

# Alabama Entrepreneurial Research Network

Culverhouse College of Commerce and Business  
Administration

THE UNIVERSITY OF ALABAMA

Our program is called the Alabama Entrepreneurial Research Network. Its aim is to promote the expansion of the business community in rural, low-income areas of Alabama.

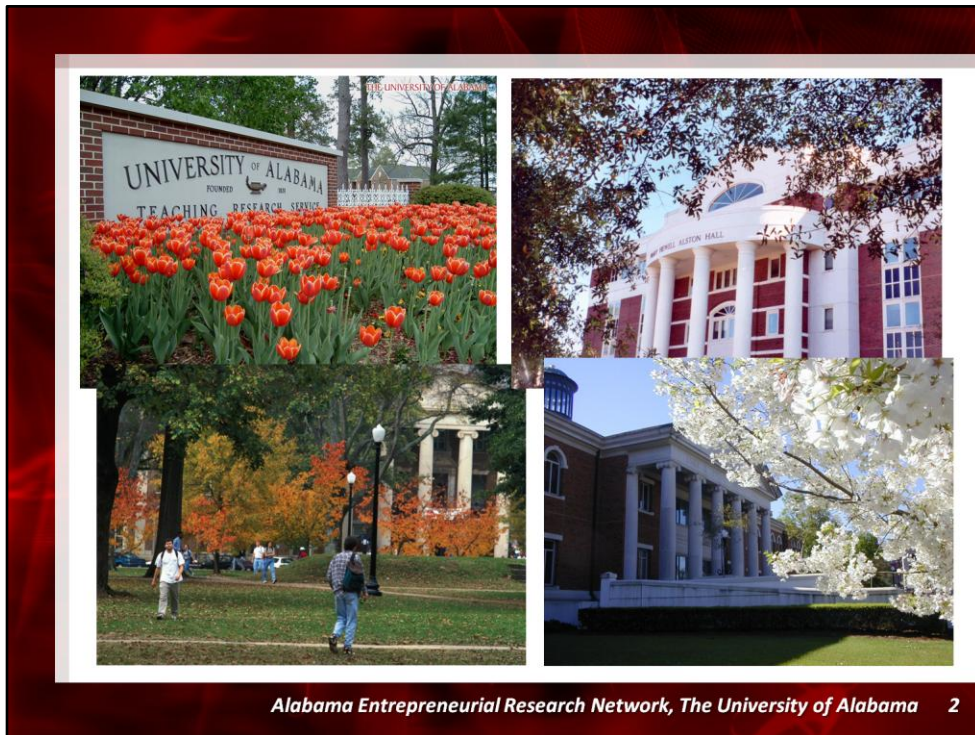
Although the original purpose was to increase prosperity in rural Alabama, **AERN has also become a resource for community-based research for engagement scholarship and interdisciplinary science.**

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The University of Alabama is in Tuscaloosa, Alabama whose population is approximately 93,000.

University enrollment is 30,200 for fall 2010.

The faculty number 1,500. Total employment at the University is 5,365.

The campus encompasses approximately 4.05 square kilometers.

There are 9 colleges within the University: arts and sciences, business, communication, education, engineering, human environmental services, law, nursing, and social work.

The AERN is located within the College of Commerce and Business Administration, the second largest college.

The College of Commerce has 117 fulltime faculty, 28 part time faculty, 107 staff members, and 6,612 students.



## 2010 AERN Partners Meeting on UA Campus Displaying AERN 10 Year Anniversary Commemorative Tiles



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AERN is a partnership that runs in both directions—both from the university and back to the university.

We believe this is a portable, easily replicable model for other places with low income, rural, isolated communities. This **model succeeds in local business development** and also **succeeds as a community-based research network for academic investigations**.

AERN became operational in the spring and summer of 2001. We have almost 10 years of experience.

AERN began with no permanent staff, no identifiable home base, and no budget guaranteed beyond the end of the initial fiscal year. The co-directors had other, full-time jobs within The University of Alabama. AERN has grown because it is a good idea that was developed in partnership with community-based leaders.

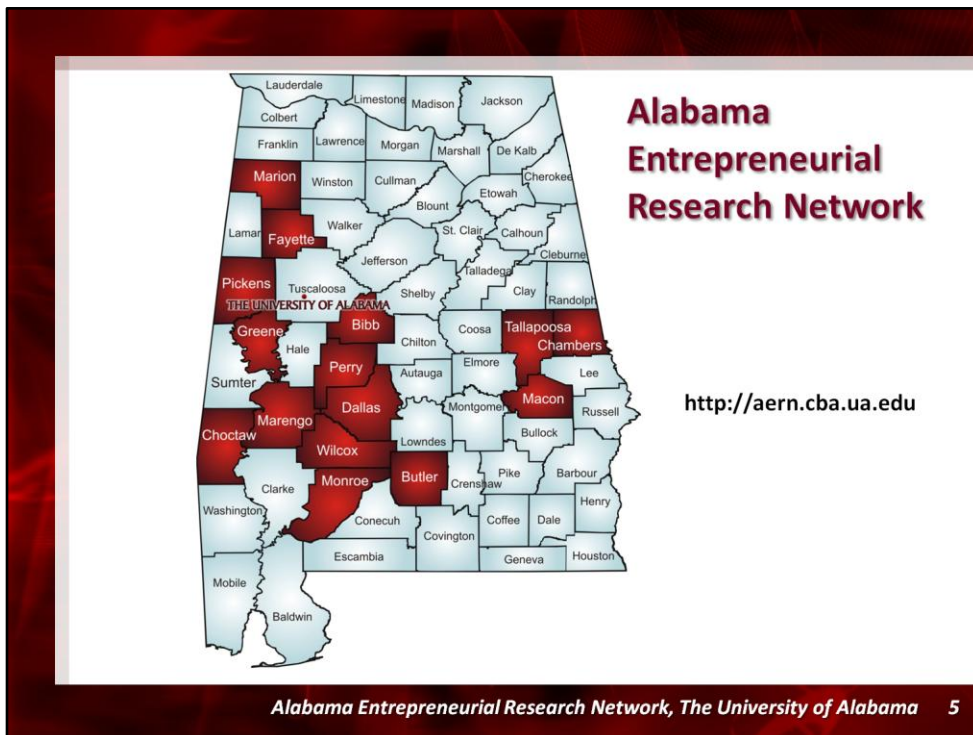
## Socioeconomic characteristics of AERN counties

- Poor
- Rural
- High unemployment
- High proportion of minority population (African American)
- Low average educational attainment rate
- Low rates of locally owned businesses

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- Every AERN county had double-digit unemployment rates in 2009.
- Poverty rates ranged from 15 percent to 30 percent of the total population in 2008.
- Up to 40 percent of the adults in these counties have not completed high school.
- The median family income in some counties is approximately half the national average.
- None of the counties has a 2010 median family income as high as the Alabama state average (which is only 84 percent of the national average).
- These counties generally lack a strong tradition of entrepreneurship among the African American population and six of the 15 counties have a majority African American population.
- Twelve of the 15 counties have a declining population base.





### How Does It Work?

The University establishes formal, written partnerships with chambers of commerce, industrial development agencies, or other nonprofit organizations whose mission includes business development in very rural, low income portions of Alabama.

The University makes available computers and peripheral equipment, business software, reference books, and other business research resources.

These organizations locate the AERN resources in a secure area that is accessible to the public. The computers and other research materials are used to encourage potential entrepreneurs to start or expand a local business, or for other economic development work in the target area.

AERN is a program with three components.

- Books, computers, and other printed materials.
- A strong training emphasis. The staffs of the partner agencies receive training in how to use the materials . They then train their constituencies who come in to use the AERN centers. Also, the public is offered seminars and workshops.
- The AERN website. Many online resources are accessible via the AERN website. The site is designed for ease of use by the lay public.

<http://aern.cba.ua.edu>



# AERN

**The University of Alabama partners with local, stable, community agencies to promote entrepreneurship**

- No cash changes hands – no loans, no grants
- The partnership is for services, training, learning, consultation, and networking

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The socioeconomic situation seems dire, but local response to the AERN initiative has been good and the program has met with success. This area has leaders who want to see improvement and progress.

The 15 AERN counties comprise 11,700 square miles (30,373 square kilometers), or 23% of the state of Alabama. The population of the 15 counties collectively is about 335,460, or 7% of the state's total population.

The local partner agencies can be

- A chamber of commerce
- An economic development agency
- A public library
- An industrial development authority
- A regional council of governments



**Each partner provides something.  
Everybody benefits.**

- **The University of Alabama provides:** Books, a computer (on loan), expertise, a website, administrative “glue”
- **Local partners provide:** A location, furniture, expendable supplies (paper, ink, photocopies, etc.)
- **Both provide:** Training, workshops, encouragement, answers to questions

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**AERN is an example of how to form a sustainable community-based research network.**

**Communities see ongoing, positive benefits**

Additional businesses

Access to university resources

Networking with other, similarly situated communities

Positive reactions from political leaders and the press

**Entrepreneurs benefit**

Advice during business start-up

Advice during expansion or relocation

**Scholars see professional benefits to their fields and their careers**

Publication opportunities

Learning during engagement scholarship

**Students get “real world” experience**

**The university at large benefits from everything listed above**



## Everybody Wins

Positive benefits to the local partners:

1. New jobs
2. Added amenities to the community from new businesses and services
3. Engagement with The University of Alabama
4. Political appreciation
5. Positive public relations

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### **Positive benefits to the local partners**

- Creates new private sector employment
- Enhanced quality of life to the community – new businesses and services add amenities
- A formal relationship with a university gives a community a feeling of advantage and encouragement
- Political - Local governmental leaders are intensely interested in the health of their local economies and are generally interested in and appreciative of partnerships that foster that growth.
- Public relations – Many opportunities for positive media communications on the local level

## Everybody Wins

Positive benefits to the university:

1. Community engagement – University scholars in many disciplines learn things from their interactions with rural entrepreneurs
2. Interdepartmental cooperation
3. Student learning experiences
4. Academic research – journal articles
5. Positive public relations
6. Political appreciation

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### **Benefits accrue to the university.**

- Academic research – journal articles
- Student learning experiences - Students have experiences they would never otherwise have had
- Governmental relations – community outreach efforts have positive political benefits for the university, if the effort is conducted correctly
- Interdepartmental cooperation – new, creative liaisons within the university
- Positive public relations and news media coverage
- Student recruitment opportunities

## Benefits of Engagement Scholarship



Ribbon cutting ceremony at the AERN center in Guin, Alabama, 2009.

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### **University-related benefits of engagement scholarship can be subtle.**

The University of Alabama is not a rural institution and has always had strong attachments to the urban portions of the state.

An enhanced university presence in rural areas educates both the university team members and the rural partners.

Sophisticated, well-educated, highly paid, urban academics can be mightily out of touch with rural realities. (One eye-opener is learning about sophisticated, well-educated, highly paid, rural dwellers—whose point of view about nearly everything can be different from the urban scholar's.)

Academics have learned things they would not have discovered without the AERN network.

Such learning enriches their personal lives, their careers, and their field of study at large.

## How is it funded?

- Federal grants
- State and local grants
- Small University of Alabama grants
- In-kind contributions

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For the first several years, AERN's funding base came from **a grant that the State legislature** gave to The University for the purpose of economic development. The University's administration continued to allocate these earmarked dollars to AERN because it was a program with a successful track record and a vocal set of community partners.

In mid-decade of the 2000s we won a **competitive award for economic development activities from a federal agency**. We have since applied for, and won, several other federal grants.

**The University's administration has continued to show monetary support**, even when the original earmarked funds from the state legislature were no longer available.

**A state consortium devoted to economic development** has twice given a grant to AERN.

**There is no line-item funding for this program in anybody's budget**—Federal, state, local, public, or private. We have to be proactive in asking. Over about 10 years time we have been allocated, from one source or another, a total approximating \$1,045,000.

We have applied for future grants from public and private agencies and we believe we will be successful.



## Lessons Learned

- The basic reference collection is important.
  - Some things are on the Internet, but rural business people also like to have books to hold and study.
  - Keeping business information up to date is expensive and time-consuming. Neglecting to do it is detrimental to the program.
- Not every partnership works.
- Local buy-in from the community partner is crucial.
- A sustainable program requires time and attention from both sides.
- Both sides have to perceive real benefits in order devote the required time and attention.

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When we began this project, Internet service was not available in all of Alabama's rural areas. **"Last mile" digital divide issues were an early problem that has gotten better** as the 21<sup>st</sup> century progresses.

Even with better Internet access and less Internet anxiety, **the basic reference collection of books continues to be important.** Reading and taking notes from a book can be preferable to reading on a screen. Yet, the information in books ages as time passes. People are tempted to take a book home, and some don't return it. Keeping the collection complete and up-to-date is challenging.

**A successful program requires time and attention from the administering university.** Neglected partners will become disinterested and nonfunctional. It is the job of the administering partner to find ways that the program can be beneficial in both directions; finding those ways is not the job of the community partner.

The most important lesson we have learned is **that buy-in from the local agency is crucial.** The AERN is most effective in counties where the AERN's goals and the staff person's regular job responsibilities are very congruent.

## Conclusions

- A **partnership** runs both ways – from the university to the community *and* from the community to the university.
- A **sustainable** partnership forms when both sides see ongoing, positive benefits to themselves.
- A **sustained** partnership leads to innovation and additional opportunities in unanticipated ways.

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### Keeping the network together requires work.

Neglected partners will become disinterested and nonfunctional. It is the job of the administering partner -- not the community partner -- to find ways that the program can be beneficial in both directions.

Motivating the community partners is also important for success. It would be easy for the partners to be passive recipients of university teaching and expertise. Experience has taught them that this is the model most universities prefer.

A passive, one-way system does not produce sustainability for a community-based research network.

**AERN advocates a different model that produces economic benefits in rural settings and also produces a community-based research network pertinent to academic engagement scholarship.**

