ANOTHER YEAR OF SOLID GROWTH

Two New Centers Open, New Staff Member Hired in 2009

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Clockwise from left

Fayette County: Holding the ceremonial scissors, Annette Watters joins partners for the rededication of the Fayette AERN center, which has moved to City Hall.

Butler County: The AERN team traveled to Greenville to conduct a ribbon-cutting ceremony for the new Butler County center.

Marion County: From left — Wayne “Rebel” Silas, mayor of Winfield; Paavo Hanninen; Adelaide Wood; Phil Segraves, mayor of Guin; and Annette Watters joined other officials and visitors at the Marion County dedication.
From left, Adelaide Wood, Paavo Hanninen, and Annette Watters led AERN to another very successful year in 2009.

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Edward Mullins
Editor and Researcher
Since Adelaide Wood joined the Alabama Entrepreneurial Research Network staff as outreach coordinator in March 2009, she’s enjoyed meeting partners and visiting the AERN sites.

“The people are always so happy to have help arrive, in whatever form, and so willing to do whatever they can to help their hometown,” Wood said. “Meeting people who make this network function has been my favorite part of the job so far.”

Because AERN continues to expand, the network has reached farther north and farther south than it had before, Wood said.

“The addition of a full-time employee who can visit these places has been a big leap forward for the program,” she said.

“We have been able to be present for many events that we might otherwise have had to miss. We are looking forward to working with our communities in 2010 and beyond, to help them achieve business growth through entrepreneurial development.”

Wood, a Tuscaloosa native, graduated from The University of Alabama in 1983 with a degree in economics, though she also considers her roots extending to the Black Belt, where her father grew up.

Annette Watters, AERN co-director, said AERN had seen so much growth over the years, the directors decided it was time to bring on a new staff member.

“We have grown so much over the past few years that this addition was essential in delivering our services to rural Alabama communities,” Watters said shortly after Wood was hired. “Adelaide managed to visit all our sites this year to keep AERN’s momentum going and to learn more about the needs of potential entrepreneurs throughout the state.”

As soon as Wood started in March, she visited several sites. She said her goal was to help entrepreneurs jumpstart businesses or upgrade those already existing.

“If just one person in [a] town starts a business and hires five people, and then someone else in another town in the county does the same thing, that can make a big economic difference in a small county,” she said.

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<th>Estimated Jobs Created or Saved</th>
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<td>182</td>
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<td>102</td>
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<td>2009</td>
<td>89</td>
</tr>
<tr>
<td>DOCUMENTED TOTAL*</td>
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*Actual number may be higher

The national recession of the last several years has certainly been felt in rural Alabama, a major reason for AERN to continue its key role in the solution of tough economic problems. Even in hard times, entrepreneurs in rural areas are continuing to open, expand, and create businesses. The AERN team is proud to be a part of their support system.
AERN “Open for Business” in Marion County

Upper left, the AERN center in Marion County opened Oct. 7, 2009, attended by a large city and county delegation. Guin’s Collins Life Center gives area entrepreneurs convenient access to AERN resources.

Upper right, Annette Watters, AERN co-director, talks with Wayne “Rebel” Silas, mayor of Winfield, at the opening. The new center “will be a rousing success,” Silas predicted, calling it “one of the best things that has been brought to Marion County.”

Left, Charla Lynn, director of the Collins Life Center, cuts the ribbon of the new center as Guin Mayor Phil Segraves and Annette Watters look on. Mayor Segraves said he sees “all kinds of opportunities with AERN. We can grow the county through local people who know what’s good for the county and what we need.”

Below left, Paavo Hanninen thumbs through one of the resource books provided by AERN. A computer and business software are also provided.

Hamiton Mayor Bobby Holliday, left, and State Representative Mike Millican of District 17 look through AERN resource books.
On Oct. 15, 2009, Adelaide Wood and Paavo Hanninen (fourth and fifth from right, respectively) joined with public officials and others from Greenville and Butler County to open the new AERN center at the Greenville Area Chamber of Commerce.

A special speaker at the Greenville Rotary Club on the day of the dedication was Governor Bob Riley, who reminded a large crowd that small businesses play a major role in the state’s economy.

Jesse McWilliams, chairman of the Butler County Commission, speaks at the ceremony.

Jimmy Crum, left, talks with Adelaide Wood after the ribbon-cutting ceremony for the new Butler County center.

Francine Wasden, left, Chamber executive director, told the group, “It seems every day we have somebody with a question about opening a business. We now have a way to help them find answers to their questions.” Dr. Jean Thompson, of Lurleen B. Wallace CC, and Cass Davis stand at right.

Butler County Opens Newest AERN Center
AERN Area Residents Believe Quality Healthcare Is Critically Important to the Local Economy

By Ed Mullins
UA Professor Emeritus and AERN Partner

Citizens in 11 AERN counties – Bibb, Dallas, Fayette, Greene, Macon, Marengo, Monroe, Perry, Pickens, Tallaposa, and Wilcox – see a strong connection between healthcare quality and the health of their local economies.

AERN and the Center for Community-Based Partnerships joined forces to explore these critical relationships that seem to be operative at all levels. Chronically sick populations, below-average healthcare systems, and poor economies go together at the international, national, state, and local levels.

Whether one leads to the other is hardly worth debating. They are chicken and egg relationships that feed on each other, according to our survey.

The survey of 133 residents was completed during the summer and fall of 2009. Questionnaires were delivered to the counties and the completed interviews returned to the University.

In this article, we present preliminary findings. A research report based on the full data and additional research will be circulated later.

The following findings constitute both good news and bad news for the AERN area.

- Shortage of primary care physicians is seen as a serious problem in rural Alabama (71.4% said it was). However, the number of family doctors per 100,000 population in the area, 7.0, is virtually equal to the number nationally, 7.2, and is actually ahead of the state’s average, 6.5.

- Lack of health insurance is seen as a serious problem in the AERN area by 73.6% of respondents, but the percentage of uninsured in these counties is actually less than in the state and nation. This does not mean, of course, that lack of insurance is not a serious problem for those who lack it, some 15% in the 11-county area.

- Shortage of specialists is seen as a serious problem by even more, 87.2%.

- Shortage of hospitals is seen as a serious problem by 56.4% of those surveyed. The number of beds per 100,000 residents is 24 as against 36 for the state.

- 78.2% of those surveyed believe government-assisted health insurance is needed for those who cannot afford it.

- Shortage of nearby, high quality nursing homes was seen as a serious problem by 56.4% of the respondents. Drug stores, however, were seen as relatively plentiful. Only 24% believed there was a shortage of drug stores in their area.

- In terms of chronic diseases per 100,000 population, the area leads both the state and nation in the most common kinds: cancer, heart disease, and diabetes.

- Obesity, a condition that contributes to chronic disease, tells a similar story. The adult obesity rate in the AERN area of 40% is 9% higher than the state average and 14% higher than the national average.

Turning now to some conditions AERN residents face with respect to their healthcare:

- 40% must drive 50 miles or more to keep an appointment. And for some this has been going on for many years as one in four has had the same family doctor for more than 20 years.

- 89% cited transportation assistance to help with these long distances as a critical need.

- For the most part respondents had good things to say about their doctors: 87% said they were able to get timely appointments with them; 75% were satisfied with the treatment they received; 58% said their doctor was “very up to date”; and 83% said their doctor was able to get them timely appointments with specialists.
AERN Area Residents Believe Quality Healthcare Is Critically Important to the Local Economy

When we turn to views about the local economy and its relation to local healthcare, we find some of the most interesting responses in the survey. Asked about their current healthcare, only 20% said it was “getting better,” while 25% said it was “getting worse.” Moreover, only 6% saw an improving economy in their home county, while a whopping 70% said their economy was “getting worse.”

Do these citizens know, specifically, about situations in which a favorable medical climate helped recruit an individual or industry, or, conversely, situations in which poor medical services cost them a family or employer?

Twenty-two percent said they knew of someone who had left their community because of substandard medical services, while only 12% said they knew of a family moving in because of a favorable medical climate.

Furthermore, 14% knew of a business or industry deciding not to locate in their area because of substandard health services, while a smaller number, 11%, believed they had snared a business or industry because of the quality of healthcare services in their area.

When we crosstabulated healthcare perceptions with economic perceptions, we found that nearly everyone who saw healthcare in their communities as “getting worse” also had a negative view of the economy (94%).

In terms of standard research procedures, we should address two issues. Respondents were not selected at random, the norm for survey research. Instead, they were selected because of their experience with and interest in the issues under study.

These issues matter to our respondents and they have the kind of firsthand knowledge we wanted to capture. In follow-up interviews, we heard expressions of what scholars call “civic knowledge of place.”

Regardless of age, sex, occupation, income, and city or county of residence, many told us they believed they were speaking not only for themselves but that many others across a wide demographic spectrum shared their views. In other words, they were “specialists” in the issues affecting their own homeplaces.

In the diverse population that we interviewed, we found a high degree of homogeneity with respect to views on the issues regardless of background differences. To give three of many examples: The same percentages of those with and without a college education thought doctors needed more incentives to open practices in rural areas (67%) and thought drug prices were too high (50%).

Nearly identical percentages of those with lower and higher incomes (86% and 85% respectively) thought government should help pay for health insurance for those who cannot afford it.

Another indication of the validity of our survey is that there were few “don't know/no answer” responses, the bane of much survey research. The citizens answering our questions knew what they thought about the topics on which they were being questioned and they were pleased to have the opportunity to speak out on them.

For these reasons and others, we believe randomly selected respondents would have produced similar results.

The economic and healthcare service problems of the AERN service area are well known. What is not so well known is the dynamics of the two together.

This study gives some preliminary insights, but further study is needed, for example, to assess the immediate and long-term impact on a community of the opening of a new doctor’s office, hospital, or multi-employee business or industry.

Nor do we yet know how/if an “anchor” industry or major healthcare facility might serve to immunize a community from the worst economic downturns.

These are challenges we look forward to addressing in future research.
Despite a discouraging recession, many successes in counties utilizing AERN resources were recorded in 2009. New small businesses sprouted around Alabama thanks to the advice of AERN partners, resources offered at AERN centers, and neighbors observing one another’s progress and not wanting to be outdone.

**Anderson Banquet Hall**
Milford Oakes, a Perry County entrepreneur, opened Anderson Banquet Hall in November 2008. The hall – which can hold up to 200 people – is used for weddings, family gatherings, and several other occasions. It’s the only banquet facility in all of Perry County.

Oakes used AERN resources at the Chamber of Commerce in Marion and worked with John Martin, the chamber director, to open the business. AERN helped him find the best deals while setting the banquet hall up and remodeling the old building, Oakes said.

**Inflatable Party Equipment**
When Kim Williams was planning her 8-year-old son’s birthday party, she realized she would have to spend a lot of money outside Selma/Dallas County on an inflatable rental. It was then the idea struck her, “Why couldn’t I be the one to start an inflatable rental business here in Selma/Dallas county?” she said. To jumpstart her small business, she used AERN resources at the chamber of commerce. AERN helped Williams create a business plan and helped her familiarize herself with business planning software. Her business, Pop-up Party, was opened in April 2008, and had a successful first year. “Without AERN’s help, getting Pop-up Party’s rental business going would have taken a lot longer,” she said.

**Eutaw Office Supply Store**
Johnnie Mae Richardson grew tired of ordering her office supplies online, so she took matters into her own hands, opening an office supply store in Eutaw. Now she and others in the community no longer have to depend on less transparent online ordering or to travel half an hour or more to Tuscaloosa.

After seeing a newspaper advertisement for AERN, she contacted her local site to see how feasible her idea would be. AERN provided her with business planning books, a list of resources for getting her business started, and examples of how other entrepreneurs had utilized AERN resources. In January 2008, Richardson opened Eutaw Office Supply, a necessity for her community with the nearest Wal-Mart 45 minutes away. “Our store motto is ‘Small Business with Big Ideas for Serving our Community,’” Richardson said. “I’m looking forward to getting a bigger building and having more customers find out about my business and creating an opportunity to work with the community,” she told the AERN staff.

**Three Counties Upgraded**
In 2009 Fayette, Monroe, and Choctaw counties announced plans to move into improved locations for their AERN centers. Fayette and Monroe completed their moves and Choctaw will make its move early in 2010.

Fayette held a rededication ceremony in August, when the AERN center moved from the museum to the newly renovated post office building that is now City Hall. The Fayette County AERN room is convenient to the chamber of commerce office and the mayor’s office and is now open more hours than when it was located at the museum.

The Monroe County AERN is now in a renovated historic building on the courthouse square, increasing visibility of and accessibility to the county’s AERN resources.

Choctaw County has announced that its AERN center will move in early 2010 to a corner office in a bank building in downtown Butler. That location will be more convenient to potential users and physically easier to access than the upstairs location in the current building.
This has been a full year for the Alabama Entrepreneurial Research Network. From opening two new AERN sites, to hiring a full-time staff member, here is a look at the highlights of 2009.

“The AERN continues to be closely tied with other University of Alabama campus activities involved in community outreach,” said Annette Watters. “The partnerships forged in this network have benefits that extend much beyond the rural entrepreneurs whose businesses have been positively affected.”

Butler, Marion counties become partners. Two counties joined as partners with AERN this year. AERN signed a contract with Butler County in June after Francine Wasden decided to get in touch with AERN. She had read about the success Marion had in Perry County. Five long-vacant buildings had been transformed into five retail businesses downtown.

Charla Lynn, AERN’s partner in Marion County and manager of the Collins Life Center, told AERN shortly after the contract was signed that the people of Marion County were very excited to see what the partnership could do for the county. “We believe because of the recession that it is going to be a very significant tool to our people in this area to perhaps bring in some new businesses,” Lynn said.

New full-time staff member hired. Adelaide Wood joined the AERN staff as outreach coordinator after AERN had seen significant growth. Wood’s role is to provide hands-on services and assistance to the partners.

Presentations made. Co-directors Hanninen and Watters presented a PowerPoint about AERN to an advisory board of the UA Culverhouse College of Commerce and Business Administration and have been invited to give AERN presentations in other cities.

Interdisciplinary cooperation increased. AERN has had a long and productive partnership with faculty in the UA College of Human Environmental Sciences (CHES). The retailing, finance, and marketing courses taught in that college produce many entrepreneurs who establish small businesses all over Alabama, entrepreneurs with whom our staff frequently interacts in the field.

Another example of this readiness to cooperate occurred recently when AERN joined in a research project directed by a UA business school faculty member. The project will survey small business owners about their decision process in opening a business. Findings will be useful to both AERN and the entrepreneurs with whom we work. This particular cooperative venture has an international twist: The study will be part of a joint project with a French scholar interested in the same information for that nation’s entrepreneurs.

Looking back and looking ahead. As we move into a new decade, the AERN team looked back at accomplishments in the previous decade.

Over the past several years, AERN partnerships have flourished and spread north, south, east, and west. The network now encompasses 15 counties with a geographical area the size of New Jersey. We are documenting the businesses we have touched and the economic impact these businesses have had on the rural counties in which they are located.

In addition to business start-ups and expansions, AERN resources have also been used for industry recruitment, merchandise line decision-making, and for nonprofit business research. Next year’s annual report will document some of these results.

SBA Grant Helps AERN’s Expansion

The Small Business Administration has awarded a grant to the University of Alabama to support the expansion of the Alabama Entrepreneurial Research Network. The grant is in recognition of the positive work that AERN has accomplished up to this point.

“The co-directors are very grateful to the Small Business Administration and to the Alabama Congressional Delegation for this support by way of federal money,” said Paavo Hanninen, AERN co-director.
Photo Highlights of 2009 … New Businesses, Expansions, Workshops, Research

Dr. Margaret Purcell, manager of UA Financial Affairs grants, tells our partners how to increase their budgets by going after grant funds. Purcell spoke at the annual partners meeting on the UA campus on June 25, 2009.

A partner takes notes during Purcell’s session on finance at the annual meeting in Tuscaloosa.

The Perry County airstrip was used by the Air Force to train pilots to land T-33s, shown here, until 1976 when the land was turned over to the City of Marion. AERN has provided significant research help to further the project of upgrading the current airstrip.

Charla Lynn and Terri Dennis of Guin flank AERN staff members, from left, Adelaide Wood, Annette Watters, and Paavo Hanninen during the ribbon cutting in Marion County.

Paavo Hanninen holds up one of the popular AERN reference books that are provided for the centers.

This Best Businesses to Start handbook is one of many to be found at the centers. Each center has a library with books to research improving credit scores, franchising, and more.

Annette Watters, left, and Adelaide Wood hold the winning AERN/Perry County community engagement certificates awarded by the UA Center for Community-Based Partnerships.
As this town square photo shows, Marion has upgraded its downtown business area over the past two years.

Painter puts finishing touches on new restaurant in Marion.
Governor Bob Riley discusses small business issues with Butler County Rotarians in Greenville.

Milford Oakes readies Anderson Banquet Hall in Marion for a wedding reception.
Literature and equipment display at Butler County’s new AERN center in Greenville.

Map shows that AERN has expanded into all areas of the state — north, south, east, west — with further expansion anticipated.
Display of AERN reference books at new center in Marion County.
Creating Partnerships for Progress in Rural Alabama

Our partners in the counties and many University of Alabama faculty and staff keep Alabama on the cutting edge of small business practice. AERN thanks the many individuals and groups that helped organize events and supported AERN financially in 2009. Workshops, expert help, reference materials, Internet access, computing and communication resources have been keynotes of the partnership from the beginning. And, as always, a special thanks to UA’s administration, which understands how important these activities are to our university and to the people of Alabama.

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