

Small Businesses and Entrepreneurs

Most companies in the four-town region are small businesses, with over 95% having fewer than 100 employees⁶. Additionally, there is a strong potential for growth of the entrepreneurial sector because of the region's proximity to UConn and Eastern Connecticut State University. Ensuring that businesses are aware of and have access to the many opportunities and resources available to them is critical.

This section outlines approaches to best support small businesses and entrepreneurs based on the benefits and challenges of the region as expressed during the information gathering phase of this project.

Support Businesses at the Local Level

Some opportunities for enhanced retention, expansion, and attraction efforts of businesses more generally in the region fall within the domain of local government. This section covers actions to be taken to support businesses of all sizes, beyond just small businesses and entrepreneurs, because these efforts are critical to ensure business success generally. While the towns are clearly dedicated to promoting economic vitality, there are steps that elected officials, staff, and boards and commissions should continue to keep in mind to ensure a business-friendly environment.

Ongoing investments in local infrastructure are critical. One opportunity is in the expansion of utilities, where possible. As water, sewer, and gas lines are expanded to reach new areas of town, real estate that certain businesses may not have considered before becomes viable. Many businesses do not consider real estate without public utilities, so ongoing infrastructure expansion creates additional opportunities for investment.

High-speed internet is another priority for business growth. Businesses must maintain the highest level of efficiency to remain competitive in the global marketplace, and the towns must recognize the value in this as an economic development tool. There is the potential for a regional approach to ensuring high-speed internet access through the Capitol Region Council of Governments (CRCOG), which works collectively with its member towns to provide support on fiber infrastructure issues. Each town should engage with CRCOG on an ongoing basis to ensure that any feasible fiber upgrades are implemented. Additionally, as a result of the increased dependency on high-speed internet due to increased reliance on remote work and online transactions as a result of COVID-19, the Office of the Governor will play a larger role in increasing access to this service. The region should monitor any announcements coming from the State on policies or programs being put in place to support this effort.

Local regulations are also a major factor in determining the region's overall business-friendliness. Ensuring that a business's experience through the land use regulatory process is predictable and consistent is one of the most important steps a municipality can take to promote economic vitality locally. One key strategy for ensuring an

⁶ County Business Patterns Tables (United States Census Bureau, 2017). URL: <https://www.census.gov/programs-surveys/cbp/data/tables.html>.

applicant-friendly process is by designating a single point of contact within Town Hall (usually an economic development coordinator or planner) to guide the business owner through the process and ensure that the application reaches all the necessary parties. This point of contact should also share feedback from various departments with the business owner about his/her application so that the necessary changes can be made. Additionally, maintaining strong contact between the town's elected officials, economic development function, and land use boards and commissions about the strategic vision for development of the community will promote collaboration among these groups.

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Specifically related to local zoning regulations, each community should consider implementing administrative review and approval of applications for businesses with a minimal impact (i.e. traffic, noise, appearance) on the surrounding community. Home-based businesses, small offices, and possibly small-scale retail could be suitable candidates for administrative review. Additionally, towns should ensure that regulations related to signage, parking, building design, etc. are not so stringent as to create burdensome costs for businesses working to comply.

Childcare is one zoning consideration of particular importance when engaging in economic vitality efforts. Without the presence of convenient, accessible childcare in the region, many potential business owners or employees may be discouraged from entering the workforce. Thus, the municipalities should review their zoning regulations to ensure that the land use regulatory process for these types of facilities is as smooth as possible. Additionally, childcare facilities should be permitted in general business zones, potentially minimizing the distance between parents' workplaces and their daycares. The need for reliable childcare has been further highlighted as COVID-19 has impacted essential workers' abilities to access this service. This is a need that will only grow moving forward.

Finally, local economic development staff (or other staff filling that role) should have a strong knowledge of local and state programs and resources available to the business community. These include:

- The nuts and bolts of the land use regulatory process;
- Commercial real estate opportunities;
- Town demographic, fiscal, and economic data;
- Local and state incentives;
- State and federal workforce programs;
- Business support organizations like the Small Business Administration, Small Business Development Center, and SCORE; and
- Possible non-bank funding partners like the Community Investment Corporation, Community Economic Development Fund, and Connecticut Innovations (entrepreneur-specific).

In supporting economic growth, local Town Hall staff should be able to connect businesses to these resources and opportunities. Developing this knowledge base can play a large role in growing the business-friendly reputation of a community and the region as a whole.

Understand Needs

To better support entrepreneurs and small businesses within the region, it is first critical to understand their needs. While there are several categories of broader needs related to small businesses and entrepreneurs, each individual business is likely facing its own specific set of challenges. Particularly as the impact of COVID-19 has been challenging for many small businesses, needs may look different now than they did several months ago. Remote work and the need for a stronger online presence may play a much larger role in these companies' operations, perhaps, and the region should strive to determine how to best understand and address any challenges related to that economic shift. Thus, ongoing communication with businesses is key. This communication should take the form of in-person business visitations, phone calls, emails, and, more passively, through social media and e-blasts. The implementer should plan to engage in a formal check-in with businesses at least twice per year, with one of those being in-person if possible. In this way, the specific needs of these companies can be addressed at the micro level.

However, there are some broad categories that impact small business and entrepreneur decision-making as they are looking to grow.

Small businesses looking to locate or expand in the region need to have an understanding of the following:

- Affordable real estate opportunities that suit the use of the business, with consideration given to foot traffic, parking, accessibility, possibility of expansion in the space, and technical needs (shipping/receiving, technological requirements, etc.);
- Market dynamics, including demographic information/changes, industry clusters, specific complementary and/or competitive businesses/attractions in the area, and retail leakage for the area (if applicable);
- If no expansion opportunities in current facility, other locations where expansion may be possible in the future; and
- Acquiring capital to support growth.

To address these needs, the implementer should put together a business recruitment package covering the region. This booklet should include information on key real estate opportunities in each community, market dynamics data for the region, and a list of key resources for additional business support. This should include information for local economic development coordinators, business support organizations (Small Business Development Center, Small Business Administration, SCORE, etc.), regional banks and other financial institutions, and chambers of commerce and other business groups. This booklet will support small business owners through their decision-making process by providing them with this critical information. As individual

businesses are engaged, the implementer should work with local economic development representatives to provide additional support related to individualized needs.

Entrepreneurs have some different needs than general small businesses because of the nuanced nature of this sector and the higher risk in entering the market as a start up business. Some key needs for entrepreneurs include:

- Mentorship from colleagues already in the field;
- Access to networking opportunities and peer groups to encourage collaboration and discussion of successes and failures;
- Understanding of marketing and sales and the ability to articulate a unique selling proposition;
- Acquiring capital to support growth; and
- Acquiring talent to support growth.

The implementer must understand what financial institutions are available to help entrepreneurs in the region. This means developing awareness of the banks in the region as well as other financial institutions targeted more toward start-ups like Connecticut Innovations, Community Investment Corporation, and Community and Economic Development Fund. Without sufficient financing, an entrepreneur will likely struggle to succeed, making this piece essential. While the implementer cannot directly provide support in this area, the various institutions should be well known.

Ways to address the other entrepreneurial needs are addressed below.

Connect to Resources

There are also several steps that can be taken at the regional level to further develop specifically the small business and entrepreneur communities. One opportunity is developing a pipeline from UConn and Eastern Connecticut State University to area companies. The students at these institutions can be assets to the business community – as interns, as potential employees, and as they look to solve real life challenges as part of projects and studies. The implementer should engage with the business community on any talent needs or possible student projects and work with the higher education institutions (see the Role of Higher Education section) to determine suitable matches. Coordinating regional young professionals events and including soon-to-be graduates is another great way of growing business connections and developing a pipeline of talent from higher education to the business community.

Another opportunity for the implementer to connect businesses and entrepreneurs to critical resources is in coordinating office hours with individuals who provide professional business services. The implementer should engage local accountants, lawyers, marketing strategists, etc. and encourage them to hold office hours around the region every month free of charge. Even if a lawyer donates two hours every month, for example, this guidance can be very useful as a business owner looks to make legal decisions and may, in fact, lead to a formal business relationship between them. This opportunity can be fruitful for both parties, and additional

professional service providers should be interested as the implementer can point to examples of positive outcomes from this program. These professionals may also consider holding free workshops to businesses within the region at libraries, community centers, or other public spaces to provide them with more general information on the areas in which they are experts. This could also bring forward business opportunities for the professionals while greatly benefitting the region's small businesses.

The Windham Regional Chamber's Business Resource Center is also an excellent nearby resource for businesses in the region. The center houses services from a number of providers, including the Small Business Administration, Connecticut Department of Labor, United States Department of Agriculture, and the Community Economic Development Fund. For support and counseling in the near-term, the implementer should direct business owners to this location in Windham and may consider coordinating efforts with the Windham Regional Chamber moving forward.

Specific to entrepreneurs, the implementer should also consider creating a business mentorship program. As potential entrepreneurs are engaged, the implementer can match them up with leaders from more developed businesses in a similar field. Beyond the subject matter expertise these entrepreneurs have, creating business connections and learning the ins and outs of doing business in the region is essential to their success; thus, providing them with support from experienced businesspeople will be invaluable. Again, working with the area's institutions of higher education, the implementer should create industry connections to grow the pipeline of prospective business owners. When there are successful conversions from researchers and entrepreneurs to business owners, the mentor-mentee relationship and overall success story should be widely disseminated to showcase the region as a hub of entrepreneurial activity. Note that UConn's Connecticut Center for Entrepreneurship and Innovation (CCEI) already offers student entrepreneur-industry professional mentorship support, so the implementer should engage with CCEI to determine the best ways to partner, specifically highlighting businesses in the area for mentorship opportunities.

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Another entrepreneur-focused approach to promoting economic vitality is the creation of a regional coworking and business incubation hub. The demand for coworking spaces could potentially grow over the coming years as more employees are allowed to work remotely, spurred by COVID-19. Coworking spaces could offer a way for these employees to leave their home offices while staying nearby. The incubator component of a coworking space could also act as a driver for business creation, offering an inexpensive way for business owners in the region to “test the waters” without expending large amounts of capital for real estate. This hub could be the center for much of the activity discussed in this section – professional services office hours, young professionals events, mentor-mentee meetings, educational programming, etc. In this way, start-ups can get the support they require all under one roof, setting them on the path to success. In working with developers and the private sector to attract this type of space to the region, the implementer should track demand and vacancy for existing spaces that serve similar purposes in Coventry and Tolland. If there is more demand than space available, this

could be helpful data to bolster the argument for the development of a coworking space. However, if there are still many vacancies in current spaces, the implementer should prioritize educating groups throughout the region like home-based workers and entrepreneurs about the existing opportunities available and work to bring the types of programming and resources mentioned above to those spaces.

There are several approaches to creating a coworking space. One is to repurpose a portion of an existing community facility (library, community center, etc.) to be utilized as a coworking space, where entrepreneurs and small business owners can rent desks or offices on a monthly basis. The implementer could also look to fund a larger-scale project with a facility utilized for coworking purposes only. The rental scenario can also be applied in this type of facility. Finally, the implementer can work with developers looking to create commercial or mixed-use buildings and encourage them to create a coworking space. The municipality that will be home to the space might consider stimulating this effort by providing a tax incentive to the developer. Note that Coventry currently has a “rent by the hour” office complex called 1153 Main that functions in a similar role as a coworking space. The implementer should engage the owners of this facility to fully understand all its offerings, determine where additional need may exist, and make a plan to address that need. The owners of 1153 Main likely have strong insight into the coworking market and may be able to provide valuable guidance to the implementer. Another opportunity for the implementer to support local entrepreneurs is through access to a commercial kitchen for those that work in the food industry. Nearby Windham has an existing commercial kitchen called Click. The implementer should engage those who manage the facility to determine where there may be opportunities to partner and ensure businesses within the region have access to it. The implementer should connect the appropriate entrepreneurs with the facility and also with the farmer’s markets and relevant retail in the region to ensure they have an understanding of various sales opportunities.

If food-based entrepreneurship has become highly-successful in the region, the implementer might consider including a commercial kitchen as part of the coworking hub discussed above, as many business owners engaged through this project expressed an interest in this type of amenity. If a commercial kitchen as part of the coworking hub is not a possibility, then the implementer should explore other options for the repurposing of an existing commercial-scale kitchen into one that can be used by small business owners. For example, the implementer should discuss whether a public community center kitchen can be used, by reservation only, for commercial purposes. Utilizing a municipally-owned space could create liability challenges for an individual town, so the implementer should work with the municipal attorney and elected officials to determine whether this is viable. Another opportunity is for the implementer to partner with an organization like a religious or social/civic organization (VFW, Lion’s Club, etc.) to offer commercial kitchen opportunities by reservation only.

A MakerSpace could also be valuable for creative entrepreneurs in the community. This type of facility houses specialized equipment that individuals can use to create their products, allowing them to access often costly tools that are otherwise out of budget. Revenue is typically generated through memberships where it can be put toward staffing, facilities, and acquiring new equipment. As the region begins growing its base of entrepreneurs, it should determine whether there is a need for this type of space. If so, this space could be developed jointly with the coworking space and/or commercial kitchen mentioned above.

If a MakerSpace is successful and the creative economy expands in the region, the implementer may consider working with partners to create a “Made in Tolland County” (or similarly-named) store that operates under a consignment model and offers a space for local artisans to sell their products. The MakerSpace and commercial kitchen are excellent sources of creative entrepreneurship, and the implementer should look to these spaces to fill the store. The implementer can also bring in business mentors like those discussed above to counsel the entrepreneurs to grow their businesses beyond the store.

Connect to Customers

The implementer should also work to create opportunities for businesses to promote themselves to potential customers. The overall marketing campaign (see Visibility and Marketing section) will help to portray the region’s identity, and specific businesses should be tied into those promotional efforts. For example, the digital and print marketing should include a business directory, promotions occurring at specific businesses, and itineraries highlighting businesses to visit based on different interests.

Specifically related to retail businesses, the implementer should create a “buy local” campaign, which includes representation from businesses within all four communities. The campaign can be promoted through all digital and print marketing as well as the promotional channels of the participating businesses. The implementer could purchase branded reusable shopping bags highlighting the campaign that can be distributed free of charge at the retail locations. A “retail passport” should also be printed, with businesses giving out stamps to those who visit them. Once shoppers fill their passports, they are eligible to receive prizes donated by the participating businesses. This is a great way of connecting the business community and showcasing to residents all the local products and shops that they may not have otherwise known. The implementer may consider including this as part of a “Small Business Saturday” effort. The Mansfield Downtown Partnership and Windham Regional Chamber coordinate “Small Business Saturdays”, and the implementer may consider partnering with these organization on this initiative.

Desired Outcomes and Program Evaluation

Well-supported businesses and entrepreneurs are more likely to grow within the region, contributing to the economy overall. As such, increased sales, ability to acquire talent, and improved customer engagement are some key measures of the success of this component of the action plan.

Businesses should be surveyed periodically to determine any impacts from the implementation of these recommendations, and data should also be collected about their activities prior to any implementation efforts. Questions should delve into topics like experiences with local government, satisfaction with existing infrastructure, talent acquisition, understanding of and access to key resources, and changes in customer and sales numbers. Certain programs as described above should be specifically included in the survey to determine how many businesses are taking advantage of them and whether they have been helpful. Based on this feedback, the implementer can determine which projects are the most impactful and which can be altered or eliminated.

Examples and Resources

Below is a list of resources to be used for implementation of different components of the Small Businesses and Entrepreneurs section of the plan:

CRCOG broadband support to municipalities

- This page highlights several of CRCOG’s IT opportunities for municipalities, with the fiber infrastructure services being most relevant for the implementation of this action plan. See it here: <https://crocog.org/municipal-services/it-services-cooperative/>.

Connecting university students to the business community

- Western Michigan University’s “Business Connection” program is aimed specifically at connecting the local business community with the student population. In the region’s case, the towns would determine business needs and coordinate with the higher education institutions on the student talent side to develop partnership opportunities. See it here: <https://wmich.edu/businessconnection>.
- The University of Washington’s Foster School of Business offers “Applied Strategy Projects” where students are partnered with local companies to provide support with specific business challenges at no cost. See it here: <https://foster.uw.edu/academics/degree-programs/full-time-mba/curriculum/applied-strategy-projects/>.

Entrepreneur mentorship

- UConn’s Connecticut Center for Entrepreneurship and Innovation offers student entrepreneur-industry professional mentorship matching. The implementer should work with the area’s business community to get them involved. See it here: <https://ccei.uconn.edu/mentors/>.
- Valley Venture Mentors in Springfield, Massachusetts pairs mentors and mentees in the same industry, designed to turn entrepreneurs into business owners. See it here: <https://valleyventurementors.org/startups/springfield-mentorship-program/>.

Regional coworking hub

- Makery Coworking in New Milford is an example of a smaller, suburban/rural economy that has created a successful coworking space. The implementer should consider engaging Makery as it looks to create its own. See it here: <https://www.makerycoworking.com/>.
- Borough 496 in Hamden is a recently-developed incubator that focuses on helping small business attain sustainability and an adequate workforce, with a particular emphasis on micro-enterprise entrepreneurship. See it here: <https://www.borough496.com/>.

- Upward Hartford is a highly successful coworking space in Hartford that has grown as its reputation and demand has increased. It also hosts many programs and educational seminars and offers flexible arrangements for space usage. See it here: <https://www.moveupward.city/hartford>.

Commercial kitchen creation

- Click is a commercial kitchen located in Windham that has successfully supported food entrepreneurs in the city and throughout the region. The facility has both a commercial and teaching kitchen with annual memberships ranging from \$150-\$800 per year. See it here: <https://clickwillimantic.com/>.
- Two community centers in Minnesota have opened their doors to food entrepreneurs, allowing hourly or daily rentals of their commercial kitchens. See it here: <https://northernwilds.com/commercial-kitchen-space-community-centers/>.
- The Scadding Court Community Centre in Toronto, ON offers rentals of its commercial kitchen for food incubators, allowing simple online application. See it here: <https://scaddingcourt.org/commercial-kitchen-application/#1532464973883-ea4f9725-4f2d>.

“Buy local” campaign

- The organization, Connect our Future, offers an in-depth guide for the creation of a “buy local” campaign. See it here: <https://connectourfuture.org/tools/buy-local-campaign/>.
- The Town of Fairfield created a “buy local” campaign using a savings card to promote the program. Fairfield is a good resource for the implementer as it works to implement a similar campaign. See it here: <https://www.fairfieldct.org/news/?FeedID=3231>.