

**Subcommittee on Urban and Rural Entrepreneurship
Committee on Small Business
United States House of Representatives**

"Hearing on SBA's Entrepreneurial Development Programs"

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Testimony**

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My thanks to you Chairman Shuler and Ranking Member Fortenberry for the opportunity to testify again before your committee about the importance of entrepreneurial development in addressing today's increasingly challenging economic conditions in America. When I testified in mid-November I stressed the crucial roles USDA and SBA, including SBTDC play in economic development. As a veteran economic developer in N.C., I can reaffirm to you that all of these agencies, their field personnel and programs are well respected and make a difference. In keeping with today's hearing I will focus on SBA, including SBTDC, and give you an update on a new innovative approach to economic development in our country, the Certified Entrepreneurial Community SM program. Economic development organizations in seven states have contacted us at AdvantageWest about our newest program.

Over the last decade I have had the privilege of working as CEO of the AdvantageWest Economic Development Group which serves a 23-county region in the mountains of western North Carolina. Organizations like the International Economic Development Council and publications such as *Southern Business & Development* have recognized AdvantageWest for having one of the most diversified programs of work in the country. This includes our Blue Ridge Entrepreneurial Council division which launched the Certified Entrepreneurial CommunitySM program in 2007.

We currently have 14 leadership teams across WNC that have completed required Certified Entrepreneurial CommunitySM training provided by AdvantageWest through a nationally recognized leader in the area of entrepreneurship training, the RUPRI Center for Rural Entrepreneurship. These recent leadership graduates include 12-countywide teams from our common borders with northern Georgia and upstate South Carolina to the state lines we share with eastern Tennessee and southwestern Virginia. Leaders from the Eastern Band of the Cherokee Indian and the Town of Black Mountain round out the group of 14 teams who are now using our guidebook to pursue completion of a rigorous five-step checklist to become the first Certified Entrepreneurial CommunitySM areas in the country. The concept of certifying communities in a state of readiness with their business climate for supporting entrepreneurs and existing companies originated with AdvantageWest Chairman Tommy Jenkins who reflects the priority my entire board of directors place on entrepreneurship as a key part of our economic development infrastructure and policy for the future.

The Certified Entrepreneurial CommunitySM program requires each leadership team to not only map their local developmental assets; moreover, to improve access to service providers and capital for entrepreneurs, as well as established businesses. For this reason, AdvantageWest appreciates the spirit of your committee hearing today. As I mentioned earlier, SBA and SBTDC are well regarded in the AdvantageWest region. Your interest in how these agencies can maximize their effectiveness through high levels of service to entrepreneurs is a great example of the type of outcome we are striving for with the Certified Entrepreneurial CommunitySM program.

As a service provider SBA has a regional presence in Asheville and co-sponsors four Small Business & Technology Development Center (SBTDC) field offices located at Western Carolina University, Appalachian State University, Hickory and Asheville. As a former member of the SBTDC Statewide Advisory Board I can tell you it is not practical for this organization administered by NC State University as “NC’s Business & Technology Extension Service” to place an office in every community in any region. The same is true for AdvantageWest regional EDC staff and therein lies the point: the Certified Entrepreneurial CommunitySM program is a platform for delivering entrepreneurship at the local level. As a result, we can provide better access to the service providers, including their technical assistance and capital programs. Our business certification method requires communities to actively engage service providers like SBA for the benefit of the entrepreneur and business community. This includes a requirement to list the providers and their programs as resources

in brochures and on websites for the general public, including promotion through business coverage by the local media. This increased exposure is maximized through another requirement that the leadership team develop a Blue Ridge Entrepreneurial Council “Forum Series” to attract experts like SBA to make presentations and to foster networking with service providers like SBTDC.

The Certified Entrepreneurial CommunitySM is all about improving the business climate and making the community entrepreneur ready in both strategic and tactical ways. Let’s take a moment to consider a specific example. One of the most popular programs in our country for small businesses is the SBA 504 loan. By ensuring that this tool is even more readily available to entrepreneurs, as well as established companies, we have the potential to raise the effectiveness of this agency at the grassroots level. Moreover, leveraging the expert professionals at SBA and SBTDC to provide technical assistance to Certified Entrepreneurial CommunitySM leadership teams and their clients should lead to early success with this new program.

In closing, on behalf of AdvantageWest I wish to recommend to your committee and staff, as well as the leadership of SBA that you consider a pilot project with AdvantageWest when pursuing follow-up efforts related to strengthening support of entrepreneurship. The fourteen communities in the AdvantageWest region that are currently pursuing the Certified Entrepreneurial CommunitySM designation offer a great opportunity for you to test market any new and expanded approaches by SBA. Thank you. I welcome your questions.