL Enterprises and Economic Development, we have a comprehensive instructional and institutional strategy to support the activity.

As I mentioned, Jonathan is the principal officer of REAL Enterprises; the Vice President is a man by the name of Scott Daughtry. He is a corporate lawyer who spent a year as the head of a successful world economic development corporation in Mississippi. He's also been an officer in the Federal Home Loan Mortgage Company. You may have heard of the person who's Secretary-Treasurer, Dr. Stewart Rosenfield, who serves as Executive Director for the Southern Growth Policy Board.



Well, how does it operate? The first step is to get a school system interested. To get an indication of how REAL Enterprises started, let's take a look at The Way-Off-Broadway Deli. With a lot of promotion and encouragement from Jonathan, the school superintendent of St. Pauls school became a proponent of that activity. Their school ranks 138th out of 140 school systems in terms of budgeting. Working with the guidance of Jonathan's groups, the superintendent, marketing, and business teachers in that school--primarily the marketing teacher--became very interested. The first thing they did was to try to figure out what kind of business would work in St. Pauls. One of the things they did was to check the credit card slips from local services stations. Now why do you think, on the basis of the information I've already given you, that might have been a good move on their part? The answer is to see where people were from. And they also wanted to come up with a business that did not compete with local businesses. They considered a child care center, and a newspaper. Jonathan's father had owned a deli, so Jonathan suggested to them that they pursue that activity. Once the decision was made, they felt that they needed more experience in deli operations. So guess what they did? They hired a manager and the kids went to New York to test the deli operations in New York. They spend a week working in a deli called J.J. Ackerbaum's. Then the kids came back to the school with a proposal for the school board. The school board gave \$30,000 to buy a building. Now remember what I said about the 138th out of 140 school systems? Of course Dr. Paquin, the superintendent, talked the local board of education into providing the money. When the votes came, they approved \$30,000 for this effort.

The students really had to do a lot of work to get this building ready. They chose a building that had already housed three different pizza places that all failed. The building was not in good condition, but last August the business opened. They've been in operation since August, so that's five or six months, and they're doing fine, at this point. They like those New Yorkers who keep traveling through North Carolina and stopping at the Way-Off-Broadway Deli.

The primary business really is not to see how much the kids can make, but to really teach kids how to start a business and keep it going. Once they've done that, and have made enough money to pay back the school board, they will sell the business. Hopefully, some of the students who helped start that business will be one of those who may but it--they will have the first chance.

The one in Gumberry, North Carolina, the T-shirt operation, has been in operation for about two years. That operation is going fine. The first business, on Ocracoke, is having a little problem now. They don't have quite as many visitors in the fall. Of course, that's part of starting a business.

The two critical aspects of starting an effort such as this in your state are:

1. You really do need an ongoing source of good technical training assistance and management support. That's where Jonathan has been very, very supportive in our state.
2. Have access to a capital pool for the kinds of unsecured status loans and risk investment money that students almost certainly will lack and need. That's another role of REAL Enterprises in our state.

Another question you may ask is how does the State Department of Public Instruction in North Carolina work with REAL Enterprises? We can't take credit for what is happening in that area, but we can take some credit for lending support to the effort. When Jonathan first started, he recognized that he would be needing that component of education, and so in working with Jonathan, we took our business and marketing curriculum and identified three courses that would be very beneficial to students who would start a business and operate that business. This worked into our plans to promote entrepreneurship education in our state.

Those three courses are Principles of Business, Business Management, and Business Entrepreneurship. These are three courses in our state that can be taught either by a marketing teacher or a business teacher. We suggest that the school system choose the one among you who will do the best job and who has the most experience. In some cases it is a marketing teacher and in other places it is a business teacher. In that component, vocational education dollars support the salaries of teachers in that effort. We support the purchase of curriculum materials and development activities. In addition, as is probably true in your state, we grant community-based organization dollars for those efforts. We have funded REAL Enterprises last year through a community-based organization grant and also through sex-equity grants in our state.

Before coming here I said to Jonathan, "I feel as if after I finish speaking people will be so enthusiastic about REAL Enterprises that they'll want to know how to get started in their states, and are you available for assistance? Jonathan answered my question by saying that he felt it would be irresponsible on his part to push REAL Enterprises and his organization in other states until we could really work through the entire pilot process in our state--to make sure we do have strategies that work and that we have identified the legal implications. In fact, REAL Enterprises has hired a lawyer to work out some of the potential questions and legal issues that we may have with school boards owning a business. In our state there's a law that says school activities cannot compete with local business. We have to work with that process.

The teachers and students who are involved in this process are very enthusiastic. As with any effort, the teacher is the key. At the state level we are committed to providing support, we're committed to working with Jonathan and REAL Enterprises in providing materials teachers need and we are committed to do what we can within the law and guidelines to support this effort in the places that I have identified.

I have with me some materials that will give you more information. One is my outline for what I have used today. I have an article that appeared in a Raleigh paper about REAL Enterprises, "This is the Way-Off-Broadway Deli." Then I have another article about the silk-screen business in Gumberry. I have a letter that Jonathan wrote a man about starting a similar project in Vermont; then I have another one that says, "North Carolina REAL Enterprises: Questions and Answers." This also covers some of the information that I have talked about, so this can be your source.

## "SBIR OPPORTUNITIES"

By Lou Perry

It's interesting being part of this group and hear how some good things travel through the hollers of North Carolina and Kentucky. I've had several people in our eastern Kentucky area talk to me about the REAL project and as I was telling June, there's a Christian Appalachian Project and one of our regional economic development groups in eastern Kentucky that's very interested in the REAL project. So we'll look forward to working with you.

On the topic of SBIR, "Small Business Innovation Research," I thought what I'd do is share with you some of the things that we have going on in Kentucky. SBIR is really a partnership between the Department of Education and the Department of Commerce. So what I'd like to do today is share with you what SBIR is, why it is needed, its focus, its requirements, its characteristics, criteria for success, how to do it, SBIR objectives, the act itself, participating federal agencies, some of the small business innovations, and if that's not enough I'll conclude by reviewing some of the points for you to remember. I will do this hopefully in the short time available.

We're all really excited about the activities we have going on with our Department of Commerce and working as a partner. As far as what SBIR is, we look at that three different ways. It is 1) a federal bidding process, it is 2) technology development and it is 3) a business development tool. Forty percent of the economic growth in the United States since 1945 is directly attributable to technology development. Fifty percent of the innovation has been by small business in the last century. However, small business companies were not allowed to compete for government contracts. And 44 percent -- and this is some of the scariest type of data that I'm collecting -- 44 percent of the patents are going to foreign firms. Another scary piece of data as far as the U. S. economy goes is that the world's technology was pretty much developed by the United States at a level of 75 percent; in the last decade that got down to about 50 percent and then currently that's down to around less than 25 percent. So that's a picture of what is going on in the United States and what's happening globally.

So the big issue with SBIR is advancing technology through R & D.

As far as the focus goes, an SBIR program is pretty much into innovation research, moving a product from one stage of innovation to the marketplace. And to give you an idea of how this might function: have you all ever seen a NASA Tech Brief? It's put out by the NASA people, and let me give you an idea of what it is. Its New Products Ideas are just a few of the many ideas and innovations described in this issue. It has promising commercial applications. So what they do in this entire book is to put out some of the innovations of NASA and they open it up to people to commercialize it. This is open to anybody across the country and it lists and describes many innovations that have been developed by the NASA program. And if you can somehow convert that innovation into a product

and commercialize it, that's one of the things that they support heavily.

It is a long-term process in that they would like to have three phases to it. The first phase is worth about \$50,000 and it lasts about six months. The second phase is about \$500,000 and it may last a couple of years. The third and final phase, which is the commercialization of the product, is not SBIR-funded. So it is a long-term process.

Requirements-wise, each department that has an R & D budget of about a hundred million dollars must allocate 1.5 percent for contracts to small firms. And this is where the SBIR people get their monies. Kentucky, when we first started working on this, received one contract and we felt we would like to pursue activities so that perhaps we would get more of a piece of the pie. So we started in-service training for some of our small business firms and they're getting more involved in the bidding process. And we're anxious to see how many of them will be landing contracts.

In the early days the R & D phase dealt with some of the basic research ideas done by Ph.D.s. It's now moved to the point where there's 70 percent more involved with the development part of R & D, the new products and new processes. Eighty-five percent of awardees have never received, or never been involved with the federal government; 50 percent have never received SBIR awards before; 20 percent to new companies just opening their doors; and 20 percent use the funds for new positions in their companies, while 40 percent are companies with less than 10 employees.

The criteria for success: it's very important to have a scientific skill, clear objectives, be able to perform, and to have a good track record. It's very important to know your target audience, know the agency you're working with, know what their desires are, what their needs are, and find out just what their concerns are.

How to go about doing it? One of the things that we started using is the SBIR Pre-Solicitation Announcements. If you're on their mailing lists, they're more than happy to share that with you. It's keyed to identify various areas that they're looking to fund.

The Health and Human Services Dept. funds about three times a year through the RFP process. The other agencies fund one time per year. Included in their topics are the number of awards, the amount in dollars, the due date, and the agency contacts. You'd get a good idea of what they are looking for.

To look at the objectives of the SBIR: it is to convert research and technology into commercial applications of that idea. The law that identifies this is Public Law 97.219: for all agencies with an R & D in excess of \$100 million are required to allocate a legislative percentage of that budget, up to 1.2 percent, to small business innovation research programs.

To give you an idea of what we're talking about and which agencies are involved: the biggest one is the Department of Defense, which has about 63 1/2 percent of the money involved in the SBIR program, which in this case is about \$240 million. Health and Human Services--13 percent, the Department of Energy--9 percent, the National Aeronautics & Space Administration--8 percent, The National Science Foundation--4 percent, Transportation--1 percent, Agriculture--.9 percent, Nuclear Regulatory Commission--.5 percent, the Environmental Protection Agency--.4 percent, Education--.3 percent, and The Department of Commerce--.1 percent. These are the different agencies and their approximate percentage of the \$380,000,000 pot. You can see how big they are in the SBIR program. Making contact with them and finding out what their needs and concerns are, is most important.

And if you do, in the city of Las Vegas, feel a little bit lucky, take a look at what some of the small firm innovations have been in the 20th century. Can you relate to some of these? The acoustical suspension speakers. The aerosol can. The airplane. The dry-chemical fire extinguisher. The fiber-optic testing equipment. The heart valve. The helicopter. The hydraulic break. The optical scanner. Overnight packaging and delivery. The heart pace maker. Personal computers. Photo typesetting. Quick-frozen foods. We all can relate to quick-frozen foods. The safety razor. The six-axis robot arm. The soft contact lens. The sonar fishing monitor. The strobe light. The Winchester disk drive. And, the ever-familiar zipper. Those are just a few of the times that are considered to be innovations from our small firms. And you see from there that they've evolved into some rather big industries.

In conclusion let me just go over a couple of points that are important. One is to read the Solicitation. That is, become familiar with what they are asking for. Know your area of business expertise because that's probably where you have your best track record. Have a clear idea of what you want to pursue. Be familiar with the participating agency in terms of what type of project they fund, what they've gone in the past, what they're looking for. You must be up on what's current in the state of the art in that industry. From there you build your new ideas. You must fit into the fund that they're asking you to; in other words, if they're asking \$50,000 don't develop a proposal for \$80,000. Address all the required sections in the proposal, pay careful attention to the ways and and the hows and the who. And as a final setp, it wouldn't hurt to have different people review the proposal to get an idea as to how it's fitting in with what the agency's looking for and how well you've developed it as far as proposal for submission to meet their needs.

So SBIR can be a very viable part of the economic activities in your state. And I told some people that I'd be mentioning it here in Las Vegas and they thought that was wrong because Kentucky's very much participating in a competitive process. And it sounds funny that we would go and encourage other states to go and do the same type of thing. But nonetheless, it is a good program. It can help your economic activities and it is a good partnership between your Department of Commerce, small business people and the Department of Education.



## THE TRADE AND INTERNATIONAL ECONOMIC POLICY REFORM ACT OF OCTOBER OF 1987

### Implications For Vocational Education

By Robert E. Taylor

Cathy is a miracle worker. She has done a tremendous job of giving leadership to The Center and to the nation on entrepreneurship. She tends to think, therefore, that everyone else is a miracle worker; because in 30 minutes I am to acquaint you with what is in this 920-page bill! In any event, I am going to try to do it in three stages; first, to give you a quick sense of the context for our country that led to this bill, second, what the bill does in general, and third, to concentrate on two or three areas that I think have immediate and real implications for entrepreneurship and small business development.

First and foremost, I want to share with you that our country is in peril. We are in real trouble, and many people think that we are in World War III, which is an economic war and that we are losing. In much the same sense, the whole child learns that all parts of our society are competing, not just our economic system, but our educational system, and our political system. There are no quick fixes, no easy victories; and when you realize that first graders are now going to graduate in the year 2000, we realize that the future is now. These new realities of the marketplace clearly indicate the need for a strong economic base if we are going to provide world leadership, maintain our standard of living, and preserve our democratic way of life. Our trade deficit, which is one of our quick and most realistic indexes to this new marketplace reality, is worsening; some 140 billion dollars of trade deficit last year, which means that we are exporting jobs. We are exporting jobs when we buy foreign goods and products. We are in a two-way squeeze: a high-tech squeeze from Japan and Germany, and a squeeze on the other end when places like Chile lower copper prices to gain foreign currency -- or from other countries in agriculture -- and so on.

To think back, we, in a sense, lost the textile war in the 50's, the steel war in the 60's, the automobile war in the 70's and, many think, the computer and electronic war in the 80's. It is commonly held that for every one billion dollars in trade deficit we are losing 20-30 thousand domestic jobs. So if you take 140 billion, we are exporting 3-1/2 million jobs, which is clearly more than 10 percent of our work force and would go a long ways to reduce unemployment. Further, these exported jobs are getting to be higher quality jobs. One of our real concerns as a nation is the matter of job development and the creation of high quality jobs. That is why your work in entrepreneurship is so important. This trade deficit is not, as many believe, a recent phenomenon. Because as we have shifted from a creditor nation to a debtor nation, our balance of payments were masked over by interest and repayments that we were collecting. Our trade deficit, the actual import-export balance of payments, has been bad for much longer than we realize and goes clear back to the 60's and 70's.

Part of this new reality, then, is recognizing the increasing interdependence between education, the economy, and our political system. We have got to improve those linkages. We must have clearer goals, better coordination and support to clearly move to make a difference in this arena -- and it is a very, very urgent problem.

The interaction of education, the economy, and our political system are the realities of democracy. Following are some realities made more stark and visible because of our philosophy. An older population; older, savvier and more productive workers, but clearly those that are going to need re-training. 80 percent of the work force for the year 2000 is working now and is going to need re-training before that period of time. We are losing the battle on limited English proficiency and we are losing the battle on functional literacy. We had a better literacy rate in Colonial times than now. Perhaps the most sobering statistic that we have is that by the year 2000, 80 percent of all the new entrants to the workforce, will be women, minorities, or immigrants. Now, cumulatively these groups are characterized as not being well served by our school system, and 80 percent, of our new workers in the year 2000 will come from these groups. We absolutely must capacitate and train them if we are going to win this economic war and maintain our standard of living and way of life.

We are on the verge of creating a permanent under-class of people who do not believe that our social system and structures work for them. And no economy in the world can sustain the increasing numbers that we are dealing with; welfare, corrections and etc. We must help them become functioning contributing members of society.

So -- what it comes down to is a kind of a cumulative situation where our vision of the future; the high-tech society, the information age, just does not square with the economic realities of the marketplace. Nor does it square with our successes with respect to capacitating people for the kinds of jobs that we want to have and to maintain. So that's the backdrop that has led to the development of this large and rather comprehensive bill, **The Trade and International Economic Policy Reform Act of 1987**, commonly called the **Trade Bill**. It is designed to increase the competitiveness of American industry. Clearly the cumulative judgement, the underlying premise of this bill and much of the activity identified for both the public and private sector, is that to compete we have got to have a much better educated workforce, that we have got to become more productive. And more productive just doesn't mean more units, it means more units at less cost and of highest quality. And, perhaps, that is no more dramatically demonstrated than in the agricultural field where we have added technology. Our increased yields are fantastic, but our unit cost, including labor, management, department service, technological applications, etc., is not competitive. We have clearly got to increase productivity, but we have got to improve our cost-effectiveness and quality, and we have got to be far more aggressive in international marketing. Much of the essence of this bill, then, deals with those kinds of premises. How do we become more aggressive and efficient at marketing?

The rest, then, is capacitation of the workforce, and those kinds of broad goals. Let me suggest that if you want a blueprint for this nation's public and private agenda for the next 25 years, it essentially is in here. It is not a law

yet. This is HR3, and it is called "An Act to Enhance the Competitiveness of American Industry and For Other Purposes," and "For Other Purposes" says a lot because everybody with an interest tried to get something in there, including vocational education. It is not a law yet, and as I understand it there are something like 7 or 8 conference committees. When we go to conference between the House and Senate on the Vocational Education bill, there are two committees; there is Education and Labor of the House, and Human Resources of the Senate. But here you have got trade, you have got commerce, you have got agriculture, you have got education, banking and more. It is one of the most comprehensive bills to ever go through or, hopefully go through, the Congress. I also submit that there is no American walking around today that fully understands what this Trade Bill means, in terms of its ultimate application, and in terms of its interaction.

Part of our problem is we have not had coherent policy. We pay people to raise tobacco and we pay the Surgeon General to keep people from smoking. This applies to trade and other things. The bill is now in conference. It obviously is coming up at a very poor time given Black Monday, given the Federal budget, given Gramm-Rudman, but this is of such urgency and priority that I suspect that there will be aspects of it that will be funded.

Now what's in the Trade Bill? Quickly, I'm going to hit the titles and then come back and talk about the specific title that relates to your immediate group. The first is the "National Trade Policy" and an agenda. And clearly this is an attempt to become forthright and explicit about what our trade deficit is all about. And it talks about what we must do with Uruguay with respect to beef, and etc. It is very explicit and provides an overview of what is the beginning of an international trade policy.

The second title is "International Trade in Telecommunication Products and Services." The third title relates to partnerships in education for math and science and engineering -- high tech. The next relates to "International Financial and Trade Policy," "International Monetary Fund," "Third World Debt." This country is never going to collect the money that Brazil owes us. And you know that in the last year one of the major New York banks set aside billions of dollars for bad-debt service. And those are just some of the things that we have got to begin to face up to.

Title V, which I will come back to later in more detail, "Education for Training for Competitiveness," deals with literacy, science and math, foreign language, educational telecommunications, technological education, vocational education, post-secondary, retraining and worker readjustment. Worker readjustment is one of your best shots for funding.

Title VI is "Agricultural Trade Policy and Market Development." Title VII is "Foreign Corrupt Practices, Acts, Amendments and Other Requirements," which deals with bribes, pay-offs, gifts, payola, etc. Title VIII -- "Tariffs and Customs Provision." And it talks about what is a work glove, it talks about clock mechanisms, and you will not import foreign pornography (We are going to produce our own here.) It talks about American Indian jewelry, made abroad -- and dumping practices, where countries dump products at less than production costs. Title IX-- "U.S. Trade and Competitiveness Provisions." This tends to



be a comprehensive section that deals with support mechanisms such as the trade databank, labor market information, reduction of red tape, implications for national security. The next, Title XI deals with ocean transportation. -- I am sure we want to try to keep all of the international airlines flying American planes made by Boeing. Title XIII is "Small Business." Title XIV is "Patent Processes" -- and let me just remind you of a couple of things. One of our trade representative's major goals in the last year or two has been to protect American trade and copyrights. And if we are really serious about a high tech future and an information age, then we must protect patents and copyrights -- which I will tell you now we cannot -- then you are hurting, because you are going to spend the money to develop it, you are going to get one quick shot at the market and then everybody's copying it and undercutting you in the market. Look at IBM's personal computer and the clones available here in the U.S.

Next is "Most Favored Nation Treatments" with respect to the products of Rumania. And in essence, we are going to withdraw that status. And then there is the "Federal Budget Impact Statement," and there is not a bottom line in dollars, but it merely talks about the kind of taxes, revenues, and things that the Act is hoped to generate. Another clue that this Act's comprehensiveness makes it almost impossible to predict the bottom line.

Ok. Coming back now to Title V, "Education and Training for Competitiveness" -- I will concentrate for a minute on the subtitle that deals with retraining. The subtitle, in essence, amends Title III of JTPA and just picks up on JTPA's worker retraining, displaced worker training, as its framework. It calls for 980 million dollars, which is - what?, equal to or more than the total Federal vocational education appropriation. The Governor is central in planning, the current Governors Job Council is to be expanded with a private sector chair designated. The private sector will chair and the majority of the members will come from the private sector. You are going to see business and industry more and more involved in government sponsored training and in decision-making. The faster vocational education can make genuine partners out of business in every sector of its activity, the better training we are going to provide and the better we are going to serve.

Then that group (former Job Council) will be called the "State Training and Employment Council." Let me just say as an aside: There are advisory groups all through this Act. I did not even attempt to count them. I suppose there are 15 or 20 different advisory groups some of which don't even have to meet and will not meet in terms of public notice, because they are going to be dealing with trade secrets and the most sensitive data with respect to the economic future of this country "vis-a-vis" international competitiveness.

In essence, this subtitle has 2 parts. One is basic readjustment services and the other is retraining services. The readjustment services deal with counseling, job search, analysis, intake assessment, those kinds of things; and the retraining services deal with capacitation of people to get back into appropriate economic roles, and these can take many forms. But the heart of it is that the individual is to be capacitated to the point that they can seek out their own training and that they assume more and more responsibility for their own upgrading and retraining. They can get vouchers for up to 104 weeks which is 2 years and they can also get entitlements. So if the initial training is

something less than 104 weeks they may get an entitlement. You could have a group of workers that because of this preparation will leapfrog over a bunch of workers who did not lose their jobs -- but, you know, that's the way life is.

The other part is a section that deals with what might be called "National and Interstate Programs." And whether that gets called "The National Reserve" or whatever, kind of depends on how things work out between the House and Senate. But again, staying with the JTPA format, there will be a service-delivery area in state, there will be an analysis and a plan that is a sub-part of an overall state plan. And, as I said, the policies really put emphasis on individuals seeking out and arranging for their own training -- which again says that a lot of private trade schools will be active here, it also says that probably there will be some charlatans in the enterprise, and so this initial part of the adjustment services in planning and preparing people to cope and to make good choices and to strike good bargains for training, will be very, very important.

Now, under this retraining sub-title of allowable services and activities are such things as entrepreneurial training, classroom training, occupational skill training, on-job training, out-of-area job search, relocation, basic and remedial education, literacy and English for non-English speaking, and other appropriate training, meaning anything that we can think of that it takes to get these people re-employed. No public service; and clearly things that are self-employed -- farmers, ranchers, small business people, who are not making it economically, could qualify in this area.

Now under the National or Interstate or Regional or National Reserve Program, are potentially such activities as dealing with mass lay-offs, like when an industry, has a nationwide collapse. Or the issue of a national disaster, where an earthquake might wipe out the infra-structure of a substantial area and cause large unemployment of the kind beyond the capacity of the state.

And most of the interstate projects will be submitted with the approval of the governors and with a "Lead Governor" -- and I think this is a clue to this group, that you need to begin thinking about multi-state projects and working with a lead governor and getting the sign-off of other governors to do some things that would relate to development, demonstrations, further development of entrepreneurial training.

And again, tentatively at least, there is likely to be an advisory committee in this area on readjustment.

The other Title, which is XIII on "Small Business" again is focused on how do you make small business competitive in the international sense; in other words, it is hard to think of a small company ringing doorbells in Japan or Germany or Brazil or New Zealand or in the Outback of Australia. In any event, there is an attempt to think in terms of how do we capacitate them to do that. And this includes better management data on the role, the activities, the level of market share, etc., that relate to small business. It relates to the potential access to capital, to export-import banks and it relates to other types of finance. Also, there is \$5 million in there for small business development centers to provide management and technological assistance to facilitate tech-

transfer, business industry partnerships, capital formation, innovation research, and a national conference on small business in export.

Now, what does this mean for vocational education, and more specifically, for this group? A Presidential veto notwithstanding, Gramm-Rudman notwithstanding, it is my sense that the issues in here and many of the priorities in here -- are going to become law because our nation is just one step away from having a pistol at its head. When you think about Black Monday and realize that Japan pulled something like \$40 billion dollars out of our stock market in the preceding month, you begin to realize how interdependent our currency structure is and how urgent it is that we get about the business of reducing our federal deficit and get about the business of improving our trade imbalance. I submit that while you can reduce the federal deficit by reducing expenses to some level, ultimately it is the revitalization of the economy, making it more productive and more competitive, and improving our trade balance, and reducing our creditors' status with other nations, that will be the real way in which we improve our own federal budget, because that relates to the ability to tax and to support services.

I would suggest that you study the Trade Bill. And I would urge that you study it for two reasons. It is not that heavy, you can skim it and get the essence of it in an hour. The Trade Bill's format provides every sub-section with a rationale including all the things that are happening that make this Trade Bill important, and the titles and the sub-titles provide goals and really give you a macro-sense of the framework that you are going to be operating in to facilitate small business and to create entrepreneurship or self-employment. As I say, it is very close to a federal and private agenda for this country. Again you ought to read it for two reasons. You should read it because of the relationship to your jobs, perhaps. Even more importantly, you need to read it as a citizen, to know where we are and where we are going, and to be able to participate in the policy issues.

So, I would get the Trade Bill. Assuming the Bill becomes law, I would get the conference reports. And I would particularly concentrate on those sections that relate to your two areas, or three actually: education, retraining, and small business. And I would read what the conferees said with respect to compromises to achieve passage because, it gives you a real sense of what was in the heads of the senators and representatives. The other suggestion would be to follow and support the Trade Bill through your own congressmen and senator.

I would also monitor the development of the regulations, because this Trade Bill is so comprehensive and so extensive and the bill can lay out all the rules and regulations that are going to deal with the implementation. And the bill, particularly, because of its complexities, the regulation process will be very, very critical. And again, I would concentrate at least on those three areas: education, small business, and retraining worker adjustment.

I would try to see if you can not get some people on these key advisory committees who understand the role of vocational education and what it can do in adult education, worker readjustment and in self-employment.

I would begin immediately to think in terms multi-state projects. And I would think, minimally, of two: One that deals with enhancing and fostering the development of entrepreneurial training and the other would be one that enhances vocational education's role in upgrading and retraining and assisting small business. Those are two that I think are clearly strong possibilities. And again, you will need to work through the infrastructure in your state, you will need to have a lead governor, but get some of your concepts in place now in terms of what you mean to do.

The other: I would try to animate other sectors of vocational education toward this Trade Bill. That would include guidance and counseling in terms of local readjustment, and those kinds of things. There is funding in here for curriculum development and also for adult training.

Now I have kind of dealt with the good news in what the house version of the Trade Bill says. The bad news is that it is not yet law, the money's not yet flowing. And I've talked a little bit about what you might do to help pull that off. Let me just try to wrap up before I go to questions. Let me come back to a sentence or two at the very beginning. What I said was, our situation here is not unlike the situation that the whole child learns. We are in a fundamental competitive posture where every aspect of our society competes. Health, transportation, education, everything, marketing, everything is competing. And what it is going to take is kind of a new stance of what we mean by "excellence" and it is going to take the highest possible level of performance of everyone in our society and in our economy.

I am immensely pleased to learn more about SBIR, because one of the analyses of our industry and our economy is that we do a thorough job of processing information. We lead the world in basic science, fundamental science, but we do not translate that into marketable products and enterprises. And it is a good one.

I appreciate the chance to chat with you about this, I applaud what you are doing in entrepreneurship. I urge that you get on top of this because I think there is a real chance to accelerate your level of activity. Good Luck.

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P.S. The original act was vetoed by President Reagan and has been replaced by a new trade bill (H.R. 4848) that is currently going through Congress without the 60-day notice for plant closures that caused the original veto. It is expected to pass in 1988. (July 1988)

## "THE ROLE OF VOCATIONAL EDUCATION IN DEVELOPING ENTREPRENEURIAL TALENT AND SMALL BUSINESS"

By Sally Novetzke

If the old cliché--good things come to those who wait--holds true, then Vocational Education is about to have its day!

At last it is being acknowledged, slowly, admittedly, that not only is voc-tech/community college a necessary, important contributing factor to the skilled work force, but it is very much a part of the contributing factor to the economic development of the community.

I truly believe that many of our problems in voc-tech have been more with image than substance. Until we eradicate the perception that voc-tech is only for those who can not attend a liberal arts college, we will not be able to convince the business/industrial community that voc-tech has a place in the training process. It must be recognized that all careers need skills from both secondary and post-secondary education and that people make choices as to their career. Voc-tech is a choice!

It has been estimated that over 70 percent of the work force today will need some skill retraining. Where will they get this training? Most likely this will happen in our voc-tech/community colleges, paid for by the employer. Co-operation of the business community and the schools is essential to promote economic development.

The states that have been successful have used an educated and trained work force as a key factor to recruit new business/industry. These projects require close working relationships with the Governor's office, both large and small business and education such as the voc-tech colleges. Those of you from California are familiar with Governor Dukemajen's employment Training Panel which has been very successful. This is a state agency consisting of representatives from the business and labor community appointed by the governor to support job training for economic growth. For a 3 million dollar investment the state will realize an economic return of over 34 million dollars of additional spending in the California economy. After training workers, the report found that wages increased 55 percent and unemployment decreased 63 percent.

It is no longer news that most of the jobs in this country between 1970-80 were created by small business and industry. What is not generally known, however, is that this trend has accelerated during the recent recession. Because I live in Iowa, I will use the farmers as a good example. When the farm crisis hit, many farm partners were forced to look for a second income. Amazing how necessity spawns creativity. Some turned to mushroom growing, bees and honey, truck farming, and cottage industries. In many cases the secondary occupation became the primary income-reaping incomes in some cases as much as six and seven



figures. This points out that the agri/business is an excellent example of the need for job re-training.

Our free enterprise system encourages the creative spirit of entrepreneurs. We, on the voc-ed commission, believe that vocational education is fertile ground for infusion into agriculture, business, marketing and distributive education, trade and industrial, home economics, health, and technical curriculum areas. New business and industry will continue to be a core factor in economic development and this must come about through a closer working relationship with the community. Then voc-tech education will be able to teach the flexible skills that will result in successful graduates who are employable and potential entrepreneurs. It may be time now to ask--who are the potential entrepreneurs? Is he or she born or made? And how does one go about teaching a person to be an entrepreneur? Studies at Stamford University, by Morton Hunt and Feinberg, have been made as to some important characteristics found in the owners of successful small businesses. The conclusion was that entrepreneurial skills and characteristics cannot be neatly packaged and donated to an individual, but voc-ed provides an excellent opportunity for planting and nurturing the entrepreneurship process.

The University of Minnesota has taken it one step further and is now offering a course in intreprenurship. Obviously it is too new and too soon to gather any data, but my kudos go to Professor Cardozo for recognizing that the entrepreneurial economy has arrived. The only enemy of progress I can define is the status quo. Unfortunately most people are opposed to change and live more comfortably with the status quo. This is not wrong, if the status quo is working and producing. However, if we are at a standstill in creativity and productivity, then change must be implemented. Change in this context is growth and growth is not always comfortable--thus the expression "growing pains" does not always refer to physical growth! But before we can teach the student, it is imperative to teach the teachers. This has been discussed and suggested that possibly a return to the work force by the teacher and counselors would hone their skills. Also, a closer involvement for the teacher and counselor with the business community would be essential in being effective if you intend to guide students in entrepreneurial activities.

Economic development is important for all size communities. In my home state of Iowa families often choose to live in smaller communities because of the quality of life. However, that option is often only available if there are jobs. We are fortunate that my state recognizes the importance of community and business involvement with the voc-tech/community colleges. Because of this partnership, my town of Cedar Rapids was successful in bringing a biotechnology lab--a division of Kodak--to our city. this same partnership was responsible for Collins Radio building another division of their company here instead of out of state as originally planned.

Vo-tech and community colleges cannot be all things to all people and industry. Our company is a good example of not being able to get all the

training we needed to learn the business of manufacturing name plates. After having had a full career in avionics, my husband's dream was to buy a small manufacturing company--one that he could build up. That dream came true 16 years ago when the perfect opportunity presented itself. With a station wagon for collateral, an owners who had faith in us, a bank who took a chance on my husband's business reputation, and a lot of guts, we were in business. Now going from avionics to manufacturing industrial nameplates wasn't exactly a natural process. The only place to turn was to our community college, but unfortunately at that time there wasn't a whole lot that they could offer in our line of business. Today you could find some design and art courses that would help you but as the business community demands special skills and training, the schools will respond to the needs. This is where the partnership of business, community, government and schools is needed to encourage the entrepreneur.

The NCVE is a working commission and we are committed to both providing information and listening to your ideas and experiences in improving our system to prepare a qualified work force.

We are on the brink of helping to bring America back to a skilled labor force through education, that is voc-tech training. Not only does that mean more jobs but it means that America can regain her rightful position in the world of productivity that has been denied us for too long. We once were the industrial capitol of the world and we can and must be there again. You can play a leading role in this "new industrial revolution" for the 21st century. You can do this by committing yourself to change through education by involving your community, business/industry, your Governor in a partnership. This won't happen, however, unless each of you returns to your state and community with a renewed commitment to make it work!

All of us on the NCVE will be looking forward with great enthusiasm to your progress in promoting entrepreneurs.

Good luck, and thank you for your attention.

## "PARTNERSHIPS FOR ECONOMIC DEVELOPMENT" -INTRODUCTION-

By Nelson Ronsvalle  
Consortium President

Continuing structural change in the national economy and intense competition from foreign countries present new challenges to the United States. Our ability as a nation to further stimulate economic growth and to retain business and industry is challenged by the advance of new technology and the need for a trained work force. Education (in particular vocational education) has a major responsibility in addressing at least three critical needs of economic growth: 1) to educate and prepare adults and youth to become business owners and entrepreneurs, 2) to enhance and improve the knowledge and skills of the workforce, 3) to promote technical innovations. Partnerships among educational institutions, business, government and labor are essential to address these objectives.

The period from 1970 to 1987, in general, has been one of dramatic change in the labor profile. The changes have been propelled by the twin forces of new technologies and market demands in the U.S. economy. Though some sectors have remained relatively stable, the economy as a whole continues to be characterized by a shift from reduced employment in the manufacturing and agricultural sectors to increased employment in the service, information and technology related sectors. This period has also been characterized by a rapid growth in new and small businesses, especially in the fields of "producer services" and information services. In the manufacturing sector, the introduction of new technologies have dramatically transformed the nature of the work, as well as caused a reduction in the number of workers that are needed.

In any kind of economy, education is a key factor in increasing the rate and scope of economic growth. In an increasingly technological and competitive environment, education is essential to obtaining a job and ensuring advancement beyond entry level employment. Vocational education must continue to support economic growth by developing strategies that prepare people to start, manage and operate businesses, and that enhance the quality of the labor force.

To address the challenges briefly outlined in the previous paragraphs will require the joint efforts of business, labor, education, and government. Alone, none of these groups have the resources, abilities, and expertise to accomplish all that needs to be done to prepare our citizens to either work for themselves or to be productive, contributing employees. It is increasingly clear to leaders in each of these sectors that solutions to their problems often times lie outside their typical arena.

People in business, industry and labor organizations turn to professional educators to help solve their lagging performance and productivity problems. Employer specific training programs, continuing education programs, and contractual agreements that include training benefits for workers are the ever increasing examples of the private sector turning to educators. On the other hand, educators are looking to the private sector to help solve problems in the school. Adopt a school, guaranteed jobs upon graduation, and executives on loan are just a few of the examples of the private sector contributing to education.



These and other partnerships are not easy to forge or to maintain. Private sector and educational organizations have vastly different primary goals--profit and service. Achieving a common purpose between the two, and sustaining it is fraught with obstacles. To achieve the common purpose, at least the following three conditions should be present. It just so happens these three elements are the same three present in a crime, which seriously, the partners need to have a motivation to join together in common purpose. A situation or opportunity has to bring together the prospective partners. Once opportunity presents itself, the partners need to agree upon a method to achieve common agenda.

What follows are suggested questions to stimulate the roundtable discussion for the three prerequisite conditions for developing strong, lasting partnerships.

### MOTIVATION

- o Can you motivate others?
- o Can you motivate people within business, industry, educational agencies and other organizations to develop partnerships?
- o What does motivate people to develop partnerships?
- o What do the other partners from business, industry, education, government and other agencies gain by joining with you in entrepreneurship and other economic development related education and training programs?
- o What risks or negative consequences do the other partners face if they join with you in the development of programs?

### OPPORTUNITIES

- o What changes in the "environment" have taken place which may create the right opportunity for creating the partnership?
- o Are there identifiable and acknowledged conditions within business or educational agencies which need improvement?
- o Has there been a change in personnel, programs, products, or other factors which may signal an opportunity to join together with organizations toward a common goal?
- o Does your organization have resources that could help address the needs of other organizations in return for which your organization could obtain a benefit?
- o Are there organizations that are obligated to provide services which your agency could provide more efficiently because of past experience?

## METHODS

- o Is your organization flexible enough to operate a joint program/project with another organization?
- o Are the needs of the partner as important as your organization's needs?
- o Is your organization capable of engaging the continuing communication necessary to maintain a viable partnership?
- o Does your organization have the requisite time, energy, and commitment to sustain an on-going partnership?
- o Is your agency open to changing past practices, policies, and procedures to start or continue a partnership?

**"PARTNERSHIPS FOR ECONOMIC DEVELOPMENT"**  
**- NEW YORK -**

By Nelson Ronsvalle

I plan on telling you a little bit about partnerships in New York State and what has happened. Rather than focus on the positive aspects of partnerships in New York state, I plan on sharing the down side of what occurred in New York state. Then, later on during the round table discussions I will describe conditions I think are important to making partnerships work.

In New York state, over the last few years we have had partnerships by legislation. That has not worked very well in many respects. It started back in 1983, when the Job Training Partnership first became the law of the land. One of the things that happened in New York state was the state legislature reappropriated the federal dollars. As part of the reappropriation the state legislature appropriated 25 percent of the Title III dislocated worker funds for Employer Specific Training Program administered by my office. As part of the program design, the Bureau will provide the funding for the training program when the company agrees to hire the successful completers of the training program.

However, one of the things they put in the bill was that a memorandum of agreement had to be signed each year with the Department of Labor and at that time the Department of Commerce. This does not sound like a bad idea, except that it has been hard to administer. For example, it is now December 3rd, the JTPA dollars became available July 1st, and the other agencies have not signed the MDA yet. That is just one of the headaches of living in a partnership by legislation.

In 1985 this trend continued. The state legislature, again seeing what we accomplished with vocational education act funds devoted to the employer training program appropriated \$4 million additional of state dollars for the employer specific training program. Again, this program has been very successful. But then a year later, in 1985, the legislature decided to put another \$2.5 million dollars into the employer specific training program, bringing the state share to \$6.5 million. We were pleased to receive the additional funding, except that it required a memorandum of understanding between the Job development authority, which issues bonds in New York state for large economic development acts and projects, the Urban Development Corporation, which administers several economic programs in New York state, the New York state Science and Technology Foundation (you heard Lou talking about the small business innovation research project, that's one of the programs they administer; they also act sort of as new venture capital for the small high-tech trends), and the Department of Commerce. All of these partners have to agree to a memorandum of understanding, and that has made it very difficult to achieve on an annual basis.

Now in all their wisdom, the legislature in 1986 decided that there are too many agencies involved in economic development. There are the Urban Development Corporation, the Science & Technology Foundation, the Department of Commerce, all involved in economic development. The legislature decided that they would create the Department of Economic Development in New York state. The state would have one commissioner for economic development in New York state. All those former

independent agencies that I mentioned would become divisions under the Department of Economic Development. Some of them, because of their quasi-public nature, have a board of directors and the commissioner would then become the Chairman of each one of those Boards of Directors. It sounded pretty good except that there has been a lot of other things at the same time that happened. The legislature put more money into a lot of different programs, and in addition there has been a proliferation of programs.

Now I want to back up and go back to 1983 and tell you a few more of the debits of what has happened, and maybe soon we'll find a way out of this mess. I think the partnerships by legislation is like an arranged marriage, it sure isn't love at first sight, and to some extent we have been able to develop some relationships that have been advantageous to both parties. But going back to Job Training Partnership Act, one of the toughest things is that their set up was a tripartite group--one that I chair, and the Department of Labor and the Department of Commerce (now the Department of Economic Development) have a representative on. It has worked fine for 90 to 95 percent of the projects that we have to review and approve, except there are some positions that just make it very tough to deal with some projects. One of the positions that is nearest and dearest to my heart and that will make you all aghast is that our Department of Labor said entrepreneurship training is not a viable option for dislocated workers. First they put up all kinds of objections saying JTPA is supposed to lead to unsubsidized employment. The SED response has been, "How much less subsidized can you get, running your own business?" Then, the Department of Labor objected on the grounds that in entrepreneurship programs it is not possible to determine when a positive termination has occurred. The Department of Labor asked, "Where is the W-2 form?" The State Education Department countered with a number of different tests that could serve for that purpose, such as developing a business plan, having it reviewed and approved by an impartial party, and then having the capitalization of the business plan via his own family, friends or private sources. In spite of all these, and other efforts, every time we have a good counter to whatever the current stumbling block is, they seem to put in our way new objections. In short, the Department of Labor just will not approve entrepreneurship programs.

Some of the factors that make it difficult to deal with the Department of labor are the following. The Department of Labor, for the most part, administers all the other JTPA dollars in New York state. The Department of Labor seems to resent that the Department of Education has the 25 percent of Title III to administer. Sometimes the Department of Labor does not have an incentive to work well with us. At times they don't want our programs to look better than some of those that are administered by the Department of Labor. The areas where the State Education Department has successful programs is in the area of entrepreneurship. Every time that JED proposes operation of an entrepreneurship program for dislocated workers, the Department of Labor has objected. I don't need to tell any one in this room what a perfect option entrepreneurship programs are for dislocated workers. Yet our Department of Labor has gone through countless phases of why the state shouldn't use JTPA funds for entrepreneur training. The Department of Labor has always voted against any kind of program where SED has tried to implement entrepreneurship education for dislocated workers. It has made life tough. Two out of the three people on the committee vote in favor of a program, with the Department of Labor objecting. This does not lead to a good working relationship in those other 90 to 95 percent of the projects where we generally agree.

Then, moving on to the one with JDA and Urban Development Corporations and 1985 when the SED received the additional funds. That one has actually worked reasonably well. I think it is because there has been a lot of shared interests; for example, the Urban Development Corporation, one of the programs they administer is a revolving loan fund for minority entrepreneurs. That has worked out beautifully, because they have had people come to them with beautiful ideas; but they haven't been comfortable with financing those projects because of one sort of skill deficit or another. Here's where the marriage has worked, because they've been able to turn to us and say, "We'd like to work with this group of people here or that individual there, why can't we have some training set up for them?" After the training the people will be better qualified, and the UDC can feel comfortable with giving the trainees the loans. So in many instances this process has worked.

In other instances the SED has developed other programs with the Urban Development Corporation. We have worked closely with their worker-ownership centers. The new center for worker-ownership and employee participation in New York state conducts feasibility studies and pre-feasibility studies, and many times they come to the conclusion that if the employee/ownership transition is going to be successful, then training often holds the key. Again, in these instances, working together has actually worked out reasonably well. It is because we've had a shared objective. Both the employee ownership center and my office's employer training program have had the common objective of helping a company transition into the employee ownership structure.

Then the legislature just this last year, in 1986, under this omnibus Economic Development Act--the legislature required all the restructuring I previously described. All the dust hasn't settled from that yet. Additional problems that this piece of legislation has created in the area of partnerships was that the legislature gave overall authority to the new Department of Economic Development to administer certain types of programs. And those that have posed the greatest potential for problems are programs that call for the creation of entrepreneurial support centers for women and minorities, business development centers, and the Economic Development Skills training Program.

An additional problem with the legislation is the money originally flows to the Department of Economic Development. To obtain services of the agencies that originated the program and to obtain their services, the Department of Economic Development has to obtain memorandums of agreement with all these other agencies. Then the money has to be transferred to these other state agencies to actually administer, monitor and implement the program. At this time it is now clear which agency will be responsible for the program, the Department of Economic Development, or the state agencies actually administering the programs. So it has been a real mess, and all the dust hasn't settled yet. The bottom line is that eight months after the signing of this legislation by our governor--not one red cent from this bill has actually flowed to any projects yet. Just because of convoluted structure of the legislation.

I believe the moral of the story is that partnerships by legislation can be fraught with problems. They will work if some of the pre-conditions that we will discuss in our sessions later on, are present.

Not to put a negative pall over all this, but so many times we talk about all the good things that are happening. I hope that by discussing some of these

problems we can learn from these experiences. The reason to pose the potential for problems is that these programs are modeled after existing successful practices. The conflict arises because the legislature has given the charge to the Department of Economic Development to administer the new programs, even though our successful models were administered in different state agencies.



## **"PARTNERSHIPS FOR ECONOMIC DEVELOPMENT" - OHIO -**

**By Sonia M. Price**

As you probably know, since I have reported in earlier meetings, Ohio has in the past five years concentrated our entrepreneurial activities primarily at the secondary level.

I am delighted to have this opportunity to share a new initiative at the adult level. For a number of years we have had many strong Small Business Management and Farm Business Analysis programs in addition to numerous class offerings in the community colleges and technical colleges. Even the Displaced Homemaker programs contained a module on small business as a career choice. This year we designed a new adult program, funded with the Single Parents and Homemaker (SPH) federal dollars entitled Ventures in Business Ownership (VBO).

Internally, we brought together the supervisor of the Small Business Management programs, the sex equity coordinator, the home economics staff who manage the SPH programs and me. Cathy Ashmore was also involved as we needed her expertise in planning this new program. Once again, she has been a valuable asset in developing and promoting entrepreneurship in Ohio.

Single parents and homemakers have unique needs and they certainly are in a minority when you look at the numbers who are presently business owners.

In 1987, we have identified and funded 14 Full Service Adult Centers through the RFP process. The purpose of this new concept is to identify to the public, individuals and business and industry representatives, a selected number of centers where they may access a large variety of skill training programs along with support services such as the following:

- o assessment and evaluation
- o career counseling
- o child care services
- o transportation services or dollars
- o GED opportunities
- o Pell grants
- o placement services.

A strong and active advisory committee had to be in place to assure linkages with other county agencies and associations. An adult education student could find the services within the educational setting or be referred for appropriate outside help.

Each Full Service Center received \$25,000 Program Enhancement money to be used for promotion and teacher professional growth activities. Locally, this was matched to assure the commitment to adult education. In our state, previously there was a common belief that adult education was to be supported through student tuition charges--not the general school revenue dollars.

The local schools have become very competitive and the applications for these grants far exceeded the 14 approved. Adult education is taking on a new status.

The Division made a decision to pilot any new adult programs only through the Full Service Centers. This was a golden opportunity to address the needs of a targeted group and there was SPH carry-over money to fund VBO. A majority of the participants would be women who had a strong desire to start a small business.

A state coordinating council was most helpful to the Division staff as plans were formulated. One young lady, who represented a major bank in Ohio, identified a key bank person at the local level to serve on each of the required local advisory committees. This was a valuable linkage since many of the participants will likely need finances through a bank.

After the guidelines were developed, an RFP went out to the 14 Centers and 6 met the requirements for funding of programs to start this Fall. The projects were funded from \$28,000 to \$60,000 depending upon their other local resources.

The six local coordinators/teachers attended a one-week inservice program in August. All six have been or are small business owners; namely, in real estate, cosmetology, nursery, photography, variety retail store and public accounting.

A contract with Cathy Ashmore at The National Center provided the inservice activities in August and throughout this school year. Each program will also be evaluated through Cathy's efforts.

Four phases of the 20-week program allow for very interested persons to assess their potential, become knowledgeable about starting a business, develop a business plan, obtain financial and other needed resources, and have on-going assistance. All programs began classes in October and each will be repeated in January.

Phase I - Prior to entering the program, all potential participants are assessed and evaluated to determine their commitment, attitudes and skills.

These assessment techniques and instruments had to be an integral component of each approved Full Service Center. The VBO projects did not have to pay for these services.

Phase II - The curriculum materials, "Beyond A Dream", were used for the first five weeks of classroom and outside assignments. The materials are very similar to the secondary "Risks and Rewards" documents in which individuals determine their characteristics, their skills and knowledge in relationship to starting a small business

Participants may leave the program after five weeks if they see that a small business is not in their future career plans, but with the careful pre-assessment most all of the Fall participants are staying for the entire 20-week program. Their only cost was a \$15.00 registration fee.

Phase III - This 15 weeks of training is based on the PACE curriculum materials and actually prepares the participants for obtaining the resources and opening the doors of a small business operation.

Phase IV - As they start their own businesses, the Small Business Management instructor will provide on-going small group and individual help. SPH money can be accessed for the tuition costs of this assistance.

We are extremely pleased with the new VBO program and its potential for increasing Ohio's economy. We expect to open more programs throughout Ohio at the Adult Full Service Centers.

By the end of this school year, we hope to see 151 new small businesses in Ohio: one hundred and fifty initiated by VBO participants and one by me. My entrepreneurial spirit caught hold two weeks ago when I started a small home-based business.

If there are further questions, please call me at (614) 466-3430 and/or I will send the guidelines out to you if you will provide your name and address on the paper being circulated.

**"PARTNERSHIPS FOR ECONOMIC DEVELOPMENT"**  
**- MINNESOTA -**

By Lynda Rago

I'd like to talk to you a little bit about some very important developments in the state of Minnesota regarding the environment for education's involvement in economic development. Education is actually being woven into the economic development fabric in Minnesota. It is very exciting and represents an important shift in policy and philosophy in the state.

There are two items that I'm going to be referring to here. One is the Governor's Commission on the Economic Future of Minnesota, and the other item, is the State Senate File One, a comprehensive piece of legislation in the state related to economic development and education's role. The purpose of the Governor's Commission on the Economic Future of Minnesota was to envision the best possible economic future for its citizens.

The Commission's strongest position was that Minnesota's economic performance rests ultimately on the superior education and productivity of its people. This statement signifies a major shift in economic development policy. About five years ago or so, a finance-centered approach to economic development prevailed which prioritized efforts and funding to attract new businesses in from other states and to encourage those in Minnesota to stay.

The commitment that came out of this Commission, however, refuted that strategy, declaring that economic development should be knowledge and skills-centered rather than financing-centered.

The Commission's priorities went beyond philosophy to state financial resources. Budget priorities of the Commission are education, grades K-12 and post-secondary. "If one adds up the spending implications of the recommendations in this report, it is clear that education accounts for the lion's share. Central to the approach contained here is the re-orientation of the state budget and attention to education."

The Commission utilized its subcommittees. Each subcommittee produced recommendations which address education and educators.

I was on the subcommittee called Business Development and Entrepreneurship. One of the recommendations was on better development and coordination of management assistance to entrepreneurs. Those of you who are from states where you have a lot of things going in management assistance know that everyone can be doing things, but they often do not coordinate and often confuse the business owner as much as assist. This is a disservice to the businesses in the community. This subcommittee called for a more systematic separation and collaboration.

They also called for a better and more development of the types of service we ought to be doing.

The Education Committee recommended many items related to Minnesota's economic future. Quality of education was of foremost concern. The Committee emphasized that the state make clear what we expected of education and that financial resources be applied to make sure that the education system can produce the expected outcomes.

Education institutions are very aggressively involved in quality and productivity training. At our technical institute systems we have adopted the Transformation of American Industry curriculum, have developed some, a version for service businesses, it's a very big thing, very exciting area.

Technology and technology transfer. I think most of you are familiar with most of those things in your states, but clearly we have education institutions involved in research and in the actual technology transfer aspects.

So as you can see from these recommendations, education is woven throughout. This policy, this philosophy, was echoed in many of the actions the legislature took last year. The Technical Institute system got a good deal of support for developing some new initiatives.

We've been able to establish an aggressive customized training initiative. We've also had tremendous support for expanding our small business management programs. As you may know, a number of states have this program. We've experienced probably 25 percent to 30 percent expansion just this year. The legislature helped, our state director was very supportive, so that we now have 40 instructors on board throughout the state providing these programs.

Another aspect of investment in education is the development of state curriculum guides in the Technical Institute system as part of the program "Restructuring" effort. One of the programs that we are going to be updating and developing a state guide for is the Small Business Management program. An interesting aspect of restructuring that we're using "an artificial intelligence" system. We had a program developed to help teachers learn a process for writing their syllabi in terms of competencies, and then as they learn the process they actually produce a syllabus. For those of you who are not familiar with artificial intelligence, it is a replication of an expert's knowledge. The expert that we're using is Dan Vogler, from Virginia Tech. We are implementing his approach to curriculum development and design throughout the whole state and in every program. We have captured his knowledge on the artificial intelligence program we're making available to schools and all teachers and all curriculum developers.

Another initiative supported by the legislature is for instructor upgrading. Funds are provided to allow instructors to go out into industry again to upgrade their skills; they actually take a leave of absence for three weeks.

I'll quickly point out that one of the more significant legislative efforts, is also one of the more controversial, was the establishment of The Greater Minnesota Corporation. The GMC was established to stimulate research and commence appreciation of research to energize the economy of the rural areas of Minnesota. A central part of the GMC plan is the involvement of all post-secondary education systems. Also key to the GMC concept is the linkage or partnerships of various sections such as business, education, labor and agriculture to bring about rural revitalization.



## "PARTNERSHIPS FOR ECONOMIC DEVELOPMENT" - OKLAHOMA -

By Gene Warner

Vocational education in Oklahoma has always been very involved with economic development due to having a strong state director and governors that understand this need. We also have a full-time staff person that is on the governor's committee who seeks out industries looking for a new location. The purpose of this committee is to encourage them to locate in Oklahoma rather than in Ohio or Illinois etc. One of the first things they would tell a new industry is that we have an excellent Training for Industry Program (TIP) in Oklahoma. We implemented the TIP program in 1968 and its success record is unbelievable. Most industries tell us the major reasons they decided to locate in our state is because of our Training for Industry Program and our strong vo-tech systems.

The purpose of our Training for Industry Program (TIP) is to attract new business and industry to our state or to assist businesses in Oklahoma to expand their current business. The TIP program has three phases: 1) pre-employment, 2) pre-production, and 3) on-the-job training. The pre-employment section involves assisting the industry in recruiting and screening applicants. The pre-employment process also often includes company orientation sessions for the prospective employees. Once this has been completed, those selected agree to participate in a pre-production training program where they will be taught the skills and processes involved in doing the job for which they will be hired. (All of this is done before the applicant is hired.) If they successfully complete the pre-production training, they are hired and production begins.

The third part of the TIP program allows us to train the supervisors and to supplement the supervisor's salary for a set number of weeks if the company agrees to allow the supervisor to concentrate on the training of their people rather than placing all their efforts on productivity.

We are also fortunate enough to have the professional staff at the State Department of Vo-Tech and a large pool of state-of-the-art equipment and instructional supplies that makes it possible to offer this program to business and industry.

In 1983 Oklahoma's economic development became our state's top priority. The reason for that was the oil bust. The oil boom was over, and the fall of Penn Square Bank, which many of you heard about, started a rash of bank closing in Oklahoma. So we started looking for other things that we might do other than the TIP program. We knew we needed to help small businesses. In 1983 we only had two small business management programs in Oklahoma. The Small Business Management (SBM) programs, as you know, are designed to help small business owners improve their business management skills and reduce the number of business failures in our state. As State supervisor of Marketing Education, I made increasing the number of small business management programs a top priority for our division and today we have 23 SBM programs and growing by about six per year. Most of the clients participating in the SBM programs have fewer than 10 employees and are usually running under \$250,000 per year.

We stole the SBM concept from Minnesota and adopted it to our needs in

Oklahoma. We make the program available to business owners for a very reasonable fee. The course is a 12-month course where the participants attend class for three hours per night one night a month, and they also receive one on-site visit from the instructor per month. The one on one at business visits have proven to be a real strength of the program. Most of our schools are charging from \$75.00 to \$150.00 per year for this course. You can see it as a real service to the business community. That may be one reason that it is popular and very successful. We are confident that we are reducing the number of business failures in our state because of this program.

If the marketing people in here are not taking advantage of this program, they are missing a good bet. It is the most popular program we have in our vo-tech centers. They are full to capacity, and we have waiting lists of business owners wanting to get in the class. We could start another 50 of them tomorrow if we could find the financing. It is a fantastic program.

We have another program offered through our vo-tech system called Management Development Groups. Under this concept, five to seven businesses join together to form a Management Development Group. Together, they share the costs of employing a training and human resource development specialist dedicated solely to their needs and made available to them by their local area vo-tech school. The MDG training specialists have been extensively trained in human resource development.

The MDG programs normally serve clients from 100 to 1500 employees. This is a fairly new concept in our state and we may have two of these in operation at the present time, but both have been very successful. This is an area we plan to expand in the future. Since we have the SBM programs for the business with fewer than 10 employees and the MDG program for our larger businesses, we felt there was still another target group not being served. This group was somewhere between those being served by the SBM programs and the clients involved in our MDG program. We are now in the process of starting Business Development Groups to serve this target group. This program will be modeled after programs developed by Control Data in Minnesota. This program will primarily serve manufacturing firms that are involved in exporting products from our state. The idea is to assist businesses that are bringing in, what we call, new money into our state rather than recycling the same dollars within our state.

Another relatively new program in our state is our Bid Assistance Centers. These centers are available to assist anyone that is interested in doing business with federal, state, or local governments. These Bid Centers have the expertise and the resources to provide clients with the training and the help needed to compete in a market with which they may be unfamiliar. Doing business with these governments on a contractual basis can be a very frustrating experience without the right tools and information. These centers serve as a government information clearing house as well as provide resources including trained personnel to assist businesses in the bidding process.

We have 22 business assistant centers right now, and they are linked by on-line computers to a Mainframe computer in the State Department of Vocational and Technical Education. We gather the information on what the various governmental agencies are wanting to buy and transfer this information to the various vocational centers. If a government wants to purchase 500,000 widgets, the specifications, what they paid for them the last time they went out on bid, and how many they are going to need in the near future is all sent to the 22 vo-tech BID centers via computer. The centers then match this information with their

client's profile, and if there is a match, the client is notified. But we found this was not enough just to have the information available because the clients still feared the paperwork. So there is a professional staff person on board at each one of these centers that actually sits down with the client and assists them in completing all of the paperwork. They help them with everything except putting in the bid price.

We hope, through the services that are provided at the BID assistance centers, Oklahoma businesses will get a much larger percentage of the government contracts in the future.

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## MEMBERSHIP ROSTER

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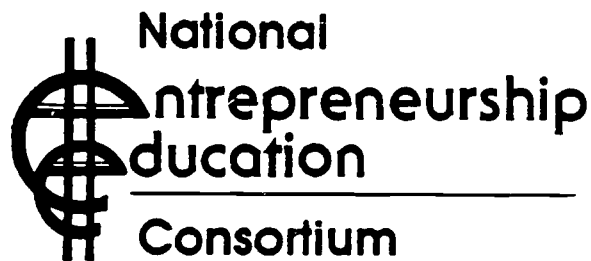
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### Mission/Purpose

The educational system is designed to provide the opportunity for all students to pursue and develop their interests and abilities. As an institution, education contributes to the economic vitality of our society and to the competence of an individual to function productively within that society.

One aspect of the student's interest and society's needs may be in providing goods and services to the marketplace. Through the acquisition of knowledge and experience in educational institutions, students venture into business ownership as a means of fulfilling the productive function of society. Educational institutions and in particular the vocational/technical programs need to provide that knowledge and experience as a viable career option.

The Consortium was formed for the purpose of infusing entrepreneurship education into vocational programs at all levels. Clearly, vocational/technical education has a role and responsibility to become more responsive to this nation's need for competitive advancement. It is the vocational/technical educational system that provides an opportunity for students to become problem-solvers in pursuing and developing their interests and abilities as they productively function as an employer or employee. With significant changes in the workplace it is imperative that not only must vocational/technical education prepare students in basic job skills, but also develop with students an awareness about a career choice in small business.

Therefore, the National Entrepreneurship Education Consortium (NEEC) believes its mission/purpose is to act as a catalyst to:

1. establish a rightful role and responsibility for vocational education in entrepreneurship education within the levels of elementary secondary and postsecondary education.
2. encourage economic development in the states and nation through entrepreneurship education in vocational/technical education.
3. support both infusion and separate courses into vocational/technical education programs.
4. encourage business, industry, agency, and trade association partnerships which will further small business and economic development.



5. recognize vocational/technical education graduates who have successfully ventured into a small business.
6. encourage teacher education institutions within the states to incorporate entrepreneurial efforts within their vocational/technical teacher preparation programs. This should include self-employment, career options in business ownership, and employee ownership.
7. share the educational activities and strategies being implemented to incorporate entrepreneurial concepts into the instructional and guidance services activities.
8. share successful entrepreneurial projects and activities with consortium members.
9. promote follow-up research studies of vocational/technical education graduates to determine the degree of success these entrepreneurial activities in vocational/technical education are having in strengthening educational programs and the economy as a whole.
10. provide a focal point for the planning, organizing and promoting of entrepreneurship education efforts conducted by member states.
11. encourage participation of diverse groups in the consortium whose efforts contribute to these above listed goals.

For further information, contact:

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ENTREPRENEURSHIP AND ECONOMIC DEVELOPMENT  
CATALYSTS FOR CHANGE

Thursday, December 3, 1987  
Conference Room 10  
Las Vegas Hilton

\*\*\*\*\*

8:30 a.m. - Coffee and Rolls

9:00 a.m. - Welcome/Introductions Nelson Ronsvalle

- Creating the Future Together Gordon Ropp  
President NASCOVE

- A Community College Statewide  
System Randy Grissom

10:15 a.m. - Break

- REAL Enterprises June Atkinson

- SBIR Opportunities Lou Perry

- Using the International  
Competitiveness Act Robert E. Taylor

12:00 noon - Lunch Conference Room 12

- Linking Economic Development Sally Novetzke,  
and Vocational Education The National Council  
on Vocational  
Education

- Partnerships for Economic Development  
Illinois - Nancy Harris  
New York - Nelson Ronsvalle  
Ohio - Sonia Price  
Minnesota - Lynda Rago  
Oklahoma - Gene Warner

2:30 p.m. - Break

- Entrepreneurship and Economic Development:  
ISSUES AND ANSWERS - Nelson Ronsvalle, Coordinator  
Roundtables (Choose 2) Facilitators  
o Motivation Lynda Rago  
o Opportunities Gregg Christensen  
o Methods Linda VanBallenberghe  
o Open Forum Gene Reed

- Summation by Facilitators

- New Initiatives for Entrepreneurship  
Education Cathy Ashmore

4:00 p.m. - Adjourn