

IMPACT



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Entrepreneurship Program has Positive Impact on Small Businesses

The Situation

Small businesses are a key part of the dynamic in the U.S. and Idaho business sectors. As a group they generate most of the new business entry, firm growth and a significant share of decline and exit. Nationally two-thirds to three-quarters of net new jobs are created by small businesses.

In 2000 small businesses accounted for nearly 97% of the businesses in Idaho. In 2001, Idaho small business employment represented 59% of the state's total employment.

According to an SBA Office of Advocacy study of businesses over the 1989-1992 period, two thirds of small businesses survive at least two years. After four years 49.6 percent are still in business, and after just six years only 39.5 percent are still in business. Research suggests the top three reasons why businesses fail are (1) inadequate front-end planning which includes a lack of a business plan, feasibility study and cash flow projections, (2) insufficient capital for start-up or expansion, and (3) inexperienced management.

Our Response

In the fall of 2002, the Boundary County Economic Development Committee, Idaho Small Business Development Center, and University of Idaho Extension, teamed up to develop a small business education program in Boundary County.



The Business and Agribusiness Education Program utilizes curriculum developed by NxLevel Foundation. The NxLevel curriculum is designed to help participants complete a comprehensive business plan. It emphasizes the importance of planning and sound business practices. Participants receive training in a variety of topics including, planning and research, management, legal structures, marketing, cash flow and budget analysis, interpreting financial statements, ratio analysis, and financing strategies. In addition to the subject matter training, local guest speakers are used extensively. This incorporation of local experts provides an opportunity for small business owners to establish networks with outside professionals.

The Business and Agribusiness Education Program is conducted over 15 weeks, three hours a week. To date the course has been conducted three times with 43 participants (limiting class size to 15). Post

course evaluations and six-month follow-up evaluations are given to all participants. Additional surveys continue annually for three years following completion of the course. The evaluations rate the overall quality and relevancy of the course as well as, business start-up and business performance over time.

Program Outcomes

The following results are based on two-post course and one six-month follow up evaluations. The response rate for post course evaluations was thirty-six percent and sixty-two percent after six months. Results show the effectiveness of Business and Agribusiness Entrepreneurship Program.

- 100% of participants who were in business at the time of the course are still in business.
- Out of respondents, 84% stated that they would recommend the course to other people in business.
- 50% of participants have reported a change in business practices as a result of taking the course.
- The fall 2002 follow up survey revealed that at least one full-time and two part-time jobs have been created as a result of program participation.
- Respondents were asked to rate the usefulness of the class on a 3-point scale, with 1 being “not valuable” and 3 being “extremely valuable.” The average rating of the course was 2.56.

The Future

The Business and Agribusiness Education Program will continue to grow and adapt to changing need of small business owners. Future plans include an alumni group for past participants, a customer service program and computer technology programs.

For More Information

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