

## **Palo Alto Area Virtual Incubator--an Incubator Without Walls**

### **Local Sponsor: Emmetsburg Community Development Commission**

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### **What is the concept and approach that you propose to implement?**

We propose to create and maintain a Virtual Incubator for business start-ups in the area. It will provide them with the capacity to access necessary skills and services at no cost or reduced cost, while they become acclimated to business procedures and reporting. It will train them to perform skills they need in-house as they learn by doing and seeing how processes are done.

### **How will your project improve the vitality of your community?**

It will improve the vitality of the area economically by creating wealth among various classes of potentially self-employed workers, including youth, the underemployed or unemployed, or workers who have retired from one career and seeking another. It will also infuse stability into schools and other entities by making it possible for families to make a living and remain in this area that has been so impacted by economic blight. We can most effectively grow from within.

### **Do you have specific objectives for your project?**

Our program has three main objectives. By providing this interactive tool for enhancing the start-up experience, we can (1) increase the success rate of new businesses, (2) create a linkage between businesses who can profit from the experience of their peers, and (3) become a self-sustaining program without need for additional outside assistance after its initial funding needs.

### **Do you have specific outcomes that you are hoping to achieve or measurable indicators that you will be using to evaluate the success of your project?**

In addition the accomplishment of the above objectives, we have set a measurable goal of locating and assisting four start-up businesses in the first year.

### **What were the important factors considered in determining the approach to be used?**

The program was designed to respond to the needs identified in our November 7, 2002 Community Vitality meeting at the maximum level of adaptability, applicability, economy, and viability. Among the next steps identified was for a business incubator, a network of businesses, and additional forums, all included herein.

### **Are there unique community characteristics, unique features, or key factors regarding the approach planned that led you to conclude the approach selected is most appropriate for your community?**

Leadership on the community's development team has strong technical and web-based business experience, providing the necessary skills to create and implement the networked characteristics of our incubator. Once established, less-proficient areas can replicate our plan.

**What led you to believe that this concept is needed and or doable in your community?**

We learned at the Community Vitality meeting of the desire of citizens of this area to establish their own businesses and capitalize on their ideas, and of obstacles to their success. This plan addresses their needs in a way that becomes doable because of our talents and low cost.

**Where did you get the idea for your project and have you visited or found information about other communities in Iowa or other states that have used similar concepts? If so, please list them.** To the best of our knowledge, this is an original derivation of the time-worn concept of business incubation. Our enhancements effectively eliminate the major inherent design flaws of the old incubator model, and does so in a manner easily duplicated, once created and refined.

**Are there specific steps and procedures that you have planned for implementation?**

Phase I of the project is the establishment of a central site associated with a sponsor organization. Phase II requires the acquisition of specific assets such as hardware and software and business equipment. Phase III deals with formalizing a network of volunteers and professionals who will provide the specific business services. Phase IV is the marketing phase to educate the public and enroll businesses. In Phase V, we assure future funding mechanisms.

**Who will be involved in making the decisions and implementing the steps?**

ISU Extension, the Emmetsburg Community Development Commission, the Emmetsburg Industrial Board, the Emmetsburg Chamber of Commerce, Iowa Lakes Community College, and the Palo Alto County Development Board will all be part of the process, with the ECDC implementing the plan.

**How many existing and potential entrepreneurial enterprises or service providers do you anticipate being involved?** We expect to enroll 4 new businesses in the first year and have a rolling group of 10-12 businesses continuing at various stages of fee-for-service continuation as they acquire additional stages of independence. As they gain skills, they will scale down their participation.

**Source, Type (\$ or In-Kind), and Amount of Local Matching Resources.**

ISU Extension in-kind contribution at an estimated value of \$3000 in the form of staffing assistance, meeting and training rooms, organizational expertise, and host telephone system. Volunteer retired business executive counseling at an amount of eighty hours per business at a value of fifteen dollar per hour, for a total value of \$4800 of in-kind contribution per year. Web development assistance will be \$600, provided by officers of the Industrial Board. Pro-bono legal in-kind of \$1200, and Chamber of Commerce promotional services at an in-kind value of \$800.

**Please provide a brief budget description regarding how you plan to spend CVC funds.**

The initial cost of acquiring computer hardware and software will be the first and most significant use of these funds. Approximately \$3800 will be required to serve the functions of the system at the central site, with another \$3400 as a two loaner work stations for remote sites. Dedicated central site office equipment and supplies will cost an additional \$1200. Marketing and Promotion expenses will run \$900. Entrepreneurial group forums, follow-up meetings and evaluation sessions are expected to add \$700 or more in the first year. We know that other expenses will be incurred, but expect to cover these through contributions from participating organizations and financial institutions.