

Economics, Partnerships and Your Byway Community

CREATING DESTINATIONS FROM SCENIC DRIVES



TELE-WORKSHOP SPOTLIGHT SPEAKER

Dr. Ernesto Sirolli
Founder, The Sirolli Institute
Sacramento, California USA
Edmonton, Alberta Canada



Speaker Profile:

Born and raised in Italy, Dr. Ernesto Sirolli graduated from Rome University in 1976. He continued with post-graduate work at Stellenbosch University in Cape Town, South

Africa and at Murdoch University in Western Australia. In 1980, he created the Freemantle Shoemakers Co-op, Western Australia's first workers' cooperative, as his dissertation case study. By 1983, the project's success earned a Silver Jubilee Award for Best Job Creation Scheme in Australia.

Sirolli's common-sense, humanistic perspective to economic development eventually became known as Enterprise Facilitation, a grass-roots approach similar to byway organization development. Using Enterprise Facilitation principles as a base, Sirolli established the Sirolli Institute International Enterprise Facilitation, Inc. in 1996 and a sister organization in Canada in 1997.

Sirolli serves as chairman of the board for the Sirolli Institute International Enterprise Facilitation, Inc., and frequently speaks at national and international gatherings. The positive response to his presentation, "Economics, Partnership and Your Byway Community" during the 2001 National Scenic Byways Conference in Portland, Oregon, prompted the America's Byways Resource Center to feature him in the Tele-Workshop Program.

Dr. Ernesto Sirolli began his lively discussion by explaining that the byways program offers an opportunity to tap inventive, creative and passionate individuals as building blocks to future economic success. Byways look hard at themselves, he said. They ask questions like, "How does our byway look? What could it look like? What has potential to be seen? What should it look like? What will attract interest?"

Byway leaders understand that these are aesthetic values that can be transformed into their communities' economic fortunes. Sirolli believes that every community has at least one person who has the passion and the dream ready to create a viable enterprise. "If you can help one person transform a dream or passion into a livelihood, then tell that story, you're half way to changing the economic future of a community," he said. "Enterprise Facilitation is a mechanism to help people in your community right now develop a commercial or social enterprise that captures the attention of local residents and visitors."

FROM PASSION TO ENTERPRISE

Byway organizations and Enterprise Facilitation both rely heavily on grass-roots support. Sirolli pointed out that the purpose of his discussion was not promoting Enterprise Facilitation to byways; rather, he wanted to illustrate how the principles of Enterprise Facilitation can build upon existing grass-roots fundamentals. In addition, Sirolli emphasized that a community must invite the Sirolli Institute before the organization offers assistance (see the America's Byways Resource Center newsletter, *Vistas*, February 2002).

An invitation comes from a community only after civic leaders realize that the success of every single person in the community determines the success of the entire community. Sirolli acknowledged that some communities don't understand why they should help an individual. However, Enterprise Facilitation has proven repeatedly that offering free coaching to one community member who wants to turn a passion into a reality will inspire other people to pursue their dreams. The community must employ (pay) this full-time, skilled coach, in the Enterprise Facilitation approach, but the results speak for themselves.

CREATING THE BOARD

Sirolli insisted that Enterprise Facilitation can help turn a cranky old man who builds birdhouses in his basement into a local economic development success. But, he said, it requires a strong local board of management. This group of civic leaders, up to 50 of the community's brightest and best thinkers, becomes the support network for the individual. They help each dreamer succeed and prosper.

"Contacts and skills are important," said Sirolli. "We spend quite a bit of time recruiting and training." In addition to recruiting the board, the board then recruits the Enterprise Facilitation with the assistance of the Institute.

In the first three months, the 50 board members introduce 10 friends each to the Enterprise Facilitator. "From those 500 introductions, we find 20 to 30 possible entrepreneurs. The range and diversity is exciting, from a single 17-year-old to a group of 100 producers working together," said Sirolli.



The Enterprise Facilitator then takes a prominent role. The Enterprise Facilitator listens to each entrepreneur, working one-on-one to start or expand a business with complete confidentiality. The Facilitator goes to the entrepreneur, at no charge and only upon an invitation. "We're in your kitchen looking at your ideas for enterprises," explained Sirolli.

Every month the Enterprise Facilitator goes to the board to explain the clients' circumstances. The network clicks into gear, offering suggestions, contacts or ideas. After each meeting, the Enterprise Facilitator goes back to each client with the offered resources to resolve the problems.

An enormous energy develops and a spirit like a barn-raising ensues, according to Sirolli. "They say: 'You'll help me, really? So I can move and open a business?' It's a very positive spirit," Sirolli said.

THE TRINITY OF MANAGEMENT

The Facilitator's goal focuses on balancing a dream with business skills. In Sirolli's opinion, a successful business "beautifully" integrates three elements that he calls the Trinity of Management: operations, marketing and finance.

1. Operations - Product/Service

"The product has to be cared for beautifully," Sirolli explained. "A beautiful store on Main Street will make people stop to shop, not pass by, tell others, and return. But it must be original, unique."

2. Marketing and Sales

These have to be done beautifully. "This is much more than selling," said Sirolli. "Marketing is an art form itself."

3. Finance - Money Management

Much more than bookkeeping, this is the art and talent of money management. Sirolli said that business decisions, such as renting, buying, leasing or hiring, must be beautifully executed.

But, in Sirolli's opinion, it's not enough to understand these three things. "You must understand what you HATE doing as much as what you LOVE to do," he said. "We have discovered one fundamental truth: we can never find one human being who equally loves all three components of an operation. We haven't found one! The people we've met are in two groups: They love only one of these components, or they love only two of these components."

The Facilitator's role is breaking the solitude of the entrepreneur. "If you're alone in your business, you'll do one or two of the components poorly. Your heart is not in it. We teach entrepreneurs who are stuck that every single business is a team effort. No successful company is run by one person," Sirolli added.

The Facilitator helps define the group or component that's missing. If the person doesn't know somebody who can help, the Facilitator goes to the board members and asks who they know. They use fifty brains to come up with names to help. "We reconnect entrepreneurs to the community," said Sirolli.

RURAL HOPE

Yvonne Fizer, Vice President, Marketing, for the Sirolli Institute in Edmonton, Alberta, Canada also joined the discussion. She noted that Enterprise Facilitation has significant impact when the local board sees the potential to revitalize its community. "Hope returns to small rural communities," she said.

Fizer cited the rejuvenation of hope that the Sirolli Institute helped to spark in a remote and rural area of northeastern Oregon, including Baker and Wallowa counties. "During an 18-month initial phase, 800 potential entrepreneurs approached the Enterprise Facilitator, 24 new businesses opened and 14 businesses expanded," she said, "In all, a total of 59 net new jobs were created. The cost was \$1,500 per job."

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"We only work with those who are passionate to see their dreams transform," Fizer said. "We look for the fire in the belly." She added that Enterprise Facilitation works where there is leadership. "The best communities are those communities with vision for themselves and believe in their local talent."

Fizer noted that the Sirolli Institute was invited to assist the Kansas Department of Commerce to address rural development using Enterprise Facilitation. A Challenge Grant was issued and three demonstration projects were identified in some of the state's poorest counties. "Kansas has incredible leadership," she commented. Hope revived, the response has been inspirational to other communities.

Interest in Enterprise Facilitation has spread from rural to urban communities, including locations in Vancouver and Greater Minneapolis - St. Paul. Fizer said, "Ripples happen. People watch the dreamer succeed, and say, 'Me too!' Then the same things happen with communities. They look at partnerships and study them for examples. Demonstrators become catalysts for hope. There is inspiration: 'if they can do it, we can do it.'"

BYWAYS CAN DRIVE THE VISION

Both Sirolli and Fizer emphasized that byway leaders can become links between the community's vision and local entrepreneurs.

"Local attractions are necessary," said Sirolli. The local entrepreneur can become the one component that begins a transformation from a drive-through town to a tourist destination. "A successful business in a community builds prosperity for all."

He cautioned that business recruiters in America have bred animosity between communities who struggle to keep viable companies and those that try to entice companies away from others. "Enterprise Facilitation is one mechanism to grow your own," he said. "We encourage you to support your entrepreneurs." ★

Q&A

Following the discussion, several byway leaders asked Dr. Sirolli and Ms. Fizer questions about the Enterprise Facilitation concept.

- Q.** What size community is feasible for the Sirolli Institute to consider undertaking Enterprise Facilitation?
- A.** As small as 5,000, but no larger than 50,000. In Kansas, the parameters for selecting demonstration sites included a minimum of 15,000 residents located one hour from a central regional point, requiring counties to collaborate.
- Q.** How long does the project last?
- A.** The training agreement with the Sirolli Institute covers 30 months. In the first 6 months, the Sirolli Institute assists with recruiting and training both the local board and the Enterprise Facilitator. In the next 24 months, the real work begins. The board and Facilitator begin the process of assisting local passionate individuals and the Institute remains involved to deliver continuous training, support and trouble shooting.
- Q.** How much does it cost?
- A.** The program costs \$300,000. Half of that is spent on operation costs, salary and office expenses, such as phone and travel. The other half goes to the Sirolli Institute for services, including training, sharing the community's story, and helping to secure sustained funding for ongoing success.
- Q.** Does the Sirolli Institute help find start-up money?
- A.** Often the start-up money comes from multiple-party funding sources, including private and public entities. For example, in Kansas, the Challenge Grant funded 66 percent of the 30-month budget and 34 percent came from the community, including local in-kind and cash contributions. It's important for the community to make a financial commitment to implement the program and make it work. The Sirolli Institute also works to help communities secure long-term funding.

CURRENT PROJECTS

As of May 2002, the Sirolli Institute is implementing Enterprise Facilitation projects worldwide.

United States	Canada	Australia
• Montana	• Ontario	• Queensland
• Idaho	• British Columbia	New Zealand
• Oregon	• Manitoba	• North Island
• California	• Saskatchewan	
• Kansas		
• Iowa		
• Ohio		

RESOURCES

INTERNET LINKS

The Sirolli Institute International Enterprise Facilitation™, Inc.

Web site: <http://www.sirolli.com/index.html>

Toll-free: 1-877-747-6554

PO Box 22544

Sacramento, CA 95822

"Managing Wholes: Firsthand Reporting on Designing a Future That Works"

Web site: <http://www.managingwholes.com/>

Managing Wholes offers easy registration. Registered users can post comments, stories and subscribe to the bimonthly email newsletter. The site index includes a variety of discussion areas, such as paradigms and decision making; community and economy; conflict, power and scarcity; and ecosystem issues, among other topics.

"The Reading Room: Learning about Tools for Success"

University of Wisconsin Extension Service

Web site: http://www1.uwex.edu/ces/cced/readingroom/reviewedbook.cfm?book_id=28

This site offers a review about Dr. Sirolli's work, as well as reviews and excerpts from other books about economics, leadership and related topics.

"Business Facilitation Group Celebrates Its First Year"

Web site:

http://www.lagrandeobserver.com/news/story.cfm?story_no=1989

Observer, La Grande, Oregon

This newspaper article dated February 21, 2002, highlights Dr. Sirolli's work in Oregon.

The Economic Development Bookshelf

Web site: http://www.narc.org/ed/ed_book.html

This site provides a review of Dr. Sirolli's book, and features economic development links.

E. F. Schumacher Society

Web site: <http://www.schumachersociety.org/>

This educational non-profit organization, founded in 1980, offers resources for community renewal and environmental sustainability.

BOOKS

Ripples in the Zambezi: Entrepreneurship and the Rebirth of Local Economies, by Ernesto Sirolli, New Society Publishers, 1999.

Small is Beautiful: Economics As If People Mattered, by E.F. Schumacher, Hartley & Marks Publishers.

The classic book on the inter-relationship of economics, environment and sustainability, originally written in 1973, latest edition 1999.



America's Byways Resource Center
provides information, connections and
expertise that help build better byways.
State coordinators, local groups, volunteers
and organizations with ties to nationally
designated scenic byways look to us for
hands-on assistance in planning, preserving,
promoting and managing scenic byways.

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Looking Beyond Traditional Sources
Don Charpio, Bureau of Land Management

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Ron Zimmerman and Michael Gross,
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