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SUMMARY

Roundtable Proceedings

October 19-21, 1986

UCROSS FOUNDATION

"Roundtable on Community Development
and Small Business in Wyoming"

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I. WHAT DO WYOMING COMMUNITIES HAVE TO OFFER IN INCENTIVE TO SMALL BUSINESS TO STAY OR COME?

- A. The following attributes were considered by most participants to be the most valuable assets Wyoming has to offer small business:
1. Low personal and state taxes.
 2. An available work force - composed of proud, well-educated individuals who possess good work ethics.
 3. Wyoming is a "right to work" state.
 4. Available, low-cost business and personal facilities (i.e. office space, housing, warehouse space).
 5. Low cost of living.
 6. Relatively low wages.
 7. Quality of life - Participants were divided as to whether quality of life was of primary or secondary importance to small business. Factors listed as contributing to quality of life included: an uncrowded, non-polluted environment honest, friendly people excellent recreation a low crime rate and a low incidence of drug use.
- B. Attributes of Wyoming considered by most participants to be of secondary importance to small business included:
1. Sense of community - Wyoming's towns are primarily small, rural and family oriented, providing the opportunity for business to find "a place to belong".
 2. Quality educational standards at the primary and secondary levels and a large community college system.
 3. Access to public officials.
 4. Quality highway and rail transport systems.
 5. Abundant natural resources.
 6. Some available financing.
 7. Lack of competition.
- C. Other positive attributes mentioned but not considered of top importance were:
1. A business environment which allows the businessman to maintain his independence.
 2. A grass roots desire to improve the business climate.
 3. A marketable "flavor of the West".
 4. The opportunity to have a personal impact on the state.
 5. Local knowledge of the immediate market.
 6. Low minority numbers.
 7. A large potential for growth.

II. WHAT BARRIERS MAY SMALL BUSINESSES/ENTREPRENEURS FACE IN MAINTAINING/ESTABLISHING THEIR ENTERPRISES IN WYOMING?

A. The most critical barriers to the establishment and growth of small business in Wyoming were seen as:

1. Isolation - from markets and supply sources.
2. Limited local markets - due to demographics.
3. Lack of business knowledge.
4. Poor image - as a business state.
5. Lack of financing options - both long and short term and in equity and venture capital.
6. Lack of transportation options - both for people and products High air fares were also mentioned.
7. Government red tape and confusing regulations - the state has a general lack of understanding of economic development requirements.
8. Boom-bust cycles - fluctuating economic cycles.
9. Lack of more than one four year college and few vo/tech schools is detrimental to business research and development.

B. Barriers considered to be of secondary importance were:

1. Lack of breadth of services.
2. Lack of diversity in existing businesses.
3. Opposition to change and growth within the local population.
4. Lack of packagers and processors.
5. Lack of long term planning - at the state, county and local levels.
6. Spotty transportation services.
7. Weather extremes.
8. No existing ties to international markets.

C. The following additional barriers were mentioned but were considered to have a relatively insignificant impact on small business:

1. Quality of life - rural life might not be considered an asset by some businessmen.
2. Shrinking tax base - Wyoming's shrinking tax base might eventually lead to higher taxes.
3. Limited competition in transportation - limited competition often leads to higher costs.
4. Federal land ownership and regulation - federal lands, having been removed from private ownership, are no longer available for growth and development.
5. Restrictive zoning.
6. A relatively small number of entrepreneurs in the state.

7. Isolation from fellow professionals.
8. Conservatism, lack of vision.
9. Lack of spin-off sources.
10. Few cultural opportunities and no professional sports.
11. Small work force.
12. Lack of basic management skills.

III. HOW MIGHT WYOMING COMMUNITIES IDENTIFY
BUSINESSES/ENTREPRENEURS RELEVANT TO THEIR OPPORTUNITIES?

A. The most important steps deemed necessary to
identifying appropriate businesses were as follows:

1. Identify community assets and liabilities.
2. Educate city, county and state officials as well as chamber of commerce members on the needs of business and the steps to be taken toward economic development.
3. Market and promote Wyoming to all residents - teach them to promote the state and build an entrepreneurial attitude.
4. Create a positive outlook and attitude in residents.
5. Market economic development programs.
6. Provide communication and support for existing businesses.
7. Research and analyze current demands and trends.
8. Create a task force to evaluate competition.
9. Interview special interest groups.
10. Send letters with hunting licenses.
11. "Network" - encourage horizontal expansion of existing businesses and manufacturers.
12. Develop a cohesive economic development structure which would include a resource contact network in each community.
13. Develop strategic long and short term planning.
14. Advertise.
15. Invite friends and family.
16. Create funding.

B. Other steps which should be considered are:

1. Determine uniqueness, niche.
2. Provide idea forums.
3. Utilize University of Wyoming graduates in other states for business contacts.
4. Help prospective entrepreneurs and existing businessmen learn of available programs.
5. Utilize congressional clout through federal contacts.
6. Better utilize educational resources.
7. Buy and bring in companies.
8. Review success stories.
9. Make people aware of the relationship between Wyoming and the world competitive situation.

C. Other ideas suggested which were not considered to be of top importance were:

1. Borrow from the experience of others.
2. Contact executives recreating in Wyoming.
3. Send delegates to domestic and international trade shows.
4. Market Wyoming products more effectively.

IV. WHAT COLLABORATIVE ACTIVITIES MIGHT GOVERNMENT, BUSINESS AND COMMUNITY LEADERS ENGAGE IN TO MAKE A DISCERNIBLE DIFFERENCE IN ENHANCING STABILITY/FORMATION FOR SMALL BUSINESSES?

A. The following activities were considered critical:

1. Restructure the economic development system to facilitate growth.
 - a. Get the right people, pay them well, get rid of the "can't do" attitude.
 - b. Form a central clearinghouse for economic development.
 - c. Set up a communication system - intrastate, interstate, and international, that would work effectively from the top down and the bottom up.
2. Hold a talent rendezvous modeled after the recent business rendezvous.
3. Inventory available resources - check supply and market, find out what is available and what is needed.
4. Determine and anticipate demand.
5. Provide educational programs on economic development in the high schools, junior colleges and university.
6. Agressively recruit expansion of existing businesses and target identified new business needs.
7. Establish a private venture capital fund.

B. Other possible activities mentioned were:

1. Set up free trade zones.
2. Create a long-term positive environment to finance new and fledgling businesses.
3. Change existing laws if necessary to make them more compatible with business needs.
4. Eliminate government competition in the private marketplace.

Participants were asked to respond to the following scenario:

A Wyoming native, now a successful Denver businessman, has tired of the city rat race and is considering a move back to Wyoming. While he has the ability to live off his current assets and investments, this entrepreneur has the need to create wealth. He has up to \$2 million to invest in a new business and he is shopping for an opportunity. What type of business or service would you recommend?

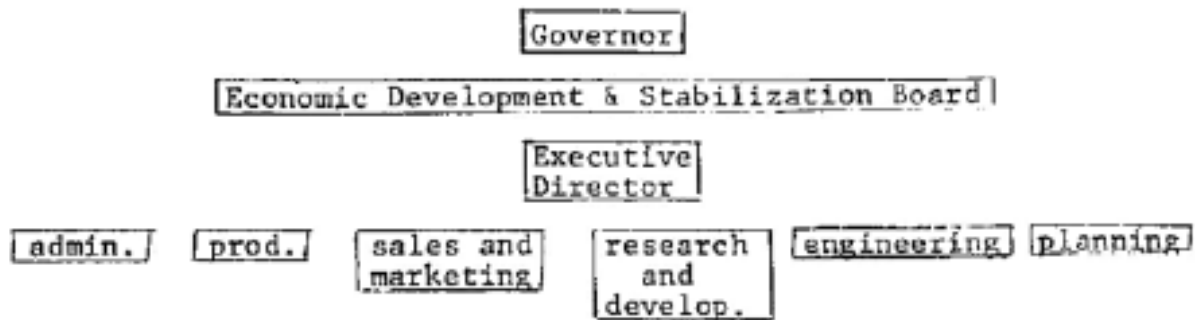
The following suggestions were offered:

1. Create a private energy institute - an international organization for research and development as well as idea exchange.
2. Food processing incubator - for processing food items such as chili, tortilla products, candy, harbeque sauce, meat products, flour, and beans.
3. Finished leather goods.
4. Wool cleaning and processing plant - possibly a textile mill.
5. Glass manufacturing - to utilize the trona resource.
6. Paint manufacturing plant - as a spin off from the petroleum industry.
7. Catalogue/mail order.
8. Retirement industry - recreation, living, medical services.
9. Brewery, malting facility.
10. Export management.
11. Greenhouses - utilizing waste heat from power plants to produce food, pharmaceuticals.
12. Catfish farm.
13. Establish a venture capital fund.
14. Marble products - from marble produced at Wheatland quarries.
15. Manufacture jade jewelry.
16. Develop small deposits of natural gas for use by small business.
17. Manufacture robotic welding apparatus.
18. Establish a securities transfer business.

BLUEPRINT FOR ACTION - GROUP 1

Statement of Goal: Install an effective structure for the management of economic development in the State of Wyoming.

Leaders: Leaders of the new structure will be the Governor of Wyoming and the executive director of the Economic Development and Stabilization Board.



Participants/Proponents: The new Wyoming' economic development structure would be modeled after private business. Personnel would be modeled after private business. Personnel would ideally be from the business sector. Staff departments might include: Administration; Production; Sales and Marketing; and Research and Development.

Participants/Opponents: Entrenched state employees may oppose the plan.

Participants/Neutral: All participants, except entrenched employees with negative biases.

Initial Notification/Organization: The first step to be taken would be to solicit support from the governor.

When: The optimal time to begin the implementation of the structure is soon after the inauguration of the new governor in 1987.

Where: The process should begin in the governor's office.

Process: The following steps are proposed in order to achieve the goal:

1. Devise an effective structure.
2. Contact influential proponents.
3. Influential proponents sell the plan to the governor.
4. The governor implements the program.

Time Frame: Steps one through three should take place prior to January 1, 1987. Step four should occur prior to January 31, 1987.

Assistance: The following individuals and organizations will be able to support and enhance the process: Economic Development and Stabilization Board (EDSB):. the EDSB Executive Director; the Governor's Budget office; the Legislature; the public.

Enhancement: Positive input from the above proponents can be assured by providing communication to the public; by building support at the grass roots level; and by the positive influence of the governor.

Hindrances: Obstructions to the positive process can be expected from entrenched state employees; from an uninformed public; and from proponents of zero-growth (possibly part of the uninformed public).

Alliance/Neutralization: Opposition from entrenched public employees can be addressed by moving, redirecting or phasing out employees who become a hindrance to the plan. The uninformed public and proponents of zero-growth can be addressed with proper communication.

Anticipated Result: There is no acceptable or reasonable compromise to the ideal goal other than that built into the proposal. The likelihood of success is 100%.

Decision: The current system does not adequately meet the needs for economic development in Wyoming, therefore a new system is necessary now. The leadership of the new governor will be the key to the implementation of the new system.

Discussion: The new system was further defined as a transition for the EDS Board from an agency designed to regulate growth to an agency charged with representing business. The possibility that a legislative change might be required to effect this transition was considered. A change of name for the organization to reflect its new role was also discussed.

BLUEPRINT FOR ACTION - GROUP II

Statement of Goal: Establish an Economic Action Committee (EAC) model that can be used by communities to provide an organized, common link between grass roots public/private concerns who want to help with economic development and the appointed state representatives providing state assistance.

Leaders: The recommended EAC would be a mix of city, county and private representatives, each sharing control of power. This committee would be selected through investment/vote ratios from each of the three major entities (i.e. a sliding scale of \$100 investment equals one vote; \$1,000 investment equals two votes; \$10,000 investment equals three votes, etc.)*

The committee should consist of officers, board members etc., built around the structure of a non-profit corporation. Representation would consist of leadership from city government, county government, local action committees, and chambers of commerce.

A gradual but progressive increase in private participation with a reporting process to keep public entities informed is recommended.

Participants/Proponents: Several options for participation are: city/county officials; utility companies; financial communities; schools; central business districts; retirement associations; unions; special interest groups; economic development committees. The most essential component of participation is that the private sector must be the catalyst of the committee.

Participants/Opponents: Initial opposition can be expected by government employees at all levels whose positions are threatened by the new system. Economic development groups already in place and individuals opposed to change can also be expected to be in opposition.

Opposition can be diffused through education.

Participants/Neutral: Those who might be involved in the project without a predictable bias were not identified.

Initial Notification/Organization: The first step to enacting the program at the state level will be the announcement of the program by the Futures Project. This announcement must reach all communities and emphasize that help is available.

When/Where: The proper timing for enacting an EAC in each community will depend on the business environment of that community. The program must start at the grass roots level.

* Assuming large corporations donate a large share, they cannot assume proportionate power.

Process/Time Frame: The logical sequence for implementation in each community will be:

1. Define the need within the community for participation in state-wide economic development coordination - one month.
2. Develop a strategy to form an EAC - two months.
3. Implement the organization and establish goals and objectives, both short term (one year) and long term (three to five years).

The EAC will be a perpetual organization with critiques of the program on a scheduled basis (six months to one year).

Assistance: The EAC project can expect assistance from the Futures Project, the Economic Development and Stabilization Board (EDSB) and Circuit Riders. The thrust must be achieved by the community leaders, either political or private.

Enhancement: Financial backing will be accomplished through stock/vote options, and investments from public and private sources.

Hindrances: Obstructions to the process will come from an uninformed public, from a lack of initiative in the general public and at the state level, and from competition with existing groups.

Alliance/Neutralization: These obstacles can be neutralized by education as to the purpose and function of the EAC at the grass roots level by Futures Project representatives, Circuit Riders and state representatives.

Anticipated Result: The success or failure of the EAC is directly proportional to the involvement and enthusiasm of each community.

Discussion: The EAC would provide a framework for any community wishing to obtain state assistance. Communities with multiple economic development programs were viewed as having a dispersion of effort, making them prime candidates for an EAC program.

Group II recommends that the EAC be structured like a non-profit corporation and that it eventually be turned over to the private sector as finances allow.

BLUEPRINT FOR ACTION - GROUP III

Statement of Goal: Develop a state-wide education program on economic development which would be available to the general public but which would be targeted at the groups listed below. The program would begin with a state-wide public education conference.

Leaders: The principal leader would be the Governor, who would be assisted by a committee to carry out conference planning. The program would be targeted at the following groups: Wyoming Recreation Commission, Wyoming Travel Commission, Cooperative Extension Service, Highway Department, Wyoming Heritage Society, Wyoming Small Business Development Center, Wyoming retailers, Wyoming Main Street program, chamber of commerce executives, WAM, PIC, WEDA, EDSB, WACO, AGC, ESC, WMA.

Participants/Proponents: All of the above groups plus any other interested individuals.

Participants/Opponents: Anticipated opponents to the project are zero growth advocates.

Participants/Neutral: Those participants who can be expected to be involved with no particular bias are conference speakers and educators and those who attend the conference for knowledge.

Initial Notification/Organization: The first step to be taken is to inform the gubernatorial candidates of the project. Candidates should be encouraged to promote the idea during their campaign.

When: The right time to start the process is now. Commitments would be obtained from the gubernatorial candidates before the election and should be followed up after the election with conference planning and committee organization.

Where: Initial planning should take place at convenient locations throughout the state. The conference should be held at a central location, possibly in Casper.

Process: Events leading to the goal are as follows:

1. Obtain a commitment from the governor.
2. Form a committee.
3. Contact various groups to determine topics, speakers, and commitments for sponsorship.
4. Plan workshops, including financing, printed materials.
5. Market the conference - advertise.

Time Frame: The earliest date anticipated for the conference is June of 1987. A more realistic goal may be the fall of '87. Planning should start by December of '86 or January of '87 at the latest.

Assistance: Those who can be expected to support or enhance the process are the groups listed previously as well as the AEDC, IDRC, MASDA, and individual companies. Financing can be expected from industrial development bond companies and registration fees.

Enhancement: Positive contributions from all participants can be assured by having the "right" people on the planning committee and by obtaining initial support from the governor. Commitments of finances and resources can be assured by addressing pertinent issues, by obtaining sponsors in advance, and by charging registration fees.

Hindrances: Those who can be expected to obstruct the positive process are zero growth advocates and possibly the EDS Board and the Travel Commission.

Alliance/Neutralization: Obstruction can be overcome by taking advantage of the knowledge and experience of others who have successfully completed similar programs in other states.

Anticipated Results: Possible compromises to the ideal goal include an earlier conference date and regional rather than state-wide workshops.

Decision: Wyoming needs such a program now. The project can be accomplished with the help of the new governor and grass roots support.

Discussion: The public education conference was seen as the initial step in an ongoing effort which would be followed up year after year. It was felt that momentum could be maintained as the result of energy generated from the Futures Project and other economic development programs. Program topics would evolve from the concerns generated through such entities. It was pointed out that statewide conferences are a tremendous amount of work and that regional conferences might be more viable alternatives.

Since the Futures Project was projected to play a role in several steps of this proposal, a discussion of the anticipated "natural demise" of the Futures Project within the next two years pointed to the need for another group to fill the Futures Project's anticipated role in the proposal.

BLUEPRINT FOR ACTION - GROUP IV

Statement of Goal: Establish a state-wide investment capital "clearing house" network where local investment opportunities are introduced to potential investors for the purpose of providing financing sources for small business expansion or start-up.

Leaders: Principle leaders would be the Wyoming Small Business Development Center with an advisory board consisting of local economic development leaders.

Participants/Proponents: Groups and individuals expected to support the project are; WCDA, WIDC, WE-Fund, Futures Project, local development agencies, EDSB, banks, secretary of state, state treasurer, and others.

Participants/Opponents and Neutral: Those who might be in opposition or who might participate without bias in the project were not identified.

Initial Notification/Organization: The legalities with particular regard to the SEC must be explored.

When: The process should begin as soon as possible.

Where: The Wyoming Small Business Development Center in Casper will be the focal point for the facilitation of information. A central computer will be located in Casper which will be hooked in to offices throughout the state.

Process: Steps which will lead to the goal are:

1. Obtain legal clearance.
2. Develop a marketing and business plan which will include criteria for screening industry types, geographic location, equity position, paperwork flow, fees, etc.
3. Develop a data system mechanism - computer software program.
4. Publicity - to go hand in hand with:
5. Education of participating entities.
6. Inventory of potential investors.
7. Collect entrepreneurs.
8. Evaluation of the program.

Time Frame: Steps 1, 2, and 3 should be completed within three months. Steps 4 and 5 should be completed within three more months, during which time step 6 should begin. Step 7 should begin rolling between the end of the first six months and the end of the first year. Re-evaluation should occur after the first year.

Assistance: Existing venture capital networks such as the New Hampshire program and those patterned after that particular program can support and enhance the process. The Wyoming Small Business Development Center, economic development corporations and bankers will all be gate keepers for the project and will funnel in both investors and entrepreneurs who are looking for full funding, gap funding or simply to share a facility. The project will provide a place for the investment of capital other than traditional sources. Decisions will be made by the investor once he has come in contact with the entrepreneur.

Enhancement: Creativity in in-kind investments is recommended.

Hindrances: Creativity may not be built into software and may require human perception. Changes in tax codes that reduce investment incentives may also be a hindrance.

Anticipated Results: Small business expansion or start-up will be facilitated by providing a "dating service" between entrepreneurs and investors. After introduction, entrepreneurs and investors CUT THEIR OWN DEALS.

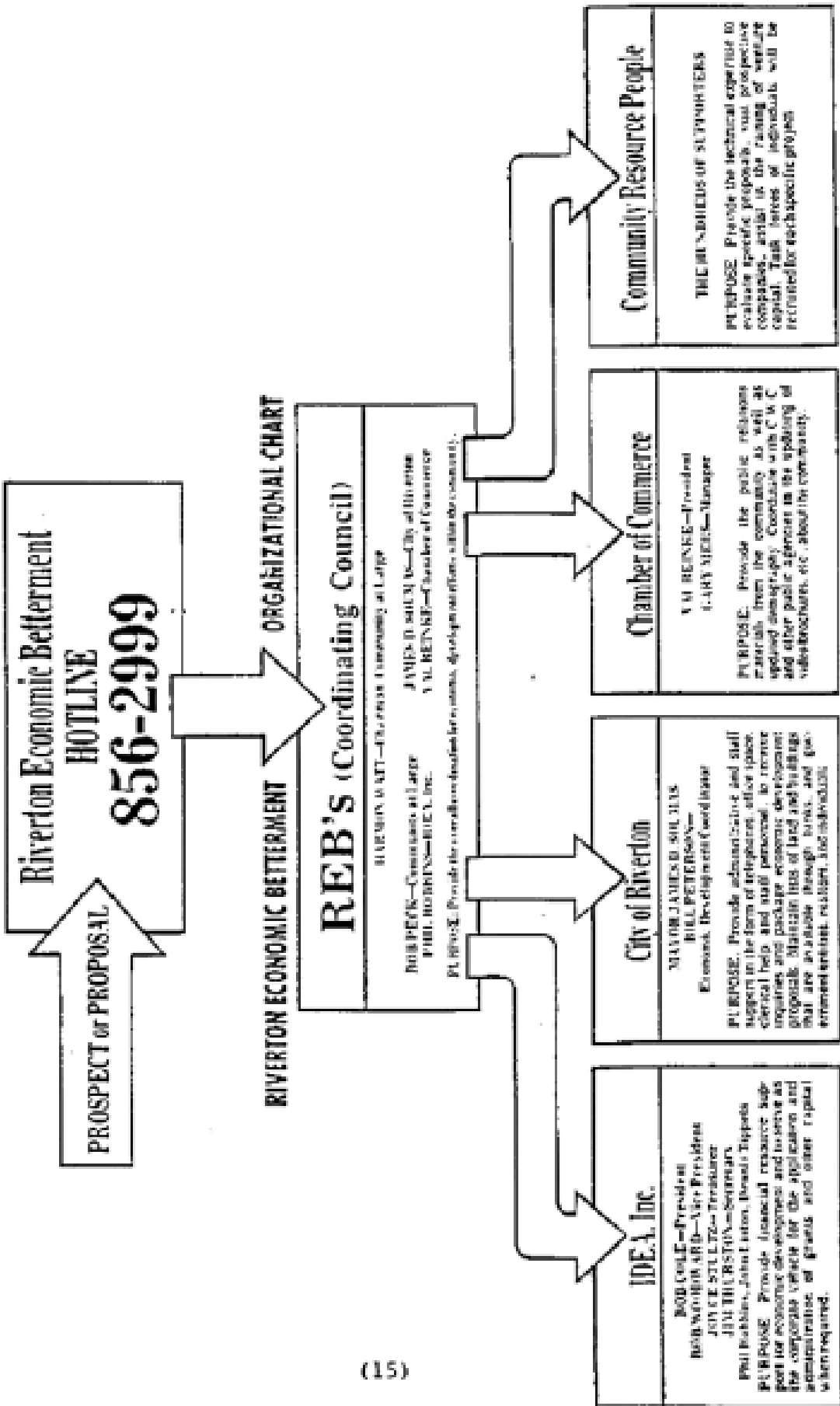
The beauty of the system is that it cuts out red tape of existing financing (CDBG and IRB). Investor and Entrepreneur construct their deals to meet their individual needs.

Decision: Go for it!

Discussion: Proponents of the project ask that all current concepts of venture capital be put aside. The project is not to be considered a venture capital fund, but a dating service for investors and entrepreneurs.

The possibility of charging a 1% finders fee was considered as a means of discouraging insincere investors. It was suggested that the Matchmakers system, which provides a national network of investment opportunities to investors at no fee, be studied.

It was postulated that capital is available and that capital moves easily. It is matching the capital with the entrepreneur that is crucial.



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ROUNDTABLE ON COMMUNITY DEVELOPMENT
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