Community Collaboration Among Small Business Support Organizations: Attributes of Effectiveness

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Abstract

This is a study of factors that influence the effectiveness of collaboration among small business support organizations (SBSOs) in four upstate New York Counties, two of which are higher functioning collaborative groups and two which are lower functioning collaborative groups. The study was motivated by the experiences and observations of the leaders of the Entrepreneurship Education and Outreach (EEO) program at Cornell University over the past few years as they have worked to provide business training courses in upstate New York counties.

Many communities attempting to support the wide and diverse range of needs of smaller businesses are experiencing mixed outcomes. Unfortunately, this can be true even where there is a prevalence of support services and good intentions. Often resources are poorly organized, poorly understood, and/or inadequate to accomplish overall community economic expectations for serving small businesses. As a result, communities may experience scattered successes mixed with disappointing efforts or programs that never reach their full potential. One possible solution to the problem is for a community's SBSOs to have effective cooperation and coordination of the differing missions, accountability, resources and personalities among the numerous support providers. However, collaboration of SBSOs has posed continuing challenges for many communities.

To summarize, this research found that leadership, communication, public policy climate and community culture have a critical impact on collaboration among SBSOs. When these factors are negative, it can trap SBSOs in a type of inertia that keeps the barriers foremost in the minds of potential participants. On the other hand, once positive experiences and good leadership creative the right climate, the same barriers that once kept SBSOs from working together seem to fade and a kind of self-sustaining momentum takes over. SBSOs, funding agencies and others interested in increasing collaboration should examine what can be done in their own communities to break the inertia that keeps collaborations from flourishing. Implications are identified for communities, SBSOs, and community educational institutions like the Cooperative Extension system.

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PART I. OVERVIEW

Overview

This is a study of factors that influence the effectiveness of collaboration among small business support organizations (SBSOs) in four upstate New York Counties, two of which are higher functioning collaborative groups and two which are lower functioning collaborative groups. The study was motivated by the experiences and observations of the leaders of the Entrepreneurship Education and Outreach program at Cornell University over the past few years as they have worked to provide business training courses to upstate New York counties.

Many communities attempting to support diverse needs of smaller businesses are experiencing mixed outcomes. Unfortunately, this can be true even where there is a prevalence of support services and good intentions. Often resources are poorly organized, poorly understood, and/or inadequate to accomplish overall community economic expectations for serving small businesses. As a result, communities may experience scattered successes mixed with disappointing efforts and may sponsor programs that never reach their full potential. One possible solution to the problem is for a community's SBSOs to have effective cooperation and coordination among the numerous support providers. However, creating effective collaboration among SBSOs poses continuing challenges.

This study uses a qualitative approach to explore and evaluate factors like attitudes, behavior, and practices that influence the effectiveness of collaboration among SBSOs in four upstate New York Counties. Included in the study were small business support organizations from four categories: Educational Agencies (such as community colleges), Federal and State Agencies (such as Department of Labor, State Office of Employment and Training), Local Agencies (such as the City Planning and Economic Development Department), and Not-for-Profit Agencies (such as the Chamber of Commerce).   Drawing from these four categories within the four counties, we explored experiences and opinions of the groups with regard to collaborative efforts in supporting small business growth and development.

By studying the attributes of SBSOs in various counties, we were seeking to learn how those who are succeeding manage to create the conditions for effective collaboration. Specifically, we were interested in how such communities have avoided or overcome barriers to collaboration. To better understand the important barriers to effective collaboration, we also examined communities where collaboration is still operating at a relatively low level of effectiveness. Taken together, the results of the focus groups provide very useful suggestions for communities who wish to sustain or increase collaborative environments and move away from persistent barriers to achieving desired small business goals.

Why the Topic is Important

The topic of collaboration among SBSOs is important for several reasons. First, small businesses continue to fail at a relatively high rate. Support providers are therefore motivated to reduce failures and enhance existing firm growth. Second, with "economic growth" as a goal for many parts of New York State (and elsewhere), an increasing number of communities are seeking to stimulate and nurture the startup, development and growth of smaller scale firms. It is assumed that successful new companies can help rejuvenate ailing economies. Finally, despite the political rhetoric in favor of small business, it is very common for small business support organizations to work with limited resources. Small business development does not generally receive funding and political support on par with traditional industrial economic development strategies. Thus, SBSOs are motivated to work collaboratively both in order to leverage resources and to avoid duplications and gaps in their services.

Many kinds of start-up support are typically needed by small businesses in order to become successful. A partial list includes: business counseling, market research and analysis, financial planning, affordable legal and accounting services, business planning, regulatory assistance, technical assistance, incubator space, employee training, site locations, and effective coordination and facilitation to deliver these forms of support. The providers of these services include educational institutions, federal, state and local agencies, and non-profit groups. Entrepreneurs themselves also have a variability in the levels of their experience, knowledge, and skills. The range of needs and client characteristics makes effective programming by SBSOs very challenging. The benefits of collaboration include (but are not limited to):
  o more effective results for supporting small business, because many issues/skills/resources are interlinked, yet no one agency can do everything
  o avoidance of duplication of programs and better chances for identifying needs and gaps in programming
  o better access to funding sources that requires cross-organizational cooperation
  o better referral services so that it does not matter where the small business owner enters the web of resources.

There are many reasons that collaboration is difficult among SBSOs. For example, there is considerable lack of unity among groups in terms of missions, accountability, resources and personalities. When there is no historical experience with collaboration among small business support providers, any new collaborative project raises difficult issues such as: Who is going to lead the effort? Who gets credit and how? How are resources shared? How is success measured when organizations work together? Who bears the extra costs of collaboration; time, relationship management, and communication?

Thus, a desire for collaboration is only a starting point. Organizations wishing to foster collaboration need to understand the barriers to cooperation and how to overcome them. Understanding the key success factors of positive role models and success stories can serve to motivate such communities and help the leadership to overcome existing skepticism. This study intends to provide such models and stories as practical guidance for those communities hoping to elevate the level of collaboration among their SBSOs.

The Literature

An extensive literature exists on collaboration among community organizations. However, much of the literature is only indirectly related to this study. For example, a large number of studies are focused on areas of human services, such as health, family, and welfare services (Gans, Horton, 1975; Kagan 1991). Others are primarily focused on the dynamics of intra-organizational collaboration (Gray, 1989; Himmelman, 1990) or the sociological aspects of collaboration (Rosenthal,1991). For our work, we focused on studies of collaboration in the business setting. In particular, our research benefited from: (1) descriptions of specific collaborations which emphasize structure and process, and (2) guidebooks with a "how to" approach.

Mattessich and Monsey (1992) provide a highly useful review of literature on the subject, including detailed summaries on 18 of the 133 studies that the authors evaluated. The resulting work concentrates on distilling the results of the research to 19 factors that influence the success of collaborations. Factors are divided into six categories: environment, membership, process/structure, communications, purpose, and resources, as depicted in Table 1.

Table 1. Mattessich and Monsey Factors Influencing Successful Collaborations

Environment
- History of Collaboration or cooperation in the community
- Collaborative group seen as a leader in the community
- Political/social climate favorable

Membership Characteristics
- Mutual respect, understanding, and trust
- Appropriate cross-section of members
- Members see collaboration as in their self-interest
- Ability to compromise

Process and Structure
- Members share a stake in both process and outcome
- Multiple layers of decision-making
- Flexibility
- Development of clear roles and policy guidelines
- Adaptability

Communication
- Open and frequent communication
- Established informal and formal communication links
- Factors Related to Purpose
- Concrete, attainable goals and objectives
- Shared vision
- Unique purpose

Resources
- Sufficient funds
- Skilled convener

Mattessich and Monsey emphasize that the attributes and qualities of the individual members of a collaborative effort are more important than anything else when it comes to helping collaboration succeed. This conclusion led us to design a study that would provide insights regarding the attributes and qualities of high functioning collaborators vs. low functioning collaborators.

Following a workbook format, Winer and Ray (1994) provide an excellent guide for groups intending to begin or enhance a collaborative process. The format and style of their guidebook presents the complex dynamics of collaboration in a manner that is readily usable as a first effort or to revitalize an existing collaboration. The work by Winer and Ray encouraged us to consider collaboration as a dynamic process and to include communities at various stages of collaborative success. Furthermore, we became interested in what things might move a community from the low functioning end of the spectrum to the high functioning end.

Kuo's (1999) more recent work summarizes several arguments in favor of collaboration among business, community organizations, and educational institutions. For example, the author reasons that educational institutions have much to gain from integrating students into learning experiences with business and community economic development organizations and that collaborative partnerships create new opportunities and challenges. The author also emphasizes that once the vision, communication channels, and trust levels are established, the collaborative effort becomes self-sustaining as long as there is continuous dialogue among collaborators and support from the highest levels of an organization. Kuo discusses the findings of researchers interested in the role of leadership and reinforces the view that movement toward collaboration occurs in stages. To be successful, the movement must be strategic and continuous. His work made us curious about whether we would see evidence that communities were in different stages of collaborative effectiveness and whether their status could be attributed, at least in part, to qualities of the leadership. In addition, we looked for evidence of whether successful collaborations did exhibit the self-sustaining quality predicted by Kuo's work.

Parzen (1997) takes a slightly different approach to collaboration in his study, which seeks to define what drives collaboration among metropolitan community organizations with federal participants. As a case study, his work is especially relevant to our research because it emphasizes the critical role of the public sector in supporting successful collaboration. Parzen also focuses on what works in the presence of fragmented institutions, distrust, and short attention spans. For example, he finds that collaboration is fostered when the following conditions are in place:
- organizations show an interest in building skills with process and facilitation
- there are strong civic organizations, cross-community coalitions, and business networks
- leaders have the ability to reach out to stakeholders who care about the issues, can convene people and keep them focused and together, and can allocate resources to implement solutions.

Although these and other studies approach collaboration from various perspectives, there is scant literature specifically focused on what influences collaborative behavior among SBSOs. As a result, this study provides an in-depth look at the collaborative dynamics of four community groups which support the development and vitality of small businesses in their

areas. We hope to contribute to the literature by examining the lessons offered by these higher functioning and lower functioning groups and by providing comparative examples of their attributes and attitudes.

Defining and Understanding Collaboration

During our research, we discovered that the term "collaboration" means different things to different people. For example, during the course of the focus groups that were part of this study, participants identified collaboration as including everything from casual one-on-one conversations to increasingly more involved interactions of networking, cooperation, and coordination.

Mattessich and Monsey (1992) acknowledge that defining collaboration is difficult due to the ambiguities in practice and usage. Often "collaboration" is interchanged with "cooperation" and "coordination"; sometimes it refers to networks and alliances. Although some scholars choose to distinguish among these by degrees of complexity, durability, and formality, this study is concerned with reflecting the views of our participants as they described what they think of as collaboration and its variant interactions. Thus, we use the following working definition to capture the concept of collaboration as we understood it being used by our focus group participants:

Collaboration is a collective and ongoing process of interaction among individuals or groups who may have separate missions but are motivated to work together because of common goals. Collaboration seeks to accomplish for its members and their constituents what is not possible individually. Participation is usually informal and voluntary under a loose consensus of leadership.

With this working definition in hand, we also gave some thought to the possibility that collaboration can occur with varying degrees of effectiveness. This was reflected in the attitudes and expectations of the participants of our study. While some claimed to see no motivation to collaborate, others found collaboration so routine they did not even talk

> "What's my motivation (to collaborate)? On a higher level of motivation, I want the community to do well, but my organization does just fine without that contact."
> **Focus Group Participant**

about it directly. These contrasting comments reinforce the views in the literature of those who argue that there is a spectrum reflecting various degrees of collaboration and that collaboration occurs in stages. In Figure 1. we provide some examples, using Mattessich and Monsey's categories for influential factors in collaborative settings. For example, when collaborations are in the early stages, they may have an unsupportive political environment, a lack of established trust, and other negative characteristics that prevent the members from working together effectively. Over time

> "There is an attitude in this community about "how can we?, not "why can't we?"
>
> "I like [our] County because when you get a group this size together to get whatever needs to be done, it gets done…not like other communities where so many organizations seem to be confrontational with each other, instead of cooperate with each other."
> **Focus Group Participants**

potential collaborators may become more aware of each other or circumstances may change in a way that increases the incentives for working together and collaborative groups can

become more fully functioning. In a perfect world, such high functioning collaborative efforts flourish under a conducive political environment and are characterized by a history of working together with shared leadership. Such groups also benefit from participation of individuals or organizations across a good cross section of participant and from adequate resources.

Figure 1. Differences in Influential Factors between Early Stages of Collaboration and Fully Functioning Collaboration

	Early Stage	Fully Functioning
ENVIRONMENT	•Unsupportive political environment	•Conducive political environment •History of working together
MEMBERSHIP	•Lack of established trust •Uneven representation	•Well established trust •Good cross section of participation
PROCESS	•Inflexibility •Roles unclear	•Flexibility •Members clear on roles
COMMUNICATION	•Infrequent, no established channels •Conflicting Goals	•Open and frequent communication •Shared vision
RESOURCES	•No leadership •Insufficient funds	•Skilled leadership (may be rotating) •Adequate funding

Given the working definition for collaboration, and the view of the spectrum of effectiveness, we sought to organize the focus group participants into two different categories based on the degree of collaboration experienced by each community. Thus, we characterize some communities with what we call "higher functioning collaboration" (HFC) and others with "lower functioning collaboration" (LFC). Communities were categorized *a priori* and the classification was confirmed by pre-focus group questionnaire responses, discussion comments, and observed interactions during the sessions.

Problem Statement

The effort of Cornell's EEO Program to bring business planning training to counties throughout New York State has revealed a variety of barriers to effective collaboration, but some good

collaborative relationships have also been observed. Communities that provide good collaborative examples can serve as valuable models. The focus of this paper is to analyze such examples in order to understand what conditions or incentives contribute to effective collaboration in communities that demonstrate positive accomplishments. While our work is based on theory and methods already present in the literature, it is unique in its focus on institutions and groups that focus specifically on small business support.   In addition, the study characterizes differences in the attitudes and qualities of members of communities in different stages of collaboration. The problem is explored by analyzing the results of questionnaires (See Appendix A) and focus group sessions which targeted communities in upstate New York.

PART II. RESEARCH METHODS

Methodology

The focus group methodology was chosen for this study because we wished to gain insight into the attitudes and attributes of members of organizations engaged in informal cross-organizational relationships. specifically those with missions and programs that support small businesses.

Templeton (1994) offers a useful definition of a focus group:

> A focus group, in essence, is a small, temporary community formed for the purpose of the collaborative enterprise of discovery. The assembly is based on some interest shared by the panel members, and the effort is reinforced because panelists are paid for the work….."Grouping" fosters the kind of interaction that penetrates impression management and uncovers more basic motivations, even when the group is unaware of impression management or of the need to penetrate it." (p. 4)

Thus, a focus group is a guided group discussion with targeted participants. It is a qualitative research method used to raise issues among key players in a given arena, test new ideas, and generate brainstorming (Edmunds, 1999). Unlike large-scale surveys, which can be used to reach generalized conclusions about a population, focus groups are specifically designed to explore issues in depth with pre-selected players in the population. The viewpoints of the players are considered valuable because they represent a particular profile. Questions are formulated in a way that leads to interactive discussion, with the intended result of surfacing issues and opinions of the group.

For this study, the targeted participants are leaders of institutions that support the development and growth of small businesses as a primary objective.   Clientele for some of the groups were urban-centered, while others were from rural areas. We organized the focus groups on a county basis, but each meeting had participants from a variety of institutions, all of whom had an interest in the particular county. Table 2 shows the overall distribution of the 47 participants based on their organizational affiliation. Data is aggregated to maintain confidentiality of participants in the focus group study.

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Table 2. Organizational Affiliation of Focus Group Participants

Representation	Number of participants
EDUCATION	
BOCES	3
Community Colleges/State University of New York (SUNY)	5
Cooperative Extension	6
Universities with groups concerned with Economic Development	2
Sub-total	**16**
FEDERAL and STATE AGENCIES	
Dept. of Labor	1
Economic Development Zone	1
Office of Employ. & Training	2
Resource, Conservation & Development	1
Small Business Development Corporation (SBDC) & Small Business Administration (SBA)	3
Service Core of Retired Executives	2
Sub-total	**10**
LOCAL AGENCIES	
City - Community Development	2
City Planning & Economic Development	2
County Planning & Development	2
Industrial Consultant - County	1
Industrial Development Authority	3
Sub-total	**10**
Business Improvement District	2
Business Training Program	3
Chamber of Commerce	1
Community Development Corp.	2
Entrepreneur Network	2
Tourism Office	1
Sub-total	**11**
Total Survey Responses	**47**

For the purposes of the study, we call these organizations collectively SBSOs (small business support organizations).   Given the strong evidence in relevant literature (Mattessich and Monsey, Kuo) that attitudes and attributes of leaders are central to the success or failure of collaboration, we focused on using the focus group method to uncover the feelings and experiences of participants with respect to collaboration.

Four participant communities were chosen at the county level to provide perspectives on "higher functioning collaboration" (HFC) and "lower functioning collaboration" (LFC) situations. Evidence indicating "higher" and "lower" levels of collaborative functioning was gained over two years preceding the study from EEO involvement with communities throughout New York State. We presented the Executive Directors at Cornell Cooperative Extension (CCE) with a

generic list of SBSOs and asked them to help us narrow the list as appropriate to their counties. CCE offices were used because of their high level of awareness and involvement with SBSOs in their counties. Participation was intended to include SBSOs offering a variety of perspectives, including educational institutions, federal and state agencies, local government and agencies and not-for-profit community organizations (see detailed list in Appendix B).

Invitation letters were sent and a professional facilitator made follow-up calls to explain the purpose and process of the focus groups and to obtain a commitment to participate. Participation was not uniform in all communities due to availability of representatives and absence of some organizations in some communities. Figures 2 and 3 (see specifics in Appendix B) reveal that there was uneven participation across the various categories of service providers. In particular, LFC groups had relatively high representation by not-for-profit organizations and comparatively little by local government and its agencies, which undoubtedly had an impact on the perspectives voiced in their sessions.

Figure 2. LFC Participating Institutions

Not for Profit Organizations 38%

Educational Institutions 31%

Local Government and Agencies 12%

Federal and State Agencies 19%

Legend:
- Educational Institutions
- Federal and State Agencies
- Local Government and Agencies
- Not for Profit Organizations

Figure 3. HFC Participating Institutions

Not for Profit Organizations 13%

Educational Institutions 35%

Local Government and Agencies 30%

Federal and State Agencies 22%

Legend:
- Educational Institutions
- Federal and State Agencies
- Local Government and Agencies
- Not for Profit Organizations

A pre-focus group survey (see Appendix A) was conducted to provide a comparative benchmark of collaborative experience. The results (98% response rate) also provided a generalized characterization of each group, and helped the facilitators formulate a strategy for each discussion.

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All focus group sessions were held between February 9, 2000 and March 8, 2000. Participants in all four meetings agreed to be videotaped. Each session was held at a Cornell Cooperative Extension office in the corresponding county in the central region of New York State. A professional consultant facilitated each session and provided statistical analysis of survey data. All videotapes reviewed and extensive written notes were analyzed for each session. Materials used in working with the focus groups included slides of questionnaire responses and a copy of the questionnaire.

Research Questions

Based on the key factors identified by Mattessich and Monsey, we were interested in exploring the collaborative situation in the LFCs and HFCs to see what aspects seemed to matter most in determining whether a community is functioning at a high or low level of collaboration. Instead of asking the participants directly about barriers to collaboration or key success factors, we decided to ask them questions about the SBSOs in their areas and the ways in which groups were working together. Therefore, as a starting point to guide the discussion, the following questions were outlined:

- How well do these organizations know each other as individuals and colleagues?
- How aware are they of each other's programs, and how much do their constituents participate in their own and others' programs?
- In what ways do these organizations and people work or network together?
- How much do they refer constituents to each other?
- How much benefit for constituents do they expect by collaborating more among themselves?

Each session lasted about four hours and consisted of a facilitated group discussion of these questions.

PART III. FINDINGS

Pre Focus Group Survey and Questionnaire Findings

Identification of each focus group as HFC or LFC was made by the research group prior to the selection of invitations and the pre-focus group survey was used to verify the designation. Full results of the pre-focus group survey are reported in Appendix C. The identities of the four focus groups are masked to ensure confidentiality.

Benefits of Collaboration
Interestingly, all groups indicated a positive attitude towards collaboration. When asked the question: "Will more collaboration benefit your constituents?" all but 43 out of 47 respondents answered affirmatively. Three of the four negative responses were from participants in the HFC groups and it is likely that their answers reflect a feeling of satisfaction with existing high levels of collaboration.   Only one LFC participant responded that more collaboration would not be beneficial to his/her constituents.   This is important because it means that even though LFCs currently are at relatively low levels of collaboration, the members of the community do have a generally positive view of how collaboration might benefit their audiences.   They see the need for collaboration, but something is blocking the LFCs from working together effectively.

Levels of collaboration
HFC groups reported nearly unanimously having "moderate" to "high" levels of collaboration, confirming our *a priori* placement of their organizations in the HFC category. The LFC groups reported mixed opinions about their levels of collaboration; with slightly more indicating "low" than "high". This finding reveals that although the general impression of all participants is that collaboration is a good thing, only the HFCs see themselves achieving it consistently.

Factors influencing collaboration
Table 3 illustrates how HFCs and LFCs ranked the factors that contribute to low levels of collaboration (for more detail, see Appendix A). Influential factors were judged differently in terms of importance when comparing the HFC and LFC responses. For example, HFCs ranked **Resistance to Change** as the number one influence contributing to instances of low collaboration, while LFCs ranked it as much less important (5th). LFCs also ranked **Lack of Incentives** and **Uncertainty of Outcomes** as important barriers, while HFCs ranked them as less important. Note that although earlier responses indicated that LFCs believe their constituents would gain from collaboration, they are nonetheless ambiguous about the cost/benefit tradeoffs involved in collaborative efforts.   Two factors ranked as important by both LFCs and HFCs were **Protection of Identify** and **History of Political Differences**. Interestingly, the following factors received relatively low rankings by both groups: **No Models**, **Competition for Funding, mandates of Boards of Directors**.

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**Table 3.   Ranked Responses of Influences contributing
                    to Low Collaboration**

Influential Factors	HFC Rank of responses	LFC Rank of responses
Resistance to Change-Internally	1	5
Protect Organization's Unique Identity	2	1
Historic or Political differences	3	4
Lack of incentives to collaborate	4 (tie)	1
Uncertainty of outcomes	4 (tie)	3
Absence of models of collaboration	6	7
Board Control or Funder Mandates	7	8
Competition for funding	8	6

Rank: Lower number = more frequent response

Awareness of program availability

In responding to questions about what the participants knew about other programs and services, the HFC groups indicated a **high level of awareness of the programs and activities** offered throughout their communities. According to members of the HFC groups, all of the seven listed service categories were offered by at least one institution.

Figure 4. Awareness of Who is Offering Small Business Programs HFCs vs. LFCs (number of responses)
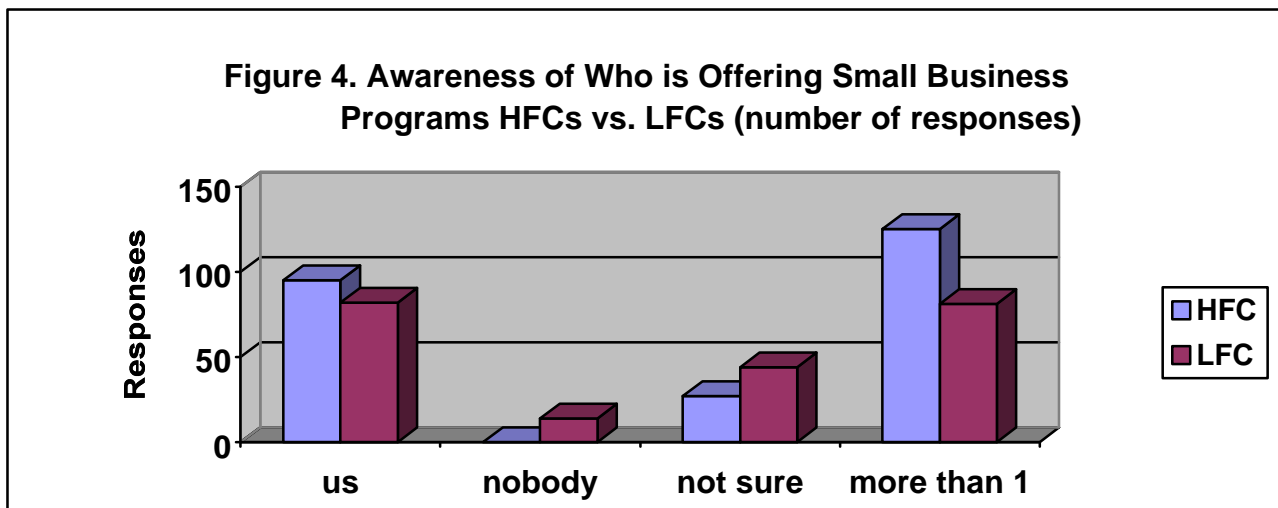
*Respondents were given a list of seven programs and asked to designate who is offering such programs: The possible answers were: Offered by our organization (us), Not offered by any organization (nobody), not sure if offered by anybody (not sure), and offered by multiple organizations. See numerical results in Table 4.

By contrast, LFC groups indicated a somewhat **lower level of awareness of programs and activities** offered by other institutions in their communities (see Figure 4). For example, of all services cited in the questionnaire, 14 LFC responses indicated that some services were "not offered" and 44 responses stated they were "not sure" about twice as many as for HFCs (see Table 3). In addition, for every single type of program (e.g. networking, business planning,

etc.) there were some LFC participants who thought that such programs were **not** offered by anyone, even though other LFC respondents reported that they were, in fact, offering such programs.

As shown in Table 4, for both groups, the following types of programs were most often offered by multiple organizations: networking, business counseling, and business training. HFCs also reported that business planning and technical assistance programs were offered by multiple organizations. The prevalence of these should not imply that duplication or overlap is occurring in either LFC or HFC communities. Each group may be meeting needs of businesses which vary by size (e.g. micro vs. mid-size), sector (e.g., manufacturing vs. high tech) or other characteristics.

Table 4.   Responses about Availability of Program Offerings

Groups and # of Responses	Program Topics	Programs offered by our org.	Programs Not offered by any org.	not sure if offered	Programs Offered by multiple org.
HFC n=23	Networking	14	0	2	19
	Bus. Planning	11	0	3	18
	Tech. Asst.	14	0	3	18
	Bus. Counsel.	13	0	0	21
	Market Research Asst.	8	0	9	11
	Bus. Training	18	0	2	19
	Funding	9	0	5	14
	Other	8 *	0	3	5
		95	0	27	125
LFC n=24	Networking	15	1	5	15
	Bus. Planning	13	2	8	9
	Tech. Asst.	14	1	8	11
	Bus. Counsel.	10	2	3	16
	Market Research Asst.	10	4	7	3
	Bus. Training	13	2	3	15
	Funding	7	1	8	10
	other	0	1	2	2
		82	14	44	81

* typical ones are financing, job training, incubator space, employee benefits, recruitment, site selection, etc.

Demand for Services and Participation Levels
HFCs had a **mixed response** regarding how their **capacity to meet demand for services compares to what they are actually doing.** On the one hand, 10 of 23 HFCs reported "below capacity" and 9 reported "demand exceeds capacity", with only 4 operating "at capacity" (see Figure 4.).

Figure 4.
~~HFCs~~ – How does demand for small business programs compare to your capacity to deliver programs?

17%

44%

39%
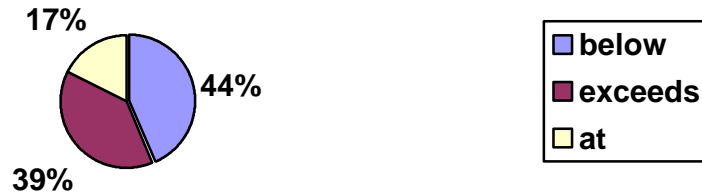
- below
- exceeds
- at

See full findings in Appendix C.

For LFC groups, **results were** also mixed. Of the 23 LFC responses, 7 reported "below capacity", 8 "exceed capacity", and 8 are "at capacity" (See Figure 5).

Figure 5.
~~LFCs~~ - How does demand for small business programs compare to your capacity to deliver programs?

29%

38%

33%

- below
- above
- at
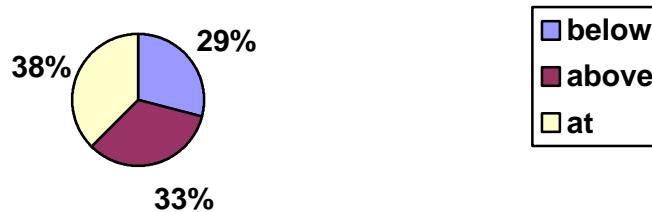
See full findings in Appendix C.

On the other hand, when asked about **participation levels** for programs and services most report a "moderate level," even though one would expect that in cases where demand exceeds supply, programs would be fully subscribed.   This apparent inconsistency may reflect the difficulty of small business programs face in measuring demand accurately.

However, as shown in Figures 6 and 7, participation levels for the LFC groups show a comparatively **much lower level of overall participation** even though more than two thirds of them state demand is equal to or exceeds capacity. As with HFCs, this may reflect the difficulties of quantifying demand for programs. Another possible explanation may be that LFCs have a relatively low capacity level for their programs.

Figure 6. HFCs- Participation Level by Constituents

4%	26%
70%	

Legend:
- Low
- Moderate
- High

Figure 7. LFCs - Participation Level by Consituents.

25%	54%
21%	

Legend:
- Low
- Moderate
- High
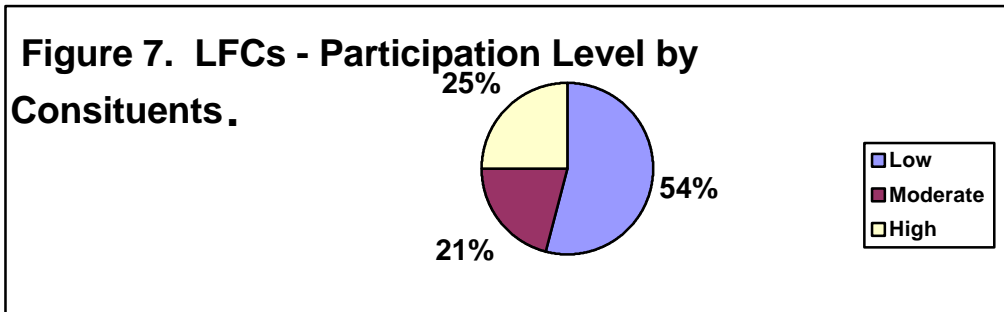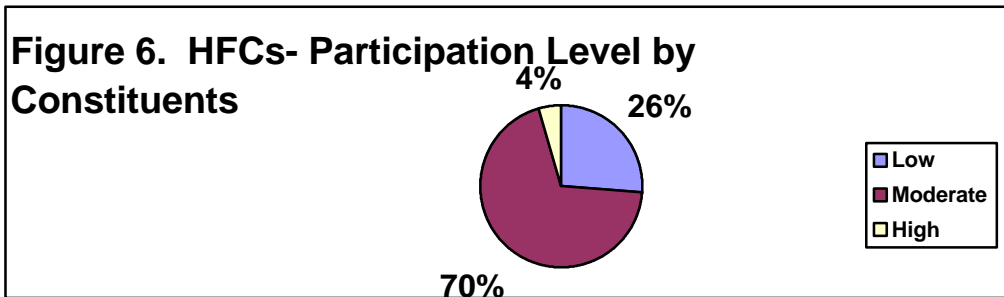
See full findings in Appendix C.

Summary of Findings from the Pre-Focus Group Survey

The questionnaire responses provide helpful profiles of individual SBSOs and also confirm that the communities had been correctly categorized as either HFC or LFC. The results also indicate that collaboration is universally viewed as having the potential for positive impact for constituents. In addition, HFCs and LFCs agree that protection of identify and historical political differences can work against collaborative efforts. The groups disagree about the ranking of other negative influences, with HFCs identifying resistance to change as an important barrier, while LFCs worrying more about uncertainty of outcomes and lack of incentives to collaborate.

 In addition, the findings also show that those SBSOs with low levels of awareness about other programs also graded themselves as having a low level of collaboration. Another interesting finding is that the HFC groups offer about 15% more program services than the LFCs, although HFCs also reported more duplication of programs than LFCs. It was not clear if multiple offerings of programs pointed to unnecessary duplication, since there is diversity in the clientele served in terms of business size or sector.

The questionnaire also provided a baseline for the facilitator to plan each focus group session. At the start of each session, the facilitator presented the aggregated results of the questionnaire in order to focus and stimulate discussion. After viewing the summary of their responses, the participants provided unprompted and spontaneous comments and questions of their own.

Findings from the Focus Groups: Factors Influencing Collaborative Behavior

Each focus group session produced wide-ranging and often unstructured comments, rhetorical questions, observations, complaints, and anecdotes, all of which provided insight to the perspectives of participants on matters of collaboration, cooperation, and/or networking. No

universally-agreed upon definition of collaboration emerged, with especially high variability in opinions among those with a historic low level of collaborative activity.

However, three recurring themes did emerge, and several sub-themes. We use these themes to explore the inner workings of collaboration and to provide an understanding of circumstances that influence the effectiveness of these groups working together cooperatively - or not.

- Leadership
- Communication
- Community Culture
  - ➢ Time in Residence
  - ➢ Attitudes about collaboration
  - ➢ Public Sector Support

The following discussion of these themes is organized to show the contrast between the findings related to the HFC groups versus the LFC groups.

Leadership

Each of the HFC groups accredited one of its members with providing an effective leadership role, and in both cases there was an informal organizational network among them. The functional role attributed to these leaders was to facilitate interaction and be visionary. However, both groups stated that at any given time, the initiative to discuss an issue or need might come from anyone (not just the leader), particularly when community benefit or opportunity is involved.

Leadership was viewed by HFCs as crucial because key individuals set important examples for other members of the community. In addition, good leadership is needed to coax and encourage cooperative behavior. One of the individuals who had been identified as an informal leader of one of the HFC groups added a cautionary note

> "Selecting a leader for a collaborative network is difficult because of the politics of the community. Also, sometimes not having a point person for the entire network is better because needs are dynamic and constantly rising to importance and need for attention."
> **HFC participant**

explaining the special challenges of leading a coalition and the delicate balance that is needed between directing action and engaging other SBSOs.

Within the LFC groups, the issue of leadership was considered more problematic. Neither of

> "The leadership that is needed is the type to work with consensus, not control. There hasn't been good leadership that can bridge both sides."
> **LFC participant**

the LFC groups indicated the existence of formal or informal leadership across their organizations. Some spoke of the need for leadership, but others did not generally endorse this opinion. Most of the participants in one LFC group expressed reluctance to take on any leadership or coordinating functions

because of very busy schedules, work loads, and lack of funds. Respondents were even more sensitive to the issue of avoiding the appearance of any one member dominating the collaborative effort. The LFC opinions seem to reinforce earlier indications (via the survey) that coalitions can threaten the individual identity of an SBSO.

Communication

The HFC groups demonstrated active and frequent communications among themselves and their organizations. For example, one group maintains and distributes a directory of organizations and services serving the city and county. This makes it easier for clients, who can enter the collaborative system from any point and get access to other SBSOs. The other HFC group has well-developed formal communications via the distribution of their newsletters and through a county-wide business magazine, an impressive bi-monthly 60-page journal that has been published for several years. Serving as more than a networking vehicle, the journal features promotions, events and news and is sent to nearly all businesses in the county. According to participants, having a vehicle which reports on businesses and the various SBSO programs that serve the county has helped to raise the awareness of citizens and public officials.

> "It is better if every program leader knows what each other provides and work within a good referral system."
>
> "Organizations can appear seamless to clients when the players know what each other is doing."
> **HFC participants**

Among the participants of the LFC groups, there was no evidence of a forum for regular interaction and communication. When one LFC group was asked by the facilitator whether knowledge of other organizations is important, the resounding answer was yes. However, the follow-up question about how this sharing might occur yielded no clear answer. Responses indicated that there is no concerted or conscientious effort to facilitate sharing of information, rather communication seemed to happen "just through the grapevine". Networking was mentioned among sub-groups dealing with housing issues, or serving the same constituent groups, but there seemed to be a lack of knowledge about just how to go about sharing information more effectively. In the other LFC group there is no formal networking among these participants and there appears to be no indication of regular communication through newsletters or gatherings among themselves. The lack of communication across SBSOs in the LFCs appeared to be a point of frustration.

> "Who acts as the convener of networking?"
> "How does the process get underway?" ….
> "How do we know who to address for our needs, and how do we communicate to each other?"
> **LFC participants**

Community Culture

Attitudes and expectations about cooperative accomplishments appear markedly different between HFC and LFC groups. We suspect the attitudes and experiences about collaboration, as represented by these participants, reflect general conditions within their community organizations, institutions, and social patterns. For the purpose of this study, this phenomenon is labeled "community culture". The following is a general discussion of community culture, followed by the specific topics of time in community, attitude toward collaboration, and public sector support.

General Discussion of Community
In the higher functioning collaborations, there were various comments that spoke of widespread fondness for the community by its residents, and the tendency of its people and organizations to work together. This suggests a cultural orientation toward cooperation, trust,

and "what's good for the community". In contrast, when inquiry was prompted by the facilitator with LFCS about a positive attitude toward community, discussion was difficult to initiate or sustain.

In HFCs, it became apparent that the environment toward collaboration was generally very conducive. Some attributed this to the fact that the community had many ethnic immigrants who themselves have a spirit of community collaboration. In other cases, respondents pointed to the

> "Collaboration has not been a big issue here. People here seem to naturally interact with each other in many parts of the community. It's not just this group that feels like this about our community"
> **HFC Participant**

longstanding tradition of working together. In addition, HFC discussions revealed a shared sense of urgency that collaboration is needed in order to pool resources and combat common problems, such as economic difficulties in the community.

> "We share a common concept of working together for a better life that would collapse without cooperation."
>
> "Some of our cooperation may be driven by necessity to obtain missing resources."
>
> "There is a feeling of wanting to make it better - following the loss of much of the manufacturing base (years ago)."
> **HFC Participants**

Another characteristic of HFCs that emerged was the high degree of interaction among members of the SBSOs. For example, there was mingled leadership among organizations and a high level of knowledge about the activities of other each other's organizations.   Joint activities and goals seemed to draw the respondents together and make on-going collaboration easier. **This is**

> "Serving on multiple boards links many organizations in an informal, but highly effective way."
>
> "Some people have jokingly referred to us as an incestuous county because so many of us travel together to conferences and interact together so much."
> **HFC Participants**

important, because it suggests that collaboration, once in place, has a self-reinforcing impact and creates its own momentum.

Finally, the HFCs revealed a willingness to share the credit for accomplishments. Respondents suggested that in order to have successful collaboration all participants need to feel that the resulting benefits will be attributed in part to their individual roles in the activity or program. The expectation that recognition for accomplishments stemming from successful collaboration would be shared across the SBSOS seemed to encourage leaders and decision makers to work jointly.

> "It's not what 'we' the organization did, but what 'we' the community did."
>
> "Our county gives out a lot of annual awards to community members and organizations and   the most prized ones honor collaborative work."
>
> "We are able to bring together the important contributors to make critical decisions and move ahead."
> **HFC Participants**

For LFCs, the predominant attitudes were quite different. Although some positive comments were made, complaints and frustrations were widely expressed. Respondents felt blocked from participating in economic development efforts. It was common to hear that the "powers that be" did not invite participation and that in some cases collaboration seemed to be actively discouraged by the establishment. In addition to turf issues, LFC participants mentioned that

> "Traditional economic development (in this county) has been pretty much a closed shop, a paternalistic phenomenon."
>
> "Participation has been blocked by turf issues."
>
> "It is a risk to speak against the establishment. Raising new ideas raises risks that are too hot for serious consideration."
> **LFC Participants**

there seems to be a void in leadership and an absence of an effective vehicle for collaborations to occur. Even leaders attempting to rally SBSOs to work together expressed frustration at the perceived and real barriers. Participants said that the group lacked a meaningful collaborative forum for the economic development sector. In addition, it seemed especially hard to bridge different perspectives among the SBSOs.

> "Leadership is needed that will bridge all the sectors of the community and operate at a level above the stereotypes that now divide each other."
>
> "The big question out of all of this (discussion) is, 'whose mission is it to provide the 'glue' to improve communication and collaboration.'
> **LFC Participants**

Although HFCs identified the scarcity of resources as a positive force towards collaboration, the LFCs complained that funding and time constraints made working together difficult.

> "I will consciously walk away from this meeting not committing myself to doing anything because my capacity is at the limit."
> **LFC participant**

To summarize, it is clear that a negative community culture is devastating to collaboration. Furthermore, when the overall culture is biased against collaboration, it poses barriers even when circumstances would otherwise bring people together (such as scant resources). **This suggests that for communities wishing to move in the direction of high-functioning collaborations, that it is crucial to identify what factors might be able to "turn the tide," with the knowledge that once turned, things that might currently be perceived as barriers (e.g., not enough time) will become less important.**

The following discussion touches on three factors that influence the community culture: time in community, attitudes towards collaboration, and public sector support.

Time in community

Length of time in residence by the participants of these organizations[1] presumably generates greater familiarity with the history of community institutions, clientele, the political environment, and peer organizations. As this appears to be directly correlated with levels of collaboration that we observed, it emphasizes the influential role that institutional memory plays in matters of trust, competence, and resource awareness.

---

[1] participants were mostly directors of programs or high level assistants

Table 2.   Length of Time in Residence in County

COUNTY	Native born	> 20 years	11-20 years	< 10 years	non resident	Total
HFC	9	5	6	1	2	23
LFC	4	4	4	9	5	26
Total	13	9	10	10	7	49

Among HFC participants there were more individuals with lifelong residency than LFC participants. Their collective awareness of the community and its organizations and people provides several advantages that may contribute to the harmony and productive interaction of their organizations.

With so few years of residency among LFC participants, a relatively low level of awareness of each other and their programs is not surprising. It is understandable that opportunities for collaboration among such a group are not likely to be as frequent as for groups with longer shared histories and collective memory.

For communities wishing to move toward the higher functioning end of the collaborative spectrum, it may be frustrating to learn that time in community can be a positive factor for community culture, since it is one that is clearly difficult to impact through policy. **However, it is important to realize that communities without such deep roots need to make compensating efforts to create similar awareness among SBSOs and to ensure that adequate motivation for collaboration is evident, since "community loyalty" is not likely to be present in the same degree as communities with the participation of more long term residents.**

Public Sector Support

It was clear from discussion that the presence or absence of public sector support can influence the community culture as it relates to collaboration. The influence of county level support was more pronounced in the LFC groups as compared to the HFC groups.

One HFC group stated they generally do not involve city or county offices or elected officials in their discussions until a time when they are needed for specific purposes. One business development

"We don't want a project driven by a legislator pushing to get a project in their town when it isn't the best thing for the requirements of the project."

"There needs to be a coordinating role that can speak for the small business community and get support of the County government to do help make that possible."

"High turnover in positions (in county organizations) makes it difficult to retain or pass on experience of contacts and resources. It can be done but it takes a lot of time to find your way around."
LFC Participants

organization that reports to a County legislative committee purposely tries to separate County politics from economic development.   Thus, while the HFC groups acknowledged the potential barriers that may be present in the public

sector, such barriers were viewed as surmountable.

By contrast, in LFC sessions, the lack of adequate public sector support was a troubling concern for many participants. For example, they expressed a desire for county organizations to provide more favorable conditions for collaboration. Not only did they think the county was not helping to play a coordinating role, there was the feeling that constant change in county organizations was a detriment to coordination.

In one LFC group there were a number of comments that some organizations viewed the county Board as unsupportive of small scale business programs, while it favored traditional economic development policies and strategies. County government supports business development for bigger hi-tech and manufacturing companies, through its economic development corporation which is attributed with producing a significant number of new jobs. Yet the smaller scale business programs for micro enterprises are also creating a significant number of new jobs, but given no credit for this achievement.

> . "The County Board needs to allocate more funds to support small firms of less than 20 employees, but it is politically difficult."
> **LFC Participant**

Near the close of the session, there were expressions of the need for the County to re-orient its support to include smaller businesses. Yet participants also expressed an accompanying uncertainty about how to proceed or who might lead the effort and no one seemed ready to assume the leadership.

In the other LFC group, a participant noted that the term "economic development" has a divided meaning; one, the concept of community economic well-being, and the other, a traditional concept that supports larger scale employers that is aided by taxpayer paid incentives. An LFC participant remarked that many of

> "For a lot of us around the table, we have not been welcome partners in economic development. The value of what we bring to the table is questioned by the "old boy" network."
> **LFC Participant**

their community groups serving small scale businesses have not been welcome partners in the traditional economic development community. The value of what they bring is under-rated by the "old boy" network.

Another LFC participant stated he is satisfied to work on issues that are outside the edges of the "old boy" concerns and do what he can until change comes. The challenge was stated clearly that there is a need to "find a way to open doors". Others expressed open cynicism that such a change was highly unlikely. The fear of running up against the entrenched power structure that preserves the way things have been appears to run deep among these participants.

Attitudes about Collaboration

It was also clear that community culture was reflected in the attitudes about collaboration and its possible benefits. For example, in the HFC discussions, some pointed to the fact that

> "The idea of merging or networking programs or organizations is troublesome; collaboration is easier. Collaboration requires recognizing both the political realities and the benefits of sharing credit for effort and success."
>
> "It's important that organizations think less of themselves and more as a part of a group effort and mission; act unified."
>
> **HFC Participants**

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collaboration can actually prevent SBSOs from being merged or taken over. Others talked about the need for participants to approach small business support with a "big picture perspective." The existence and value of team effort was frequently mentioned throughout the discussion by several participants. "Attitude" was the most frequently used term by one HFC group to account for their high degree of interaction.

 One LFC group talked extensively about collaboration in largely abstract terms, debating its nature and offering complex definitions. Although very few specific examples of their own experiences were offered, the general discussion of collaboration was of interest them. Comments about the good of the community as a consideration for collaboration was hinted at, but these were not stated as a motivation.

In the other LFC group there was evidence that they both sensed and acknowledged a need for more collaboration. Although these people spoke occasionally of collaboration as a valued practice, they did not speak of the community good as motivation for doing so, which was a frequent expression of HFC groups. They did not concern themselves with a discussion of what collaboration is or means as in the other LFC group. One participant stated that he did not distinguish the term "collaboration" from the term "networking." For some, collaboration seemed to be more work than it was worth.

Summary of Findings from Focus Groups

The results of the focus group meetings reinforced the importance of the factors outlined by Mattessich and Monsey. For communities desiring to have high functioning levels of collaboration, it should be a high priority to develop a strong foundation of trust, communication, and leadership for collaboration to take root and produce beneficial outcomes.

Table 8 summarizes some of the major differences we found between the higher functioning groups and the lower functioning groups.

Table 8. Differences in Attitudes about Collaboration Between HFCs and LFCs

	HFC	LFC
Awareness of each other and programs	High	low
Leadership	Have champions, able to share leadership	Frustrated by lack of leadership
Communication	Regular ways to communicate	No established channels
Resource constraints	See collaboration as a way to get around constraints	See them as a barrier to collaboration
Sharing credit	Are willing to share credit	Are worried about not getting credit
Value of collaboration	Are convinced of benefits (for example, as a deterrent to efforts to merge organizations, as a way to resolve resource problems)	Are ambivalent and lack positive examples to counter their doubts
Political barriers	Do not allow them to prevent collaboration	Feel they are blocked from collaboration by the powers that be

Interestingly, conversations with communities in the LFC category revealed that participants' attitudes about collaboration have created a certain inertia that may be blocking the very activities that could begin to move the community along the spectrum towards higher-functioning collaboration. This is parallel to the self-sustaining quality that Kuo uses to characterize positive collaborations. While LFCs do show an active interest in collaboration, they continue to be low functioning, in part, because of the inertia created by the void in leadership and worries about the barriers to working together. For example, LFC participants worried about how credit for activities might be shared and seemed to fear that "free riders" would emerge in collaborative settings. HFC participants, by contrast, brushed aside such concerns and seemed carried forward by a type of positive momentum that is likely to foster continued collaboration in the future. Just when and why did HFC participants become more positive in their attitudes?   Without longitudinal data it is difficult to say what creates the so-called "tipping point" for a community, when the momentum is reversed and success begins to breed more success, but it remains an important topic for future research.

On a cautionary note, HFC groups are not immune to deteriorating forces that can fragment collaborative effectiveness. Based on comments in the focus groups, the highest risk factor appears to be the potential loss of key personnel in these organizations, particularly if a visionary leader who believes in collaboration leaves. A further risk comes from change in public leadership positions that can redirect funding and other priorities.

Although we did not ask the groups specifically to identify the barriers to collaboration, recurring comments reflect that these SBSOs do see some of the following factors as a working against collaboration:

Internal factors – within the members' influence or control

- Uncertainty of benefits from collaboration
- Concerns about preserving organizational identities
- Absence of unifying vision, leadership, or crisis
- Limited willingness to cooperate
- Absence of informal communication patterns or formal communication channels
- Limited awareness of peer organizations and their leaders
- Limited awareness of the community and related constituencies
- Lack of trust
- Belief that collaboration is too costly in time or money

External – outside the members' influence or control

- Lack of historical examples in the community
- Selective or exclusive public policies
- Entrenched municipal divisions
- Failures from prior attempts to cooperate
- Lack of incentives or mandate from the community

To address these issues, both internal (organizational policy) and external (public policy) strategies might be considered. In the short term, internal policies can have a positive and direct impact on a collaborative setting. However, policy barriers that exist outside the direct control of SBSOs require longer term solutions. Working together, collaborative groups can strive for changes in public policy, but there are many more factors and influences to be considered.

Part IV. Conclusions and Implications

Implications of the Findings

The findings from this study suggest a number of implications for policy and practices by SBSO organizations, municipal governments, researchers in community economic development, and the cooperative extension system.

Building Community Capacity – A collective effort

The results of this study suggest that as a general starting point, community organizations, educational institutions, economic development agencies, and local government officials should acknowledge their interdependence in meeting goals that create and nurture small business and community economic vitality.

However, agreeing to the importance of collaboration is only a first step; implementing strategies to increase collaboration is much more challenging.   Findings from our focus group show it is important to:

- Bring together on a regular basis the important contributors to the community's economic well-being
  - ➢ *Example: Hold a community economic development conference to share information about missions, program goals, needs, successes, etc. Include SBSOs and public officials.*
- Recognize that a cultural orientation toward "what's good for the community" encourages trust building and cooperation
  - ➢ *Example: Each SBSO board can review mission and goals from dual perspectives - community good and organizational good.*
- Recognize the valuable economic contributions of the numerous small scale small businesses that generate substantial employment and support that sector with as much commitment as for the industrial and technology sectors
  - ➢ *Example: Generate and report data on economic impacts of the small scale business sector; identify and present a proposal to public officials, other SBSOs, and media*.
- Recognize that economic contributions come from developing the potential of all age groups and vocations that produce employment and self-employment
  - ➢ *Example Target development efforts to various niches and seek out community partners who share a mission of serving the niche.*
- Encourage and honor collaborative work
  - ➢ *Example: Hold annual recognition dinner for local government, SBSOs, Human Service and community organizations, and media to award exemplary collaborative work.*
- Encourage and support leadership skills development
  - ➢ *Example: Establish (or support and participate in, if already existing) a community level leadership training program. Models exist throughout the country.*

Implications for Small Business Support Organizations

Organizations that provide support programs to small businesses in their communities and regions can build more productive relationships by organizing collective efforts. Leadership can inspire positive vision and attitudes. For those who are now that the lower end of the spectrum in terms of collaboration, but who wish to move to the higher end, here are some suggested measures:

- Overcome limited awareness about related programs
  - *Example: At periodic community conferences to share information (see community capacity building, above), solicit presentations of new programs and initiatives, and then create a directory and distribute hard copy or electronically to SBSOs and business community.*
- Look for opportunities to exert leadership on a focused project, with a specific time-frame
  - *Example: Recognize a specific situation that is of joint importance and can provide a "quick win" in a relatively short term framework for collaborative effort. Participant roles must be clearly defined and outcomes should be measurable and highly visible.*
- Create vehicles for regular communication
  - *Example: Newsletters, listserves, breakfast meetings, periodic meetings*
- Consider a resource constraint that might be relaxed under a collaborative scenario
  - *Example: Leverage funding from joint efforts; seek public sector support together; share facilities and other overhead.*
- Avoid direct collaboration with public agencies who pose barriers until the proper groundwork is laid
  - *Example: Work with selected supportive SBSOs to demonstrate beneficial outcomes from collaborative efforts.*
- Seek visionary and facilitative leadership
  - *Example: Honor efforts on projects. Establish recognition of exemplary leadership; offer professional development opportunities with scholarships and grants.*
- Learn how to get the collaborative process underway
  - *Example: Invite leaders from a high functioning collaboration to share best practices*
- Explore incentives that encourage collaboration
  - *Example: See grants that require collaboration and offer substantial financial incentives to participate.*

Implications for Research on Collaboration

The results of this study point to several fruitful research directions. For example, additional work is needed to understand how training in collaboration and/or group facilitation might help move communities to higher-functioning positions. In addition, longitudinal studies looking at the life cycles of collaborative communities could provide insight about the dynamics of collaboration and could help identify "tipping points" and factors that help transform LFCs to HFCs.   Finally, it would be useful to know more about the impact of public policy on collaboration.   Although several participants mentioned that they were coaxed toward collaborative approaches because funding was conditional on partnering with other SBSOs, we don't really know the longer term impact of such policies beyond the particular project.

Implications for the Cornell Cooperative Extension System

Cornell Cooperative Extension (CCE) is in a unique position to be a facilitator for community education and to sponsor capacity building efforts. For example, Cornell Cooperative Extension offices served as neutral hosts for each focus group session, and all CCE participants appeared to be familiar with most, if not all, the other participants and their programs.   Given the strategies suggested above for LFCs wishing to achieve higher-functioning collaborations, there are a variety of ways that extension programming might play a role. Co-sponsoring conferences, providing training, and helping to provide channels for regular communication are some examples. Helping SBSOs know more about each other and about the university's resources is another important role for CCE.

Extension-oriented research on topics of collaboration, community economic vitality, alternative agriculture, business management and others are also fertile areas for valuable and timely support of entrepreneurship, especially in rural communities and regions.

Implications for Funders

Funding agencies can have an impact on collaboration among SBSOs. By mandating or encouraging collaboration as a prerequisite to funding, agencies can serve as an important catalyst to the collaborative process.   Although mandatory interaction should not be viewed as a substitute for voluntary efforts, funding incentives remain a powerful tool for coaxing SBSOs toward collaborative approaches. Funding agencies might want to consider ways to maximize the chances that mandated collaboration leads to positive momentum among SBSOs.

Summary - Conclusions and Implications

To summarize, this research found that leadership, communication, public policy climate and community culture have a critical impact on collaboration among SBSOs. When these factors are negative, it can trap SBSOs in a type of inertia that keeps the barriers foremost in the minds of potential participants. On the other hand, once positive experiences and good leadership creative the right climate, the same barriers that once kept SBSOs from working together seem to fade and a kind of self-staining momentum takes over. SBSOs, funding agencies and others interested in increasing collaboration should examine what can be done in their own communities to create the "tipping point."

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Moving Beyond Barriers:
Effective Collaboration in Supporting Small Businesses

This pre-focus group questionnaire explores information and opinions about collaboration among organizations that support small businesses. Responses will guide our focus group discussion, so please be candid with your responses. Your individual responses are confidential.

1. Which of the following describes your organization? *(Please circle ALL that apply.)*

   1 Economic development agency of government
   2 Educational institution or organization
   3 Community or economic development organization
   4 Membership business group
   5 Private sector service provider
   6 Lender, investor, or grantor
   7 Other *(Please describe.)* _____

2. Which of the following best describes your service area? *(Please circle ONE response.)*

   1 City   2 County   3 Multi-county region   4 State

3. Which of the following describes the size of the businesses served by your organization? *(Please circle ALL that apply.)*

   1 Up to four employees (including owner)   3 11 to 25 employees
   2 Five to ten employees   4 More than 25 employees

4. Which of the following programs or activities does your organization provide to support small businesses? *(Please circle ALL that apply.)*

   1 Business counseling   4 Business networking   7 Technical assistance
   2 Credit or grant funding   5 Business planning   8 Other *(Please describe.)*
   3 Business training   6 Market research assistance _____

5. Based on what you know, which of the programs and activities described in Question 4 are **not offered** in your service area? Which ones are provided by **more than one** organization? *(Please circle ONE response for each column.)*

	Not Offered in the Service Area				Provided by **More than One** Organization			
1 Business counseling	1	Not offered	2	Not Sure	3	More than one	2	Not Sure
2 Credit or grant funding	1	Not offered	2	Not Sure	3	More than one	2	Not Sure
3 Business training	1	Not offered	2	Not Sure	3	More than one	2	Not Sure
4 Business networking	1	Not offered	2	Not Sure	3	More than one	2	Not Sure
5 Business planning	1	Not offered	2	Not Sure	3	More than one	2	Not Sure
6 Market research assistance	1	Not offered	2	Not Sure	3	More than one	2	Not Sure
7 Technical assistance	1	Not offered	2	Not Sure	3	More than one	2	Not Sure
8 Other _____	1	Not offered	2	Not Sure	3	More than one	2	Not Sure

6. Use of business support programs by business operators can vary within the community. In thinking about the service programs offered by your organization, which of the following characterizes the *level of participation* by small businesses (i.e., attendance, program utilization) in *your* service area? *(Please circle ONE number.)*

1 High   **2   Moderate**   **3   Low**

7. How would you characterize your organization's current capacity to meet the demand for your programs? *(Please circle ONE number.)*

1 OVER CAPACITY   **We are not able to meet *ALL* the demands for our programs using our current resources.**

2 AT CAPACITY   **We can meet all demands for our programs using our own resources. However, any *INCREASE MAY BE PROBLEMATIC*.**

3 BELOW CAPACITY   **We are able to meet *ALL* demands and can *ACCOMMODATE MORE REQUESTS*.**

8. In your opinion, which of the following best characterizes the level of collaboration among small business support organizations in your service area? *(Please circle ONE number.)*

1 High   **2   Moderate**   **3   Low**

9. In your opinion, would your constituents benefit from more collaboration among small business support organizations in your service area? *(Please circle ONE number.)*

1 Yes   **2   No**   **3   Unsure**

10. In your experience, when collaboration is *low,* to what degree do you believe the following conditions influence the low level of collaboration among small business support organizations in your service area? *(Please circle ONE number in each row.)*

	Significant Influence	Moderate Influence	Small Influence	No Influence
a. **Competition for funding**	1	2	3	4
b. **Adherence to program commitments of boards and/or mandates of funders**	1	2	3	4
c. **Historical or political differences**	1	2	3	4
d. **Protecting an organization's unique identity**	1	2	3	4
e. **Resistance to change within organizations and/or leadership**	1	2	3	4
f. **Absence of effective models of collaboration**	1	2	3	4
g. **Uncertainty of outcomes from collaboration**	1	2	3	4
h. **Lack of incentives to collaborate**	1	2	3	4
i. **Other *(Please describe.)*** _____	1	2	3	4

If you wish to make any additional comments, feel free to provide them on a separate sheet of paper. Please return this questionnaire by fax. A fax cover sheet is enclosed for your convenience. Thank you very much.

Cornell University, Department of Agricultural, Resource, and Managerial Economics

APPENDIX B. SUMMARY OF RESPONSES

Groups and # of Resp.	Program Topics	Question #4 Programs offered by this organiz.	Question # 5a Programs Not offered by any organ.	not sure if offered	Question # 5b Programs Offered by multiple organiz.	Question # 6 Particip. level by Constituents low	mod	high	Question # 7 Demand of constituents in relation to capacity Below cap.	At Cap.	Over
HFC 23						6	16	1	10	4	9
	Networking	14	0	2	19						
	Bus. Planning	11	0	3	18						
	Tech. Asst.	14	0	3	18						
	Bus. Counsel.	13	0	0	21						
	Mrkt Res. Asst.	8	0	9	11						
	Bus. Training	18	0	2	19						
	Funding	9	0	5	14						
	other	8	0	3	5						
		95	0	27	125						
LFC 24						13	5	6	7	8	8
	Networking	15	1	5	15						
	Bus. Planning	13	2	8	9						
	Tech. Asst.	14	1	8	11						
	Bus. Counsel.	10	2	3	16						
	Mrkt Res. Asst.	10	4	7	3						
	Bus. Training	13	2	3	15						
	Funding	7	1	8	10						
	other	0	1	2	2						
		82	14	44	81						

Groups and # of Responses	Question #8 Collaboration level of organizations low	mod	high	Question # 9 Will more collaboration benefit constituents Yes	No	Unsure	Question # 10 Influences contributing to low collaboration	*See Note Below*
HFC 23	1	13	9	20	0	3		
							Lack incentives to collaborate	56
							Absence of collaboration models	53
							Uncertain of outcomes	56
							Historic & Political differences	57
							Protect unique identity	58
							Resist Change-Internal	62
							Board Control or Funder Mandates	49
							Competition for Funds	40
LFC 24	9	8	7	21	2	1	number of mentions	431
							Lack incentives to collaborate	65
							Absence of collaboration models	53
							Uncertain of outcomes	62
							Historic & Political differences	61
							Protect unique identity	65
							Resist Change-Internal	60
							Board Control or Funder Mandates	48
							Competition for Funds	54
							number of mentions	468

Number of mentions are wighted for difference in number of participants in each group.

APPENDIX C.   Entrepreneurship Education & Outreach (EEO)

The Entrepreneurship Education & Outreach (EEO) program in ARME has been developing and promoting a program for community based entrepreneurship courses for dissemination throughout NY State since 1997. Efforts to establish training centers and classes have been disappointing due to a variety of barriers. A White Paper titled <u>Cornell University's Education & Outreach Program: Evaluation and Proposal</u>, recommended the creation of a Statewide Entrepreneurship Network to bring together essential resources that support entrepreneurial efforts throughout the State.   The recommendation was built upon evidence that local communities and CCE Associations need collaborative partnering to produce high quality educational experiences for successful small business formation and growth. To date, the essential partnering has not been achieved.

Further efforts to gain State level support from Small Business Development Centers (SBDC), Community Colleges, and Empire State Development have not been fruitful. Banks who were approached as funding partners have asked for demonstration of local commitments. Although interest to establish and conduct small business training programs at CCE offices has been extensive and encouraging, only one has lead to a commitment to hold a class. Barriers at CCEs and Continuing Education programs at Community Colleges and SUNY campuses are primarily the difficulty to gather the participation and resources from the community needed for classes of optimum size. In states where NxLeveL courses have been held regularly for several years, SBDCs take the lead at the State Director level. This is not going to happen in NYS with the present policy positions of current leadership.

CCE offices in most counties of NYS are not recognized as significant contributors to economic development or small business generation. And competence in small business education is not a strength generally offered by or attributed to CCE Associations.

Although partnering of CCEs with local small business support organizations is almost a requirement to do effective small business programming, such collaboration is seldom undertaken or accomplished. In order to discover successful collaborative attributes that support entrepreneurship training, focus groups were held in Winter 2000 as part of a research project conducted in four counties. The study intended to gain understanding about the dynamics of effective collaboration among small business support organizations at the community level. It has been learned that personalities, local culture, and politics are difficult barriers to transcend. Yet collaborative processes can be taught and learned in communities where readiness to learn and leadership are present. Any initiative to undertake collaborative training is beyond the scope of EEO's mission.

OTHER A.E.M. RESEARCH BULLETINS

RB No	Title	Fee (if applicable)	Author(s)
2001-02	Information Technology and Credit Scoring at Agricultural Banks in the Northeast and Eastern Corn Belt		LaDue, E.L., C.˚Cuykendall, and J.˚Stokes
2001-01	Identifying the Extensive and Intensive Effects of Generic Advertising on the Household Demand for Fluid Milk and Cheese		Schmit, T., C.˚Chung, D.˚Dong, H.M.˚Kaiser and B.˚Gould
2000-05	A Multimarketing Analysis of Cashew Production in Mozambique		Kyle, S. and O.˚Negiz
2000-04	The Decision to Enter Consumer Direct Initiatives by Supermarket Companies	($25 ea.)	Park, K. and J.L.˚Park
2000-03	Business Summary New York State 1999	($12 ea.)	Knoblauch,W.A., L.D.˚Putnam and J.˚Karszes
2000-02	Impact of Generic Fluid Milk and Cheese Advertising on Dairy Markets, 1984-99		Kaiser, H.
2000-01	Advanced Degrees Conferred at Cornell University During the Twentieth Century with Major Fields in Agricultural Economics		Stanton, B.F.
99-12	Impact of Generic Fluid Milk and Cheese Advertising on Dairy Markets, 1984-1998 (Revised)		Kaiser, H.M.
99-11	Dairy Farm Management, Business Summary, New York State, 1998	($12 ea.)	Knoblauch, W.A., L.D. Putnam and J. Karszes
99-10	The New Dynamics of Produce Buying and Selling	($25 ea.)	McLaughlin, E.W., K.˚Park, D.J.˚Perosio and G.M.˚Green
99-09	Management Strategies, Risk Considerations and Herd Size Analysis for Optimal Resource Allocation in Argentine Dairy Farms		Berger, A.M., W.A. Knoblauch and J.E. Pratt
99-08	An Analysis of Economic Dimensions of the New York State Greenhouse Industry	($5 ea.)	Uva, W.L.