



Larger Employer Retention and Expansion

A Likely Entrepreneurial Development Opportunity Strategy Guide

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Our 40 years of rural community economic development work in North America is a rich learning experience. At e2, we have worked in nearly every rural region in the continental United States and many of the Canadian provinces. Our [Development Opportunity Profile](#) analysis has surfaced reoccurring likely entrepreneurial development opportunities universally available to most rural communities.

Strategy Defined

Oxford Languages defines strategy as “*a plan of action or policy designed to achieve a major or overall aim...*” Any strategy is a point-in-time plan for action. Just as startup entrepreneurs are encouraged to develop a venture plan, communities exploring entrepreneurial development should do the same. Your community’s development strategy will change and evolve over time as new opportunities, priorities, and challenges emerge.

About our e2 Strategy Papers. At e2, we have been conducting opportunity analysis for rural communities and regions throughout North America for decades. This field-rooted work has identified and led e2 to create our 10 common and [Likely Entrepreneurial Development Opportunities](#), for many rural communities.

This **Larger Employer Retention and Expansion** strategy paper is organized into the following sections:

- Likely Entrepreneurial Development Opportunities
- Entrepreneurship is the Foundation for all Development
- Traditional Economic Development and Entrepreneurship
- Rural Larger Employers
- Why are these Larger Employers Important?
- Challenges Rural Communities Face
- Entrepreneurship Connections
- Resources Your Community Can Use

Remember Regional Development. While regional development is not one of our top 10 likely entrepreneurial development opportunities, we strongly recommend every rural community embrace, with other communities in their region of America, larger-scale regional development. When more communities in a region are thriving, opportunities are created for your community and your entrepreneurs. For more information, check out our paper, **Regional Development**.¹

Additionally, growing entrepreneurial ecosystems is best done regionally, hopefully with state-level support. We recommend a top-down and bottom-up entrepreneurship strategy as outlined in our paper, **Entrepreneurial Ecosystem Building in Rural America, Four Decades of Learning**.²






¹ Located in our website’s [resource library](#).




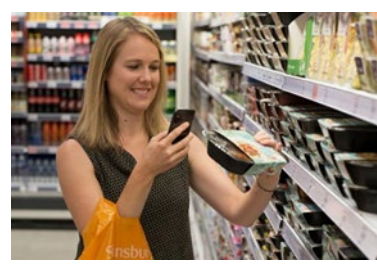

² Ibid.

e2's Likely Entrepreneurial Development Opportunities

Too many rural economies and societies are failing because of their narrow economies rooted in one to two changing economic sectors. Our paper, [Economic Crashes, Mini-Case Studies](#), illustrates the consequences of undiversified economies. Conversely, our story, [Ord, Nebraska, An Entrepreneurial Community](#), illustrates when a community diversifies its economy, it drives transformative change. Our likely entrepreneurial development opportunities can create genuine and robust strategies to grow a more diversified economy.

The following table provides brief descriptions of each of the top 10 development opportunities, with links to relevant strategy papers, as available.

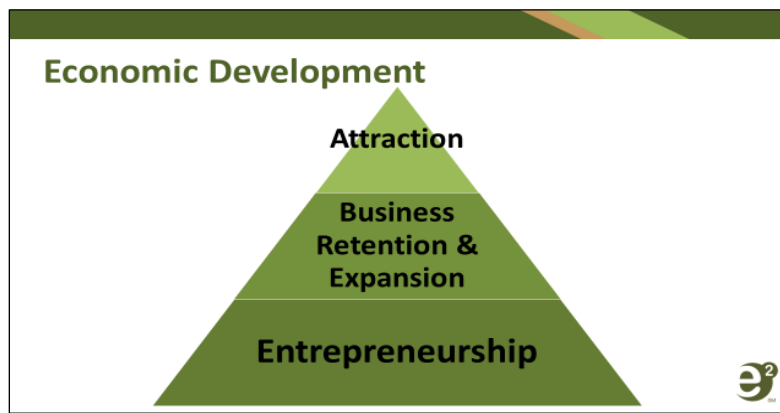
	<p>Natural Resources. Much of rural America depends upon single natural resource industry economies (e.g., farming, mining, forestry, energy, etc.). While there are limited entrepreneurial development opportunities related to these international market industries, there are opportunities rooted in diversifying within these sectors and increasing sector related spending capture.</p>
	<p>Transportation Corridors. Urban America is connected by transportation corridors that run through rural America. Services are required to support those traveling these corridors, creating entrepreneurial development opportunities.</p>
	<p>Tourism. While the vast majority of Americans live and work in urban America, rural America provides important places to play. For a wide range of rural communities and regions, tourism represents a way to diversify area economies.</p>
	<p>Retirees. When thinking of new residents, keep in mind the tidal wave of retiring Boomers. This group represents a significant likely entrepreneurial development opportunity for most rural communities, from high amenity places to rural villages adjacent to metro centers.</p>
	<p>Commuters. Upward of 50 percent of rural workers live in one community and work in another community. These outbound commuters have embedded entrepreneurial development opportunities in creating bedroom community-related development and entrepreneurial opportunities when they end their commuting.</p>

	<p>Hub Cities. America’s landscape is still defined by a hierarchy of places based on size. In rural America, there are regional and area hub cities and towns that provide critical services like healthcare, shopping, and entertainment to rural areas. These communities are the “downtowns” of vast rural regions to smaller areas.</p>
	<p>Larger Employer Retention and Expansion. Many rural communities are home to large manufacturing plants, fulfillment centers and institutions including hospitals, regional universities, and parks. Ensuring the future of these larger employers is an entrepreneurial opportunity.</p>
	<p>Growth-Oriented Entrepreneurs. Nearly every rural community has growth-oriented entrepreneurs with the motivation and capacity to reach external markets with their products and services. Electronic commerce empowers this kind of entrepreneurship.</p>
	<p>Area Spending Capture. Competition is intense from box stores, franchise, and electronic commerce, but opportunities exist to increase local venture competitiveness and recapture some of these spending leakages. In doing so, rural communities can empower growth-oriented entrepreneurs.</p>
	<p>New Residents. Since the 1900s, the primary migration pattern has been from rural to urban. Today, there are counter (e.g., urban-to-rural) migration trends among 30-year-olds, retiring Boomers and others. These new residents represent a huge opportunity to energize area entrepreneurial talent.</p>

To learn more about these top 10 Likely Entrepreneurial Development Opportunities and our evolving collection of associated strategy papers, please visit our website’s [resource section](#).

Brian Dabson, one of the earliest thought leaders on entrepreneurship informing our e2 work over the decades, positioned the idea that entrepreneurship is the foundation for all community-centered economic development. Over time and rooted in our experience, we have come to believe that Brian is absolutely right in this perspective. When we grow an entrepreneurial ecosystem with a strong venture environment and nurture a thriving community climate and culture, we position our communities for stronger larger employer retention and expansion and even attraction.

Figure 1. Entrepreneurship as the Foundation of All Economic Development



Entrepreneurship is the Foundation for all Development

In this strategy paper, we address the entrepreneurial opportunity for larger employer retention and expansion (R&E for short). This is a traditional economic development strategy on which many, if not most, economic development groups focus time and energy. We recognize these larger employers in our community provide critically important jobs, tax base, and other benefits addressed later in this paper. Having a robust R&E strategy not only takes care of this important part of our economies but presents other entrepreneurial development opportunities.

Do Your Homework!

Smart development is rooted in more fully understanding your community's development opportunities and the assets you have to generate economic development through them. Taking time to assess your community's likely entrepreneurial development opportunities is a recommended starting point. At e2, we have [analytic tools](#) that can help your community efficiently and effectively complete this due diligence, including our **Development Opportunity Profiles** and **Market Opportunity Profiles**. Also consider resources closer to home such as community colleges, regional development organizations, utilities, regional bank groups, Extension and Land Grant Universities or others capable to undertake this kind of research and analysis. Regardless, do your homework before you start engaging in making development investments.

Next, we consider traditional economic development and what is meant by retention and expansion.

For most of rural America, traditional development is rooted in three primary strategies: natural resource-related industries, venture attraction, and existing major employer retention and expansion. Even though America has a reputation as an entrepreneurial country, entrepreneurship as a development strategy, is relatively new both nationally, and particularly, in rural America.

Traditional Economic Development and Entrepreneurship

Figure 2 provides a crosswalk between rural community size and situation and the likelihood for major employers with retention and expansion opportunities. For purposes of this strategy analysis, larger employers have at least 50 or more permanent employees.

Figure 2. Rural Communities and Likely Retention and Expansion Opportunities

<p>Villages Less than 10,000 Residents</p>	<p>Rural villages may still have a school and even a critical access hospital, particularly in more frontier regions. Typically, villages of this size do not have major employers, making a retention and expansion strategy less relevant.</p>
<p>Towns 1,000 to 2,500</p>	<p>Rural towns, particularly those in sparser regions typically are home to a school district, health care system, and maybe a manufacturing plant, cooperative, food or timber processing facility, and in some cases are home to a rural telco or power cooperative.</p>
<p>Small Rural Cities 2,500 to 5,000</p>	<p>As we progress up this continuum based on population, there are likely to be more for-profit businesses, nonprofits and governmental entities that have 50 or more employees. However, in more densely populated region or small rural cities adjacent to micropolitan and rural metro areas, the incidence of major employers will be typically less when compared to more rural areas.</p>
<p>Larger Rural Cities 5,000 to 10,000</p>	<p>As communities get larger, the probability of 25 or more major employers in all three community sectors becomes greater. For these communities, typically with staffed chambers of commerce and economic development corporations, chances are also good that they are doing retention and expansion visitation and working to support these ventures.</p>
<p>Micropolitan Areas 10,000 to 50,000</p>	<p>Smaller micropolitan areas typically have 50 or more, and larger micros have 75 or more major employers. For these communities, a sophisticated and staffed retention and expansion strategy should be mandatory. Additionally, an entrepreneurship strategy to optimize spinoffs should also be seriously considered.</p>
<p>Small Metros in Rural Regions</p>	<p>Small metros rooted in rural region include examples like Reno, NV, Asheville, NC, Anchorage, AK, Bozeman, MT, Santa Fe, NM and Savannah, GA. These metros typically meet the Census definition* of 100,000 or more residents rooted in a primarily rural region. For these communities with significant major employers including Stage 3 (100 to 499 employees) and Stage 4 (over 500 employees) ventures should have a retention and expansion strategy.</p>



We all recognize that large employers are foundational in our cities and metro areas, but larger employers are also part of many rural communities and regions. Where these larger employers exist, it is important for rural communities and their entire regions (e.g., major employers draw workers from a larger regional community) to not only create a great home for these ventures but provide development assistance to contribute to their success and growth.

Rural Larger Employers

At e2, we use our own definition of what constitutes a larger employer or those ventures with 50 or more full-time and permanent employees. While the Small Business Administration (SBA) defines big businesses as having 500 or more employees, we believe this definition is more appropriate for rural communities and the strategy considerations addressed in this paper. We will not attempt to list every kind of rural-rooted, larger employer, but the following provides a sampling and illustrates what we are talking about with respect to larger employer retention and expansion:

Healthcare. Rural America is home to a wide range of healthcare systems. For larger rural communities, there are regional healthcare systems like the one we have profiled³ in Ord, Nebraska. The Valley County Health Care System is the largest wage and salary employer in this rural region, a destination, and a huge quality of life asset. Healthcare provides not only jobs and economic activity, but a wider range of careers important to new resident attraction.



Valley County Health System, Ord, NE



Tabor College, Hillsboro, KS

Regional Higher Education. Some rural communities are home to regional branches of universities, state colleges, community colleges, and private universities and colleges like Tabor College in Hillsboro, Kansas (2019 population of 2,839). Regional higher education institutions provide important services, quality-of-life amenities like arts and sports, community identity and a diversity of jobs and careers. Tabor College is a Mennonite institution core to the success and identity of the Hillsboro community.

³ You can find all our Ord, Nebraska stories in our [resource library](#) on our [website](#).

Natural Resource Processing. Foundational to much of rural America are its natural resource industries. These businesses range from canneries in commercial fishing areas, sawmills in forest country, meat packing plants in cattle country and the list goes on. Mines and energy development and production also are major employers in certain parts of the country. The picture to the right is a massive copper mine in Arizona. Often these operations are externally owned by national and even international companies but are major economic drivers and employers locally.



K-12 School Systems. Public education is universal in the United States. Every rural community is served by a public school system. These K-12 schools are not only essential services in rural communities but employers, creating a diverse range of career options. With continuing school consolidation, the potential loss of area schools is always possible as student counts decline with depopulation.



Stuart, Nebraska (2019 population of 667) lost nearly 30 percent of its population between 1970 and 1980. Like so many rural villages, it was aging, experiencing severe outmigration of younger adults, and at risk of losing its school. Without question, the K-12 Stuart School District is the largest employer in the community. The fear of losing the school motivated the community into action. They determined that becoming a regional bedroom community was the best strategy forward. They invested in affordable housing (e.g., both new and rehab), ballparks, and other family-friendly amenities. During the past 10 years (2010-2019), the community's population increased from 590 to 667 residents. Quite a turnaround, and for now, their Broncos are safe.

Manufacturing Plants. During and following World War II, America industrialized and many of these industries moved from cities and the coasts into America's heartland, including rural communities. This trend began with defense considerations, protecting industry from potential coastal attacks. Following the war, lower costs and available labor drove relocations. Almost any rural community of sufficient size either hosted home-grown or branch plant manufacturing operations. Later in this paper we share a story from West Central Minnesota and its success in saving its manufacturing sector.





Custer State Park

Major State and National Parks. America was the first nation to create a national park. Today there are 63 designated national parks along with hundreds of national monuments, scenic rivers, and major state parks. For millions of Americans, and particularly those living in denser urban areas, rural America is our playground. These major parks employ dozens of workers year-round and hundreds during peak seasons. Custer State Park is operated by the State of South Dakota in its internationally known Black Hills. Ensuring their continuation is important to area rural communities.

There are many more examples, but you get the idea. Now we explore why a larger employee and retention strategy is important.

When compared to urban America, rural America typically offers fewer good wage and salary jobs. More people in rural America work for themselves or are part of both farm and non-farm proprietorships. Larger employers generally create wage and salary jobs, more full-time and secure employment, generate a wider range of career options, and provide better benefits. Rural communities with larger employers are stronger.

Why are these Larger Employers Important?

Figure 3 provides a quick summary of the value of having larger employers within a rural community.

Figure 3. Community Benefits of Larger Employers

Employers	As the name suggests, larger employers provide more wage and salary jobs when compared to other ventures in our community. Additionally, these jobs tend to be more full-time, secure, higher paying and offering better benefits.
Careers	Many of these major employers create a range of jobs from managers to accounting to logistics to production to marketing and the list goes on. Creating a more diverse set of jobs is important as it creates enhanced opportunities for resident attraction and retention. Bottom line, these employers allow our kids and grandkids to come home.
Spending	Major employers and their employees spend significant amounts of money in our communities. This area spending drives other economic development, creating entrepreneurial opportunities for others.
Taxpayers	Over time, for-profit major employers become major taxpayers supporting local government, schools, counties, and other units of government. They pay local options sale taxes. Their employees generate both property and sales tax revenues.
Expertise	Major employers and their employees have specialized expertise that can be valuable to the community. They become leaders, community builders and give to charity. Spouses bring skills and experience as well, enhancing the human talent of a rural community.
Diversification	Major employers can diversify a rural community’s economy, building on whatever natural resource drives it. Diversification is key to sustainable community prosperity.
Identity	Branded major employers can contribute to community identity and pride, enhancing a community’s recognition regionally and even nationally.

Ensuring major employers thrive and, when possible, grow, creates desired community economic development impacts, we all seek from our economic development game plan. Next, we learn the important role larger employers play in the micropolitan community of Kearney, Nebraska.



Lessons from Kearney, Nebraska

Kearney, Nebraska (2019 population of 33,464) is part of the Tri-Cities Region in Nebraska that also includes the communities of Hastings (2019 population of 24,906) and Grand Island (2019 population of 51,147). Both Kearney and Hastings are classified as micropolitan areas, and Grand Island is defined as a small metropolitan area by the U.S. Census Bureau. Collectively, these three cities anchor a vast rural region in central Nebraska directly to the west of the Omaha and Lincoln metroplex.



Downtown Kearney, NE



Sandhill cranes nest near Kearney, NE

This region is home to the world-famous Sandhills Crane migration each March and April, as hundreds of thousands of cranes spend time resting and eating before heading north to their summer range. Like most other Micropolitan areas located in rural America, Kearney is home to a relatively larger number of major employers in all three community sectors of for-profit businesses, nonprofits, and governmental agencies. It has a strong history of supporting both homegrown and external major employers, ranging from the Younes hospitality complex to the University of Nebraska at Kearney to Baldwin Filters.

Major Kearney employers include:

- Homegrown and owned, corporate headquarters for the [Buckle](#), a national fashion retailer, with an estimated 465 shops in 44 states across the USA.
- [Baldwin Filters](#), a brand of Parker Engine Mobile Aftermarket Division and producer of industrial filters.
- Homegrown and family owned [Cash-Wa Distribution Company](#), a regional food products wholesaler.
- [Kearney Public Schools](#)
- [Kearney Regional Medical Center](#)
- [University of Nebraska at Kearney](#), (formerly Kearney State College)
- [Heartland Hospitality Company](#)



University of Nebraska at Kearney

There are many more major employers in this community of 33,000-plus residents. The backstory on Heartland Hospitality or Younes Hospitality is a particularly relevant topic to this strategy guide.

Paul Younes came from Haifa, Israel to Kearney State College (now the University of Nebraska Kearney or UNK) on a soccer scholarship. The community helped him get a dishwashing job at a local hotel to generate income while pursuing a business degree from UNK. Paul, rooted in Kearney, and his story is full of tales of different individuals and organizations providing him help. After graduating from UNK, he became the manager of the hotel where he started washing dishes and now runs a large regional hospitality empire, still based in Kearney.



Photo of Paul Younes, by Mary Jane Skala, *Kearney Hub* newspaper, Feb. 16, 2013

Decades of support for this once-outsider who came to the area to play soccer at the local university, Younes is an entrepreneur's entrepreneur who now owns and runs hotels, motels, convention centers, and other hospitality properties in mid-America. While other communities like Omaha, Lincoln, and even Grand Island are larger, Kearney, in large part due to Younes and his properties, is a mecca for regional and statewide conferences, conventions, trade shows and other gatherings.

No one could have predicted the amazing entrepreneurial success of Paul Younes. But Kearney gave him a chance and in drawing support from the area, this remarkable entrepreneurial development story has created a major development asset for Kearney. This story speaks to not only how this community supports larger employer retention and expansion, but entrepreneurial talent, creating spin-off opportunities for Kearney's tourism and visitor sectors of its economy.



Younes Conference Center North, Kearney

Next, we explore some challenges with major employers.

When a major employer downsizes or leaves, or is experiencing strong growth, there are challenges for rural communities hosting them. A rural community overly dependent upon one major employer is at risk when it declines, is sold, or relocates. Conversely, when a major employer grows rapidly, it can challenge its host community to provide sufficient workforce, housing, utilities, and other support services necessary to fuel growth.

Challenges Rural Communities Face

Sustaining major employers can be a challenge for rural communities. Three primary challenges can adversely impact rural communities with respect to many of these larger employers, shown in Figure 4.

Figure 4. Major Employers and Associated Rural Community Challenges

Sector Collapses	Off-Shoring	Outgrowing the Community
<p>Across rural America, entire economic sectors have collapsed and largely disappeared, ranging from sawmills in the Pacific Northwest to textile mills in the southeast. When entire economic sectors collapse, rural communities lose plants, economic activity, and jobs.</p>	<p>Primarily externally owned national and international corporations have been offshoring activities from call centers to manufacturing plants. When this happens, a rural community can lose hundreds to a few thousand jobs and all the associated economic activities.</p>	<p>Rural communities can also face challenged when a major employer experiences growth and begins to outgrow the ability of its rural hometown to support its growth. In these cases, these activities may need to move to larger communities, costing jobs, identity, and economic activity.</p>

Many of us know what happens when entire rural economic sectors decline and disappear - from commercial fishing to timber harvesting to loss of mainland furniture manufacturing. Over a period of time, as the sector experiences collapse, rural communities lose plants, allied economic activities, their workers, and associated household spending. But when successful major employers thrive, are growing, and begin to outgrow their hometowns, a community crisis can be generated as well. Consider the story of Sidney, Nebraska and Cabela's, located in Nebraska's Panhandle, next to Interstate 80, connecting Ogallala, NE with Cheyenne, WY. This community has lived through numerous boom-and-bust cycles:



Building the Transcontinental Railroad

- Building the Transcontinental Railroad
- Openings and Closings of Fort Sidney
- Oil and Gas Boom in the 1950s and 1960s
- Cabela's Headquarters Expansion/Acquisition/Contraction

This rural community peaked in population in the 1960s, with around 8,000 residents, during the height of the oil and natural gas boom. Today, its population is a bit more than 6,000 residents. Cabela's was founded just down the road in Chappell and rooted in Sidney, with its corporate headquarters. The following is a quick history about Cabela's from their website. As Cabela's grew, so did Sidney in population, economic activity, and national reputation.



OUR HISTORY - HOW WE BECAME THE WORLD'S LEGENDARY OUTFITTER

Cabela's was born around a kitchen table in 1961 when Dick Cabela started filling fishing fly mail orders with his wife, Mary, from their home in Chappell, Nebraska. Classified ads in newspapers and national outdoor magazines led to a thriving direct-mail catalog business, then Dick convinced his younger brother Jim to join the new company, which he did in 1963. Cabela's grew and built on its foundation as a catalog business, producing nearly 50 catalogs annually and shipping affordable, high-quality outdoor equipment to all 50 states and 125 countries. Cabela's retail division quickly flourished, with locations throughout the United States and Canada, providing a truly unique shopping experience for outdoor enthusiasts and their families.

Inspired by a core value of helping connect more people to nature, Bass Pro Shops was founded in 1972 by avid young angler Johnny Morris, who began selling fishing tackle from eight square feet of shelf space in his father's liquor store in Springfield, Missouri.

In 2017, Cabela's joined forces with Bass Pro Shops to become North America's premier outdoor and conservation company and leverage our combined purchasing power to deliver better value to customers. Today, we use our shared values to deliver to customers unforgettable retail experiences, unmatched equipment manufacturing, world-class resort destinations and outstanding customer service.

Today, Bass Pro Shops and Cabela's welcomes more than 200 million annual visitors to its 200 retail and marine center locations, winning awards for innovative retail stores and being honored as one of America's top employers and ranking among the most reputable retailers in all of North America. Guided by the visionary leadership of noted conservationist Johnny Morris, together we're doing more than ever to advance conservation, celebrate our cherished outdoor traditions, and inspire everyone to enjoy, love and conserve the great outdoors.

As Cabela's grew, it employed more than 2,000 workers, drawing from all over Western Nebraska and Northeastern Colorado. It had allied operations in a number of smaller rural communities in this region. As Cabela's eventually moved from private to public ownership, it was acquired by Bass Pro Shop, leading to massive contraction in this part of the high plains, particularly adversely impacting Sidney. For nearly 50 years, the community of Sidney worked amazingly hard to provide everything Cabela's needed to sustain its growth. But eventually this corporate headquarters, with thousands of workers in a community of 6,000, in a region of 30,000, outgrew its hometown and with its acquisition is now leaving Sidney.

The lesson to be learned with this story, and others, is for rural communities to always diversify and never become overly dependent on any venture or economic sector. Now we learn how allied entrepreneurial development connects with major employers.

Whether it is an innovation-led entrepreneur, new start-up, main street venture, or an existing major employer, entrepreneurial ecosystems should be reaching out, building relationships with those working with entrepreneurs and networking them to resources. Relevant to many major employers, invest in other entrepreneurial development opportunities beyond contributing to these ventures' success in your community.

Entrepreneurship Connections

In this section of our strategy guide, we explore entrepreneurship connections made possible when major employers are present in a rural community. Figure 5 provides a summary of these likely entrepreneurial development opportunities linked with larger employers in the community.

Figure 5. Likely Entrepreneurial Development Opportunities

<p>Talent Spin-Offs</p>	<p>Larger employers attract and develop human talent in a wide range of occupations and careers; the building block for today’s modern and thriving economies and communities. For example, key talent like a certified public accountant (CPA) may come to town to work for one of these larger employers and, at some point, become the prime candidate to take over a local CPA firm, ensuring it continues in a community.</p>
<p>Cluster and Value Chain Development</p>	<p>With major employers, there are opportunities to grow microeconomic clusters and value chains. Our story⁴ of the ethanol complex in Ord, Nebraska is a great example of how the ethanol plant creates opportunities for both up-stream supply chain, down-stream value adding activities (e.g., livestock feed cubing for example) and allied activities (e.g., trucking) dramatically expanding the economic value of this plant.</p>
<p>Allied Spending Capture</p>	<p>Larger employers have the ability to buy in bulk or through purchasing groups (e.g., schools and health care) by-passing local merchants. However, there are opportunities to work with these major employers to create spending capture opportunities. For example, farm to table agriculture is now working with hospitals and schools providing area and healthy foods. Capturing the substantial spending of larger employers can create entrepreneurial venture opportunities, strengthening the local economy and contributing to greater prosperity.</p>

Next, we explore how the West Central Minnesota Initiative Foundation, based in Fergus Falls (2019 population of 13,707), led a highly successful effort through workforce development to ensure the future of manufacturing in this region.

The West Central Minnesota Initiative Foundation (www.wcif.org) is one of six initiative foundations serving rural Minnesota and its communities. [Minnesota’s Initiative Foundations](#) are unique nonprofit organizations, being both community foundations and regional community economic development organizations. At e2, we have worked with the Foundation over the years and used its stories to inform and motivate other regions in rural America. There is a powerful story of how the Foundation and its

⁴ You can find all our Ord, Nebraska stories in our [resource library](#) on our [website](#).



partners worked collaboratively with this region’s manufacturers to ensure their success and the region’s vitality. Before we dive into this story of regional-scale major employer retention and expansion, it’s useful to learn more about the Foundation from content, reproduced from its website:

West Central’s Service Region. We serve the counties of Becker, Clay, Douglas, Grant, Otter Tail, Pope, Stevens, Traverse, Wilkin, and the portion of White Earth Nation in Becker County.

The region encompasses 8,615 square miles and measures approximately 125 miles between its northern and southern boundaries and 85 miles east to west. The region is bounded on the west by North and South Dakota and is approximately 150 miles from the Minneapolis-St. Paul metropolitan area.

The region is essentially rural, with most communities having populations less than 1,000. According to the 2010 Census and Minnesota State Demographer data, the estimated regional population was 223,455 and the population continues to increase. The largest city in the region, Moorhead, has a 2012 population of 39,039 and is part of the Fargo-Moorhead Metropolitan Statistical Area. Other major cities in the region include Fergus Falls (13,215), Alexandria (11,549), Detroit Lakes (8,812), and Morris (5,277). The region is served by Interstate Highway 94, U.S. Highways 10, 59, and 75, as well as numerous state highways.



Downtown Fergus Falls, Chad Brown, ckdesignonline.com

Mission. Serving to improve west central Minnesota through funding, programs, and technical assistance.

Our Vision. A vibrant, inclusive, and sustainable world starts here in west central Minnesota.

Core Values. Our work at WCI is further understood through the lens of four core values that we will seek to embody in all that we do.

Neighborliness arises out of a strong belief that our interconnectedness is crucial to our long-term viability. Town to town, county to county, organization to organization, and certainly person to person, the fabric of our region depends on cooperation, appreciation, openness, and generosity.

Generosity is a dimension of neighborliness, but it flies higher over the region because it speaks to a willingness to embrace a common good that can only be achieved through collective action, through everyone giving of their time, talent, and treasure.

Empowerment in our current context is directed both internally and externally. We encourage both our staff and our fellow citizens to be a part of bold action in our region, and to develop and use power to a good end.

Trend-testing is a dimension of that bold action. We learn from one another while we work together to solve problems. We will embrace risk and learn from our mistakes, always.

Janet Topolsky is our friend and colleague with the Aspen Institute's Community Strategies Group. She introduced us to this story and two of its major players, Nancy Stark (then CEO and President of the Foundation) and John Molinaro, who led the Foundation's economic development program. As lower-skill manufacturing was transitioning and rural communities were losing manufacturers and manufacturing jobs, the Foundation collaborated with other development interests in the West Central Minnesota Region to ensure the future of manufacturing. Like so many Midwestern rural areas, this part of Minnesota is rooted in commodity agriculture and manufacturing. John and his partners reached out to the manufacturing plants in the region. They identified the need for workforce development as a strategy to help these plants remain competitive, with potentially fewer workers as these plants automated and employed higher-skilled workers. The success story that followed is legendary, as this part of the regional economy thrived while other rural regions saw net losses in manufacturing. This is a classic venture retention and expansion success story on steroids. Key to any R&E strategy is taking time to reach out, listen, build trusting relationships, and explore how the ecosystem can support not only individual ventures, but entire economic sectors, as was the case in West Central with manufacturing.

Consider these five core R&E strategy elements:

1. Visitation and Relationship Building
2. Identifying Ways to Support the Venture
3. Look for Spending Capture Opportunities
4. Support Spin-Off Ventures
5. Grow Clusters and Value Chains.

Visitation and Relationship Building. Fundamentally, the most important step in optimizing your community's major employer development opportunities is finding the time to intentionally reach out and create space to listen and learn. In doing so, your community can begin to uncover both direct and indirect development assistance opportunities that your ecosystem can mobilize to address. In our story about Kearney, Nebraska's Paul Younes, it is clear that many in Kearney took the time to get to know this young man with drive, dreams, and the willingness to work hard. They built deep relationships with Younes, creating opportunities to support his entrepreneurial dreams, with great area benefits.

Relationship-Based Development

Helping ventures and their entrepreneurs in your community is more than taxes, locations, capital, and all the other business climate considerations for venture development. The founders, owners, leaders, and managers of these major employers are human beings. Because of their larger-than-life role in rural communities, they must be careful and discreet. Sharing too much information that becomes public knowledge can create unwanted problems. With relationship-based development, a few individuals within your entrepreneurial ecosystem with some degree of trusting relationships with these folks deepens that relationship, creating safe and confidential spaces where more can be shared. There may be a challenge with the mayor or local zoning official slowing a development or lack of workforce limiting growth. Confidentiality, not secrecy, is important, and there is a huge difference. Allowing the trusting relationship to open up opportunities for appropriate assistance is paramount.

Identifying Ways to Support the Venture. In building a trusting and appropriate engagement with your major employers, your community can begin to identify ways to support these ventures. Just the act of

listening and working to be appropriately supportive is powerful. It takes time and requires the right kind of engagement. Our writings on entrepreneurial and community coaching are useful resources you can use to fine-tune your efforts to support these ventures and those leading them.

Remember Ernesto's Advice

Our friend and colleague Ernesto Sirolli (www.sirolli.com), is known to counsel that in working with entrepreneurs and their ventures, your community does not have to address all their needs and wants. You just need to prove you are materially helpful on those things where you have assistance capabilities. Spending time finding those areas of assistance important to the major employer where your community can help is the starting place in a longer-term relationship that will support this venture and enhance your community's development.



Look for Spending Capture Opportunities. As noted elsewhere in this strategy guide, major employers often buy in bulk and from outside the community. But it is important for your community and its entrepreneurs to explore how they can provide goods and services, fulfilling the needs of these ventures locally. Check out our strategy guide on *Spending Capture Related Development*⁵ and our new analytic resource, [Market Opportunity Analysis](#) for more detailed information on spending capture strategies and tactics.

Support Spin-Off Ventures. Major employers attract and develop human talent, who often have spouses with entrepreneurial capabilities. Be ready to engage with and support this talent when it is ready to leave the wage and salary employment of a school district or manufacturing plant and do something new. Major employers - particularly where finding workers and human talent is challenging - is tough. But the decision on the part of an employee to leave or a spouse to open a new venture is between that employee and the venture. Hopefully, the venture has matured to understand this dynamic is a fact of life. Your community and its ecosystem do not need to be in the middle of this decision, but you need to be prepared to listen, learn, and provide support to new entrepreneurial opportunities when someone leaves the world of wage and salary employment and enters the world of entrepreneurship.

Grow Clusters and Value Chains. Finally, as we have addressed elsewhere in this strategy guide, explore potential intentional micro-cluster and value-chain development focusing on downstream (e.g., suppliers) and upstream value-adding opportunities. Growing micro-clusters and value chains in your rural regions creates more diverse, competitive, and higher-value economies.

Time to wrap up this strategy guide and consider some resources you can use.

⁵ Found in our website's [resource library](#) along with our other Likely Entrepreneurial Development Opportunity guides.

Most of the literature on larger employer retention and expansion focuses on for-profit businesses. However, we encourage rural communities to consider R&E strategies with all major employers, whether they are organized as a for-profit business, nonprofit organization, or governmental enterprise, including healthcare and education. In rural America, particularly among smaller rural communities, chances are good that your major employers may be a nonprofit healthcare system or K-12 school district. All of these ventures, regardless of legal organization, are potentially important development targets.

Resources Your Community Can Use

In this strategy guide, we are more focused on the relationship between larger employers and entrepreneurship than the specifics of venture retention and expansion programs. We encourage our readers to find area or state resources offering assistance, including the following potential candidates:

- State Programs
- University Programs
- Regional Development District Programs
- Utility Programs

Informational resources you may want to check out:

- Business Retention and Expansion International at www.brei.org
- Business Retention and Expansion Best Practices at www.bre.guru or www.buxtonco.com

International Economic Development Council (IEDC)

IEDC provides professional training for economic developers. Its training programs include business retention and expansion as a certificate training area. Check out IEDC at <https://www.iedconline.org/>

We hope this strategy paper focusing on major employer retention and expansion is helpful. Let us know what you think and add your insights and stories by contacting Don Macke at don@e2mail.org.

How e2 Can Help



e2 Entrepreneurial Ecosystems helps communities increase prosperity through entrepreneur-focused economic development and ecosystem building. Led by [Don Macke](#), e2 has a national team of practitioners who bring research, coaching, incubation, market intelligence and other expertise to this work.

What We Do

- **Mentoring.** We mentor and coach new practitioners seeking to pursue entrepreneur-led development. We provide advice and support for building eEcosystem strategies that work.
- **Analytics Support.** e2 helps communities and regions understand their entrepreneurial potential through research and data. Explore some of our research tools and reports [here](#).
- **e2 University (e2U)** is our platform for sharing more than 1,000 guides, papers, stories, tools, and resources with communities wanting a deep dive into eEcosystem building. Don Macke leads the e2U team with analytics support from **Cathy Kottwitz** and report preparation from **Ann Chaffin**. Special recognition for their e2U legacy contributions goes to **Dana Williams** and **Deb Markley**, LOCUS Impacting Investing.
- **Fostering the eMovement.** We support the national entrepreneurship movement along with our partners including the **Federal Reserve Bank of Kansas City**, **SourceLink**, **Edward Lowe Foundation**, **Kauffman Foundation**, and **NetWork Kansas**. We are a founding member of [Start Us Up: America's New Business Plan](#), a coalition dedicated to strengthening entrepreneurship across America. Together, we continue to advance the foundational ideas of building entrepreneurial ecosystems and entrepreneurship-led economic development.

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[NetWork Kansas](#), a 501(c)(3) nonprofit organization dedicated to developing an entrepreneurial ecosystem in Kansas, is the home for e2 Entrepreneurial Ecosystems. NetWork Kansas connects aspiring entrepreneurs, emerging and established businesses, to a deep network of business building resource organizations across the state.

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