

Background and Introduction

Providing relevant, right time and affordable technical assistance is foundational to any basic entrepreneurial ecosystem. For some entrepreneurs (see next section) access to the right technical assistance has challenges. Community-centered ecosystems can reduce these challenges by providing targeted and smart technical assistance cost-sharing. This short paper provides the primary elements for creating a technical assistance cost-sharing program.

Technical Assistance Defined

Entrepreneurs from the most nascent to the most experienced require informational and knowledge insight to make optimal decisions and support operations in everything from expanding a facility to marketing to working with suppliers and the list goes on and on. The process of providing this kind of knowledge expertise is what we call technical assistance.

Types of Technical Assistance

Technical assistance can be provided in any number of ways. Figure 1 provides four of the more common technical assistance types associated with cost-sharing programs.

Figure 1. Types of Technical Assistance

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| <p style="text-align: center;">Mentors</p> <p>For some entrepreneurs, the right mentor can be the ticket to success. While there are free mentoring models, funding a capable mentor may be a wise investment for greater impact.</p> | <p style="text-align: center;">Programs</p> <p>Enrolling an entrepreneur in the right program like FASTTRAC, Million Cups, Destination Bootcamp, etc. can be the right solution. Cost-sharing tuition and costs is a sound play.</p> |
| <p style="text-align: center;">Business Services</p> <p>Using your cost-sharing program to connect entrepreneurs with critical area business services like a bookkeeper can solve a critical deficiency and empower a life-long relationship and a customer for another business.</p> | <p style="text-align: center;">Specialized Expertise</p> <p>Particularly for growth and transitions, providing access to specialized services can reduce risk and enhance more optimal development outcomes. These specialized services are typically more expensive where cost-sharing can make the deal.</p> |

Cost-Sharing Defined

Cost-sharing is an incentivized way to provide technical assistance based on reluctance or inability/unwillingness to pay for expertise. With cost-sharing, we incent using expertise, support exploration where expertise can be valuable, and overcome affordability issues. With cost-sharing, a program covers a portion of the costs associated with a type of technical assistance for a defined period.

Target Audiences

Appropriate technical assistance can be valuable for the full continuum of entrepreneurial talent regardless of experience and stage of development. Cost-sharing technical assistance is best matched with four types of entrepreneurs. Figure 2 provides an overview of these four targeted groups.

Figure 2. Target Audiences for this Program

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| Start-Ups | Most entrepreneurial startups are small and lack expertise in key areas from the production of a good or service, to marketing or finance. Providing cost sharing can incent a start-up to get the expertise it needs and offset the affordability barriers, often creating lifelong business relationships. |
| Struggling | Struggling or challenged ventures obviously need help. An otherwise successful business struggling with hiring employees can benefit from human resources help to allow for greater overall success, growth, and sustainability. |
| Transitions | Transitioning a business from one owner to the next is challenging in rich markets, but in lower-density markets, this process can seem impossible to sellers and buyers. Providing both transition counseling, valuation, and other technical assistance can empower more successful transitions and reduce failures. |
| Growth | Growth is a wonderful prospect, but it is fraught with ways to fail. Providing more advanced growth technical assistance like sophisticated market intelligence research, growth counseling, systems development, and team hiring are key areas. |

Program Design Considerations

Consider the following cost-share program design considerations:

1. Dedicate up to three years of funding for the cost-share program.
2. Create criteria regarding the terms and conditions of a cost-share grant.
3. Provide matching funds directly to the technical assistance resources, not the entrepreneur.
4. Provide a variable for matching levels and length of time.
5. Match entrepreneurs you are working with to approved technical assistance providers.
6. Start small, learn, refine, and build out over time.
7. Train your staff and volunteers for fair and optimal administration.
8. Market your program widely and use it initially on a first-come, first-serve basis.
9. Keep your program simple and easy to use and understand.
10. Capture your impacts and use them to grow your market for and support of your program.

Possible Funding Sources

Assuming you have a defined class of venture are serving you can employ private, governmental, and charitable dollars to fund your program.

Questions and Information

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