

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Karin Brownlee at 8:35 A.M. on January 31, 2007 in Room 123-S of the Capitol.

All members were present.

Committee staff present:

Amy Deckard, Kansas Legislative Research Department
Kathie Sparks, Kansas Legislative Research Department
Norm Furse, Revisor of Statutes
Jackie Lunn, Committee Assistant

Conferees appearing before the committee:

Steve Radley, Kansas Center for Entrepreneurship
Eric Petersen, Kansas Center for Entrepreneurship
Wally Kearns, Kansas Small Business Development Center

Others attending:

See attached list.

Chairperson Brownlee announced there were minutes for approval on January 17th, January 18th, and January 19th.

Senator Reitz made a motion to approve the minutes for January 17th, January 18th, and January 19th. Senator Jordan seconded. Motion carried.

Senator Brownlee announced the tour to Innovia and Heartland Park scheduled for Friday, February 2nd was being cancelled for lack of interest from the Committee. She asked the Committee to let her know if they would like for her to reschedule.

Chairperson Brownlee turned the meeting over to Senator Jordan.

Chairperson Jordan introduced Eric Peterson, Operations Manager, Kansas Center for Entrepreneurship to give an update on the Kansas Center for Entrepreneurship. Mr. Peterson presented written copy. (Attachment 1) Mr. Peterson stated he would be giving a brief update about NetWork Kansas. He stated the Kansas Center for Entrepreneurship officially launched the NetWork Kansas call center, consisting of two hundred forty (240) resource partners, and networkkansas.com website. The resource partners consist of organizations that provide assistance to entrepreneurs and small business owners in the form of business plan training and development, workforce training assistance, loan packaging and financial assistance, and many other resources. (Attachment 2) In closing Mr. Peterson stated the Kansas Center for Entrepreneurship's implementation of the Kansas Economic Growth Act of 2004 is focused on three primary needs that each entrepreneur and small business may need; they need education; and/or they need economic resources. The primary responsibility of the Kansas Center for Entrepreneurship is to connect each entrepreneur and small business with the organization or organizations that can assist them in starting or growing their business.

Chairperson Jordan introduced Steve Radley, Director, Kansas Center for Entrepreneurship, to give his update on the initiatives of the Kansas Center for Entrepreneurship. Mr. Radley presented written copy which he reviewed for the Committee. (Attachment 3) Mr. Radley stated the mission of the Kansas Center for Entrepreneurship is to promote an entrepreneurial environment throughout the state of Kansas by establishing a central portal that connects entrepreneurs and small business owners with the right resource; expertise, education, and/or economic, at the right time. Mr. Radley highlighted education, economic resources and the first Kansas Agricultural Biosciences Entrepreneurship Forum held in Topeka the day before.

Chairperson Jordan introduced Wally Kearns, State Director, Kansas Small Business Development Center to review written copy of an overview of the Kansas Small Business Development Center Program. (Attachment 4) Mr. Kearns opened stating he had conversations with Steve Radley and Eric Peterson and they agree the paperwork for starting a business may be cumbersome and bureaucratic: therefore, NetWork Kansas

CONTINUATION SHEET

MINUTES OF THE Senate Commerce Committee at 8:30 A.M. on January 31, 2007 in Room 123-S of the Capitol.

counselors are going through the current required process for registering a business, in Kansas so they can report back to the Committee about the process and make recommendations. They should be getting back to the Committee in February with that information.

Mr. Kearns stated the Kansas Small Business Development Center network has a proven track record of creating jobs and generating growth for Kansas' small businesses. During the review Mr. Kearns referred the Committee to "Everyone wants to start a business". (Attachment 5) In closing, he recommended the book, "The Entrepreneurial Imperative" written by Carl Schramm.

Questions and answers followed.

Chairperson Jordan adjourned the meeting at 9:30 a.m. with the next scheduled meeting scheduled for February 1, 2007, in room 123 S.



Senate Commerce Committee

January 31, 2007

Testimony by:

**Erik Pedersen, Manager,
Kansas Center for Entrepreneurship
NetWork Kansas**

Kansas Center for Entrepreneurship Update

Chairperson Brownlee, Chairperson Jordan and members of the Senate Commerce Committee, I'm Erik Pedersen, Operations Manager of the Kansas Center for Entrepreneurship. This morning I will provide a brief update about NetWork Kansas.

On March 9, 2006 the Kansas Center for Entrepreneurship officially launched the NetWork Kansas call center, consisting of two hundred forty resource partners, and networkkansas.com website. Over thirty town-hall meetings and numerous speaking engagements throughout the state were conducted to educate and enroll resources in NetWork Kansas. At the present time, more than two hundred eighty resource partners are members of NetWork Kansas, the statewide referral network; a list of the resource partners is in your packet. The resource partners consist of organizations that provide assistance to entrepreneurs and small business owners in the form of business plan training and development, workforce training assistance, loan packaging and financial assistance, and many other services.

Currently, there are over fifty service providers in both the East Central and South Central region. In addition, there are more than thirty-five in the Southwest and twenty-five to thirty in each of the other four economic development regions of the state.

The type of organizations that make up NetWork Kansas is very broad as well. We have fifteen to twenty different types represented, such as the Kansas Department of Commerce business and trade development, Kansas Small Business Development Centers, Enterprise Facilitation, Kansas Main Street, KTEC Centers of Excellence, Workforce Centers, as well as the CDC's and Regional Foundations.

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So, in addition to having all regions of the state represented, we also have several different functional types represented as well.

I'd like to explain how we're interacting with the entrepreneurs and small business owners across the state. We're getting over three thousand sessions per month on our website, where visitors can access hundreds of pages of information including the business classes & seminars offered in their region of the state. In addition, visitors to our website can search for services anonymously as well as access news, events and press releases from around the state. Since September, the number of website sessions has increased by over one-hundred forty percent.

In addition to offering a comprehensive website, NetWork Kansas interacts with entrepreneurs and small business owners via phone calls or emails. NetWork Kansas, the intake center, is staffed by four to six part-time counselors, these counselors are all students at Wichita State University, majoring in entrepreneurship or international business. When they receive a phone call, or email from an entrepreneur, they conduct a listen & learn. They spend 15-30 minutes on the phone with the caller, getting a sense of where that entrepreneur is at in their business lifecycle, where they're physically located in the state, find out if they've worked with any other resources, and take the time to really understand their need. The counselor will then use our unique database tool, Resource Navigator, to search the statewide network and determine which resources can best assist the entrepreneur. After game planning with me to make sure we are on the right track, the counselor will call three or four of these resource partners to find the most appropriate resource. The counselor will then facilitate a connection between the entrepreneur and the service provider. NetWork Kansas utilizes a client-contact database called Biz-Trakker to track, measure, and evaluate the referral and assistance process.

One of the things we're finding is that some people don't want to talk on the phone, so in an effort to be more mission-oriented, we partnered with a Kansas start-up company a few weeks ago to begin using LiveChat technology on our website. LiveChat technology allows customers who are browsing our website to communicate in real time with our counselors by typing their questions into their browser and reading the counselors responses from the screen. We're excited to use this emerging technology to work with entrepreneurs and small business owners, and feel this is one more way we can expand our reach across Kansas. Thru the first half of January, the NetWork Kansas intake center is on pace to realize a 50% increase in leads over the previous months.

The leads NetWork Kansas has received since we launched have come from over ninety-two different Kansas cities and towns, including a large number of rural communities. About ten percent of the calls are coming from cities with population under one thousand, and about seventeen percent from cities with population between one thousand and five thousand. Therefore, just under one-third of our calls are coming from entrepreneurs in cities with population under five thousand.

On average, about one third of the calls are coming from the South Central region and the rest are dispersed across the state, with the East having a two to one margin over the West.

These leads were referred to NetWork Kansas by over sixty-five different sources, including banks, elected officials and accounting firms. As we market NetWork Kansas, we're asking the question "when an entrepreneur has an idea, where does he or she go for assistance?" We want to make sure all possible points of entry "touch points" know that NetWork Kansas is the gateway to entrepreneurial resources across Kansas. In addition, we're collaborating with our resource partners and providing them with NetWork Kansas promotional material as well as offering to speak at their meetings. Here's a number that speaks to the increased collaboration throughout our network; over forty of our resource partners have referred at least one client to NetWork Kansas.

Many of our calls are from early-stage entrepreneurs, interested in business planning or licensing and permitting. Many of those calls are referred to the Kansas Department of Commerce business development, Kansas Small Business Development Centers, or Enterprise Facilitation for business coaching and start-up assistance. However, we are also beginning to receive leads of a more mature nature; existing businesses with unique challenges. One of the things we want to do now that we have this vast array of resources is to learn how to cross-pollinate to the specialty resources as well. We are starting to learn how to effectively collaborate with these groups- the CDC's and Regional Foundations, as well as several KTEC organizations including Advanced Manufacturing Institute (AMI) and the Alliance for Technology Commercialization. Since our launch, we have referred clients to over seventy different resource partners.

As NetWork Kansas matures, we look forward to answering such exciting questions as: what types of entrepreneurial projects are we seeing in the seven regions of the state, what types of projects are going through the process well, and how can the states resources continue to improve the ways they collaborate to foster an environment where entrepreneurs have the greatest chance to succeed.

We are also actively working to engage organizations such as the Kansas Bankers Association, Community Bankers Association, Kansas Society of CPA's and the Kansas Chamber of Commerce so that we can speak at their meetings, distribute our information and help them understand that we are the gateway to entrepreneurial resources across Kansas.

As we move forward with the implementation of our marketing and promotion plan, we want to convey a consistent message: we are assisting entrepreneurs and business owners start and grow strong, sustainable and successful businesses by connecting them to the right resources at the right time. The simple message is: There's help, here it is!

In summary, the Kansas Center for Entrepreneurship's implementation of the Kansas Economic Growth Act of 2004 is focused on three primary needs that each entrepreneur and small business may need at different times during their business lifecycle. They need expertise, they need education, and/or they need economic resources. The primary responsibility of the Kansas Center for Entrepreneurship is to connect each entrepreneur and small business with the organization or organizations that can assist them in starting or growing their business.

This concludes my testimony. If you have any questions, I'd be more than willing to try and answer them now or you can email me at epedersen@networkkansas.com or call 316-978-7310. Thank You.

Erik Pedersen, Operations Manager, Kansas Center for Entrepreneurship
1845 Fairmount, Box 202, Wichita, Kansas 67260-0202.



We Don't Have The Answers.

But we know who does ...

If you have questions about starting or growing a business, we have more than 250 organizations across the state of Kansas ready to help!

It's free and it's free!

NetWork Kansas is a free statewide service that enables entrepreneurs and small business owners to be connected with the resources they need when they need them! **NetWork Kansas** partners provide business building services to entrepreneurs and small business owners. Often, these services are provided to you at no cost! **NetWork Kansas** works by providing a conduit that bridges the entrepreneur and small business owner with the resource that has the expertise they need.

How Does NetWork Kansas Work?

- Simply call **877-521-8600** to speak with a **NetWork Kansas** Counselor.
- **NetWork Kansas's** unique database enables counselors to view the entire network of resources and their area of expertise.
- The **NetWork Kansas** Counselor researches the network with your particular needs in mind.
- The **NetWork Kansas** Counselor then refers you to the partners that meet your particular needs.

NetWork Kansas will also follow you through the process to ensure that your particular needs are met.

So call us now and let us help you in your journey towards success!

NetWork Kansas is a service of the Kansas Center for Entrepreneurship. The Kansas Center for Entrepreneurship was established by the Kansas Economic Growth Act of 2004 to further establish entrepreneurship and small business as a priority for economic and community development in the state of Kansas. Its mission is to promote an entrepreneurial environment throughout the state of Kansas by establishing a central portal that connects entrepreneurs and small business owners with the right resource; expertise, education, and/or economic, at the right time.



A Service of the Kansas Center for Entrepreneurship

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Latest News

[NetWork Kansas launches March 9th :](#)

Emerging Kansas

Emerging Business

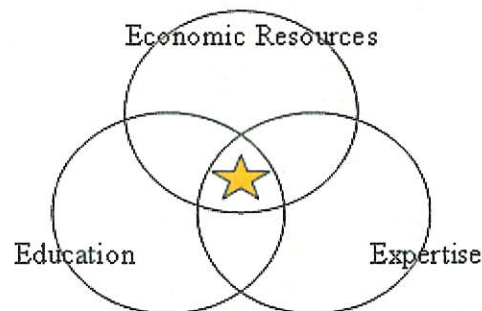
[Campbell Winery is lucky number 13!](#)
NetWork Kansas partner: The Northeast Enterprise Facilitation Initiative

Emerging Industry

[Kansas Grape and Wine Industry](#)
The Wine Industry is gaining popularity and continually growing in the state.



Start or Grow Your Business!

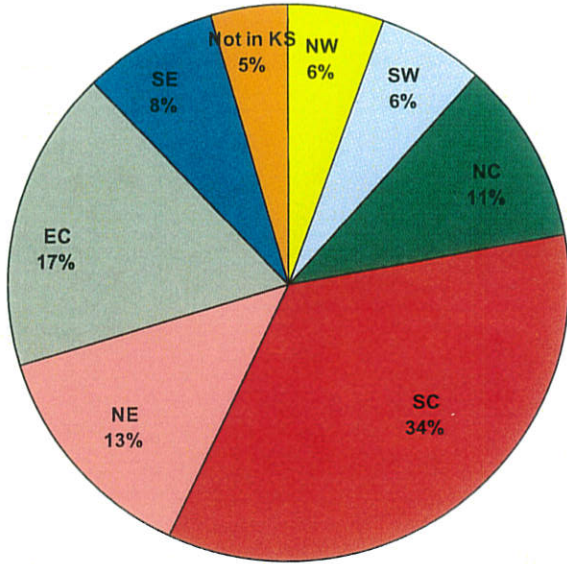


Create a customized personal search for the expertise you need for success!

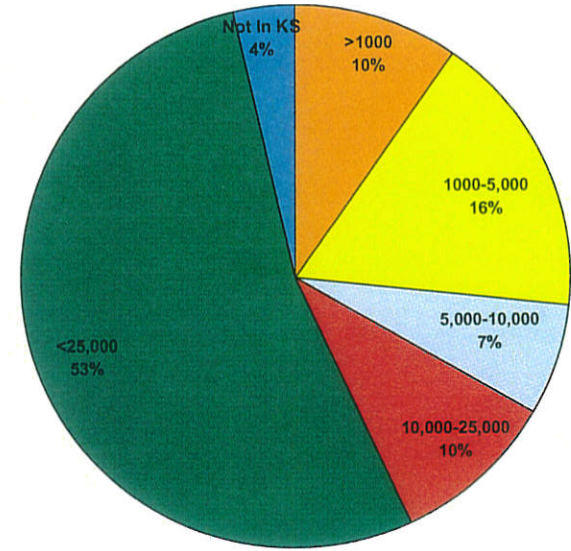
THE RESOURCENavigator

1-6

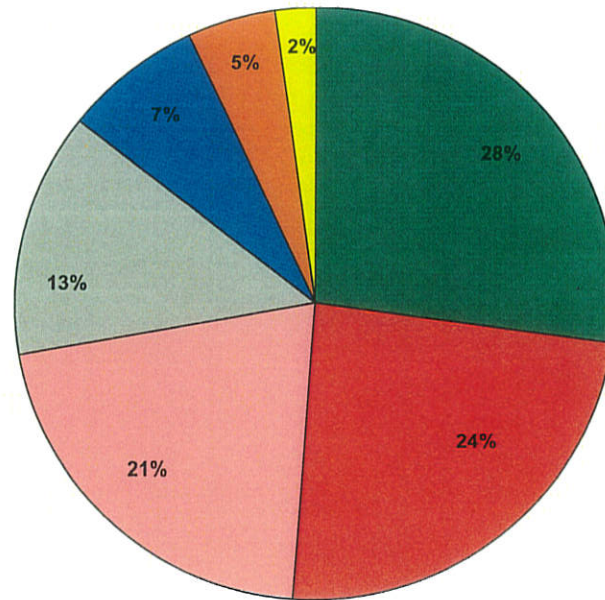
1-6



Calls by Region
3/06-12/06



Calls by Population of City
3/06-12/06



Pages viewed on website
3/06-12/06

- Expertise Tab
- News & Events Tab
- Economic Resources Tab
- Entrepreneurial Education Tab
- News Releases
- Contact Us
- Event Calendar

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List of Resource Partners

Advanced Manufacturing Institute
Alliance for Technology Commercialization, Inc.
Anderson County Economic Development
Arkansas City Area Chamber of Commerce
Asian-American Chamber of Commerce of Kansas City
Atchison Workforce Center
ATHENA PowerLink
Avenue Area, Inc.
Belleville Main Street, Inc.
Bioprocessing and Industrial Value Added Program
Burden Chamber of Commerce and Economic Development
Business Center, The
Business & Technology Institute
Business Utility Zone Gateway - BUZGate
Butler County Economic Development
Butler County Workforce Center
CANBE: Community Association of Nonprofit Executives
Center for Civic Leadership
Center for Engagement and Community Development
Central Exchange
Chanute Workforce Center
Cheyenne County Development Corporation
City of Abilene
City of Chanute
City of Liberal
City of Maize
City of Parsons
City of Wichita
Citywide Development Corporation of Kansas City, Kansas
CLASS Ltd.
Clay County Economic Development
Cloud County Community College
Cloud County Community College, Geary County
CloudCorp
Coffey County Economic Development
Coffeyville Community College
Colby Community College
Colby Workforce Center
Columbus Economic Development Corporation
Community Resource Network (CRN)
Council on Philanthropy
County Economic Research Institute, Inc.
Cowley County Community College
Cowley First-Cowley Economic Development Partnership
Derby Economic Development
Dodge City Workforce Center
Dodge City/Ford County Development Corporation
Doniphan County Economic Development
Downtown Augusta, Inc.
Downtown Hutchinson Revitalization Partnership
Downtown Manhattan, Inc.
Downtown Parsons, Inc.
East Central Kansas Rural Development Tax Credit
ECI Development Corporation
Eckert Agrimarketing
Edwards County Economic Development Corporation
El Dorado Chamber of Commerce
El Dorado Main Street
Ellis County Coalition for Economic Development
Ellsworth County Economic Development, Inc.
Emporia Main Street
Emporia Workforce Center
Enterprise Center of Johnson County
Entrepreneur Development Center at Donnelly College
Entrepreneurial Legal Services at UMKC
Executive Service Corps of Greater Kansas City
FastTrac
Finney County Economic Development Corporation
Fort Scott Area Chamber of Commerce
Fort Scott Community College
Four Rivers Development Inc.-Beloit
Four Rivers Development Inc.-Salina
Fredonia Chamber of Commerce
Frontier Financial Partners, Inc.
Garden City Chamber of Commerce
Garden City Downtown Vision
Garden City Workforce Center
Gardner Area Chamber of Commerce
Glacial Hills Resource Conservation & Development Region Inc.
Great Bend Workforce Center
Great Plains Development, Inc.
Greater Kansas City Chamber of Commerce
Greater Miami Economic Development Center
Greater Topeka Chamber of Commerce
Greater Wichita Economic Development Coalition
Greeley County Economic Development, Inc.
Greenwood County Economic Development
Harper County Economic Development Center
Hays Workforce Center
Haysville Community Development
Heartland Business Capital
Heartland Procurement Technical Assistance Center
Higuchi Biosciences Center
Hispanic Chamber of Commerce of Greater Kansas City
Hispanic Economic Development Corporation
Hodgeman County Economic Development
Hoisington Main Street, Inc.
Home Business Connection
Hutchinson Workforce Center
Hutchinson/Reno County Chamber of Commerce
IBSA, Inc.
Independence Main Street
Independence Workforce Center
Innovation Center
International Trade Council of Greater Kansas City
Invest Midwest Venture Capital Forum
IRS Small Business Taxpayer Education & Communications
Johnson County K-State Research and Extension
Johnson County Library
Kansas Bioscience Organization
Kansas City Area Chamber of Commerce
Kansas City Area Life Sciences Institute
Kansas City, Kansas Public Library
Kansas City, Kansas Women's Chamber of Commerce
Kansas City Volunteer Lawyers & Accountants for the Arts
Kansas City Workforce Center
Kansas City, Kansas Community College
Kansas Department of Revenue
Kansas Electric Power Cooperative
Kansas Industrial Training Program (KIT)
Kansas Insurance Department
Kansas Match
Kansas Patent & Trademark Depository Library
Kansas Sampler Foundation
Kansas State University, Pollution Prevention Institute
Kansas Statewide Certification Program, Minority & Women
Kansas Technology Enterprise Corporation (KTEC)
Kansas Women's Business Center
Kansas World Trade Center
Kansas City, Kansas Community College
KC SourceLink
KDOC Office of Minority & Women Business Development

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KDOC, Business Development Division, EC Region
 KDOC, Business Development Division, General Office
 KDOC, Business Development Division, NE Region
 KDOC, Business Development Division, NW Region
 KDOC, Business Development Division, SC Region
 KDOC, Business Development Division, SE Region
 KDOC, Business Development Division, SW Region
 KDOC, Community Development Division
 KDOC, First Stop Clearinghouse
 KDOC, Trade Development Division, Overland Park
 KDOC, Trade Development Division, Topeka
 KDOC, Trade Development Division, Wichita
 Kearny County Community Development
 KSBDC at Emporia State University
 KSBDC at Fort Hays State University
 KSBDC at Garden City Community College
 KSBDC at Johnson County Community College
 KSBDC at Pittsburg State University
 KSBDC at University of Kansas
 KSBDC at Washburn University
 KSBDC at Wichita State University
 KSBDC Outreach Center at Cloud County Community College
 KSBDC Outreach Center at Manhattan
 Lawrence Chamber of Commerce
 Lawrence Regional Technology Center
 Lawrence Workforce Center
 Leavenworth Area Development
 Leavenworth Workforce Center
 Leavenworth-Lansing Area Chamber of Commerce
 Leawood Chamber of Commerce
 Lenexa Chamber of Commerce
 Lenexa Economic Development Council
 Liberal Chamber of Commerce
 Liberal Workforce Center
 Linn County Economic Development
 Logan County Development Corporation
 Manhattan and Junction City Workforce Center
 Manhattan Area Chamber of Commerce
 Marion County Economic Development Department
 Marshall County Economic Development Council
 Marysville Main Street
 McPherson County Small Business Association
 McPherson Main Street
 Meade County Economic Development Committee Inc.
 Miami County Economic Development
 Mid America Manufacturing Tech. Ctr., Overland Park
 Mid America Manufacturing Tech. Ctr., Pittsburg
 Mid America Manufacturing Tech. Ctr., Western Kansas
 Mid America Manufacturing Tech. Ctr., Wichita
 Mid-America Minority Business Development Council
 Mid-America Incorporated
 Midwest Center for Nonprofit Leadership
 Midwest Energy, Inc.
 Minority Supplier Council of Kansas City
 Mitchell County Community Development
 MO-FAST (MO Federal & State Technology)
 MO-KAN Development, Inc.
 NASA Mid-Continent Technology Transfer Center
 National Association of Women Business Owners
 National Federation of Independent Business
 National Institute for Aviation Research
 Neosho County Community College
 Ness County Economic Development
 Newton Workforce Center
 North Central Regional Planning Commission
 Northeast Johnson County Chamber of Commerce
 Northeast Kansas Enterprise Facilitation Initiative
 Northwest Kansas Planning & Development Commission
 Oberlin-Decatur Area Economic Development
 Olathe Chamber of Commerce
 Olathe Economic Development Council
 Osage County Development
 Osborne Economic Development
 Ottawa Main Street
 Overland Park Chamber of Commerce
 Overland Park Economic Development Council
 Overland Park Workforce Center
 Pawnee Co. Economic Development/ Larned Area Chamber
 Pioneer Electric Cooperative, Inc.
 Pittsburg Workforce Center
 Pottawatomie County Economic Development
 POWER Mentoring Program
 Prairie Enterprise Project (PEP)
 Pratt Area Economic Development Corporation
 Q.U.A.D. Enterprise Facilitation
 Quest Center for Entrepreneurs, Inc.
 Republic County Economic Development
 Rooks County Economic Development
 Rural Development Association of Northeast Kansas
 Rural Telephone Service Co., Inc.
 Russell Main Street
 Salina Workforce Center
 SBA Disadvantaged Business Procurement
 SBA Economic Development Department
 SBA HUBZone Program
 SBA Small Business Procurement Program
 SBA, Kansas City District Office
 SBA, Wichita District Office
 SCORE, Ark Valley Chapter, #317
 SCORE, Dodge City Chapter #388
 SCORE, Great Bend Chapter #673
 SCORE, Hutchinson Chapter #359
 SCORE, Kansas City Chapter #19
 SCORE, Liberal Chapter #388
 SCORE, McPherson Chapter #542
 SCORE, North Central Kansas Chapter #251
 SCORE, Topeka Chapter #342
 SCORE, Wichita Chapter #143
 See-Kan RC&D Project, Inc.
 Seward County Community College
 Shawnee Area Chamber of Commerce
 Shawnee Economic Development Council
 Sherman County Economic Development
 Smith Center Chamber of Commerce
 Smith Center Economic Development
 Solomon Valley Regional Entrepreneurial Center
 South Central Kansas Economic Development District
 Southeast Kansas Regional Planning Commission
 Southeast Kansas, Inc.
 Southern Kansas Telephone Co. (SKT)
 Southwest Johnson County Economic Development
 Southwest Kansas Technical School
 Spring Hill Chamber of Commerce
 St. John Main Street Corporation
 Stevens County Economic Development
 Sumner County Economic Development
 Sunflower Electric Power Corporation
 Sunflower RC&D Area, Inc.
 Sunflower Regional Enterprise Facilitation
 Support Kansas City, Inc.
 Taxpayer Advocate Service
 Topeka Workforce Center
 Trego County Economic Development
 U.S. General Services Administration
 Unified Government of Wyandotte County, Purchasing Division
 University of Kansas Center for Research
 University of Kansas, Technology Transfer & Intellectual Property
 USDA Rural Development, Area 1
 USDA Rural Development, Area 3
 Wakarusa Valley Development, Inc.
 Western Kansas Enterprise Facilitation Consortium
 Western Kansas Technology Corp.
 Western Prairie RC&D
 Wichita Area Chamber of Commerce
 Wichita County Economic Development
 Wichita Downtown Development Corporation
 Wichita Independent Business Association
 Wichita Technology Corporation
 Wichita Workforce Center
 Winfield Area Chamber of Commerce
 Winfield Main Street
 Workforce Alliance of South Central Kansas



Senate Commerce Committee

January 31, 2007

Testimony by:

**Steve Radley, Director,
Kansas Center for Entrepreneurship
NetWork Kansas
StartUp Kansas**

Kansas Center for Entrepreneurship Update

Chairperson Brownlee, Chairperson Jordan, and members of the Committee, I'm Steve Radley, Director of the Kansas Center for Entrepreneurship. This morning we will provide a status report concerning the initiatives of the Kansas Center for Entrepreneurship.

Mission of the Center

The Kansas Center for Entrepreneurship was statutorily created as an integral component of the Kansas Economic Growth Act (KEGA) of 2004. The Kansas Department of Commerce was given oversight of the center and contracted with the Kansas Small Business Development Center Lead Office to collaborate in the establishment of the center. In September of 2005, I testified before the Joint Economic Development committee and outlined the steps The Kansas Center for Entrepreneurship was taking to develop a vision that is consistent with the vision of the Kansas Economic Growth Act of 2004. There are two elements of that vision that were instrumental in defining our mission. The first element was to establish entrepreneurship and small business as a priority for both economic and community development. The second element is to educate and promote the availability of public sector resources to entrepreneurs and small businesses. With these two elements in mind, the Kansas Center for Entrepreneurship has developed a mission statement that establishes these elements as a priority and provides the impetus for our actions.

Therefore, the mission of the Kansas Center for Entrepreneurship is ***to promote an***

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entrepreneurial environment throughout the state of Kansas by establishing a central portal that connects entrepreneurs and small business owners with the right resource; expertise, education, and/or economic, at the right time.



3 Distinct Yet Integrated Services

Our focus on expertise, education, and economic resources has led us to three distinct yet integrated service offerings. Each of these service areas ties directly to expertise, education, or economic resources. What we'd like to do today is provide you with an update on all 3 of our product offerings.

Before we go much further, I think it's important to discuss an important point regarding the Kansas Center for Entrepreneurship. It is clear in the Kansas Economic Growth Act that the intention of the Kansas Center for Entrepreneurship is not to create another program that competes with existing services already being provided in the community. As we say in our promotional materials, we don't have the answers but we know who does. We do not provide direct services to entrepreneurs. Our primary direct contact with the entrepreneur or small business owner is when they make the initial contact with NetWork Kansas. Our mission is to then act as a conduit where entrepreneurs and small businesses can connect to the resources they need when they need them.

Next, we'll update you on all 3 of the services areas that relate to expertise, education, and economic resources. I'm going to give an overview on education, economic resources and the Biosciences Forum and then our Operations Manager, Erik Pedersen, will give you an update on the central portal where that all of our services flow through, NetWork Kansas.

First, I'd like to discuss entrepreneurial education. Over the past 18 months, we have funded a grant to The Center for Entrepreneurship at Wichita State University to

conduct an inventory of all entrepreneurial offerings in the state of Kansas. The inventory includes K-12, Community College, Private College, Regents Colleges, and public sector coursework, both credited and non credited courses. We received the inventory from Wichita State University at the end of last month. You can review that inventory at www.networkkansas.com under the heading Entrepreneurial Education.

Now that the report has been received, we are in the process of moving to the 2nd step which is to determine whether there are any areas of need for education that are not covered through the current course offerings offered in the state. We are in the process of setting up 3 statewide task forces made up of people and organizations that are involved with entrepreneurial education at different stages of education. The 3 task forces will be in the following areas: Task Force 1: K-12, Task Force 2: Public Sector and Community College, and Task Force 3: Regents Universities. Each task force will review the inventory in their area of expertise, assess the current offerings for breadth and depth, and make recommendations to the Center. One of the most important reasons for setting up these 3 task forces is to involve and engage the experts at providing entrepreneurial education. Simply put, they know their customer and their needs and any recommendation should involve the people and organizations most likely to implement any initiatives with regard to entrepreneurial education.

Second, I would like to discuss economic resources, the Entrepreneurship Fund established in the Kansas Economic Growth Act. We call the Entrepreneurship Fund StartUp Kansas. The mission of StartUp Kansas is to provide economic resources to startup and existing businesses in conjunction with our NetWork Kansas partners. Once again, I'd like to emphasize that StartUp Kansas does not provide capital directly to the entrepreneur or small business. We provide the capital through our NetWork Kansas partner organizations. The initial funding of StartUp Kansas was \$450,000. The StartUp Kansas committee began the quarterly proposal submission and review process in August of 2006. The proposals are reviewed by the StartUp Kansas committee which is made up of members of the Kansas Center for Entrepreneurship Board of Directors. (Ken Daniel, CEO, Midway Wholesale, Topeka; Wint Winter, President, Peoples Bank of Lawrence; Tony Delesaga, President, Community National Bank, Frontenac; Suzan Barnes, Owner, Grand Central Hotel, Cottonwood Falls; Kate Pope Hodel, Kansas City)

We have had two competitive rounds and have approved a total of \$166,200 in funds or 37% of the initial funding. Let me share some statistics with you regarding these proposals.

Since August, we have approved 5 businesses for StartUp Kansas funds which represent 62.5% of the applications we've received. The 5 approved, 1 startup business and 4 existing businesses, will utilize StartUp Kansas funds to leverage more than \$1.6 million in funds from banks, regional foundations, and other NetWork Kansas partners. Two of the awards involved succession management of existing businesses, two are expansions of existing businesses and one is a startup. In 4 of the 5 cases, the projects would not move forward without the assistance of the StartUp Kansas fund.

The businesses are located in the 43rd, 51st, 62nd, 67th, and 80th, of the 105 counties in Kansas in terms of population. In addition, 3 of the 5 businesses are located in cities with populations less than 400.

The StartUp Kansas committee evaluates each proposal based upon several factors. Here are some factors that were important issues in the proposals that have been reviewed.

- *Whether the proposal can move forward without StartUp Kansas funds
- *Whether the following organizations were involved in some capacity: SBA, other NetWork Kansas partners, banks or financial institutions, or other local funding sources;
- *Whether the seller was participating in the case of buy-outs (peel back);
- *High leverage;
- *High risk;
- *Ability to repay;
- *Percent of local match;
- *Whether there was new investment and in what:
- *New jobs;
- *Saved jobs;
- *Economic and community benefits.

We will be raising additional funds for StartUp Kansas through the sale of tax credits. The passage of Senate Bill 324 in June of 2006 increased the tax credits from 50% to 75%; the increase has been a tremendous boost for the sale of the regional foundations rural business development tax credits. We anticipate the same response for our tax credits once we receive 501C3 status. We received more than \$200,000 in additional funding contingent upon the center receiving 501C3 Status. We have submitted our application for 501C3 status and hope to have it approved as quickly as possible.

Finally, yesterday we sponsored the first Kansas Agricultural Biosciences Entrepreneurship Forum in Topeka. The forum is a requirement of the center from the Kansas Economic Growth Act for the center to recommend policy to foster an economic climate conducive to the development of an agricultural biosciences industry. Organizations that are involved in this forum include the Kansas Department of Commerce, Kansas Small Business Development Center Lead Center, Kansas Department of Agriculture, Kansas Technology Enterprise Corporation, Kansas Biosciences Authority, Kansas Inc., and Kansas Bio. We also had private sector speakers and industry leaders. We reviewed the external environment from a competitive, regulatory, and capital viewpoint and then we discussed Kansas's internal assets to assess how we were doing with regard to the Biosciences industry.

Summary

Now I'd like to turn it over to our Operations Manager, Erik Pedersen, who will discuss the central portal that connects entrepreneurs to comprehensive resources, NetWork Kansas.

If you have any questions, I'd be more than willing to try and answer them now or you can email me at sradley@fhsu.edu or call 316-978-7312. Thank you.

Steve Radley, Director, Kansas Center for Entrepreneurship,
1845 Fairmount, Box 202, Wichita, Kansas 67260-0202

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Senate Commerce Committee

January 31, 2007

**Testimony by:
Wally Kearns, State Director
Kansas Small Business Development Center**

Co-chairs Brownlee and Jordan and members of the Senate Commerce Committee, I'm Wally Kearns, State Director of the Kansas Small Business Development Center Network. Thank you for the opportunity to appear before your committee today.

Before I provide you an overview of the KSBDC, I will respond to your question, "Does the KSBDC frequently hear from the owners of businesses that the paperwork required for starting a business in Kansas is cumbersome and bureaucratic"? Some KSBDC regional centers said yes and some said no, thus, based on a discussion with Steve Radley and Erik Pedersen of NetWork Kansas, we decided to have NetWork Kansas counselors go through the current required processes for registering a business (LLC, S-Corp, Sole Proprietorship, etc.) in Kansas so we can report back to you about the process and make recommendations, if needed, for improving or streamlining the process. We feel this action fits the mission of NetWork Kansas and we look forward to getting back to you with the results in late February.

Overview of the Kansas Small Business Development Center Program

The Kansas Small Business Development Center program was established by State statute in 1983. Now 23 plus years old, The Kansas Small Business Development Center Network (KSBDC), consisting of eight regional centers and two outreach centers, is a partnership program with the Kansas Department of Commerce, the U.S. Small Business Administration, City of Kingman, Cloud County Community College, Emporia State University, Fort Hays State University, Garden City Community College, Geary County/Junction City Economic Development Corporation, Greater Topeka Chamber of Commerce, Johnson County Community College, Manhattan Area Chamber of Commerce, Pittsburg State University, Pottawatomie Economic Development Corporation, University of Kansas, Washburn University, and Wichita State University.

The KSBDC was involved in the establishment of the Kansas Center for Entrepreneurship (NetWork Kansas) in collaboration with the Kansas Department of Commerce, Fort Hays State University and Wichita State University, and is an enrolled resource of NetWork Kansas.

The mission of the KSBDC is to increase economic prosperity in Kansas by helping entrepreneurs and small business owners start and grow their businesses through professional consulting, training, and resources. Any existing small business or individual interested in starting a business may receive assistance. One-on-one consulting is provided free; fees are typically charged for training courses.

The KSBDC network has a proven track record of creating jobs and generating growth for Kansas' small businesses; please see the below summary for CY 2002 – 2005 and the key points about how KSBDC Clients Help Kansas' Economy Grow.

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January 31, 2007

Attachment 4-1

ECONOMIC IMPACT CY 2002 – CY 2005 ¹

ITEM	CY 2002	CY 2003	CY 2004	CY 2005	TOTAL
New Businesses	183	257	292	301	1,033
New Jobs	894	1,367	1,245	863	4,369
Saved Jobs	377	1,506	2,051	1,236	5,170
Increased Sales (Million)	40.5	59.6	79.3	64.2	244
Clients Assisted with Financing	237	463	540	551	1,791
Financing (Million)	22.5	38.1	44.7	26.8	132
Equity Injection (Million)	4.7	10.4	16.9	9.2	41
Return On Investment (ROI):					
KDOC (EDIF) (\$ to 1)	8.60	18.60	22.60	17.08	16.72
Federal - SBA (\$ to 1)	9.06	18.60	18.30	14.58	15.14
Total Funding (\$ to 1)	2.17	4.16	4.35	3.47	3.54
Job Creation % ²	5.1 Vs -3.0	51.8 vs 1.1	35.8 Vs 2.0	20.6 Vs 1.2	28 Vs 0.33
Sales Growth % ²	19.5 Vs -1.8	37.4 Vs -1.7	28.3 Vs 2.7	23.0 Vs 3.8	27.1 Vs 0.75
Clients	2,425	2,633	2,782	2,558	10,398
Hours	14,164	14,125	15,840	16,350	60,479
Workshops	237	219	262	412	1,130
Attendees	3,793	3,193	3,680	5,220	15,886

¹ CY 2006 Economic Impact will be available on March 30, 2007

² KSBDC Clients average change compared to the average change of all businesses in Kansas

Key points: “KSBDC Clients Help Kansas’ Economy Grow”.

KSBDC counseling clients create more jobs than the average business.

Established businesses that received KSBDC consulting experienced an average job growth of 28% from 2002 through 2005 – compared to just 0.33% for Kansas businesses.

KSBDC counseling clients have faster sales growth than the average business.

Established businesses that received KSBDC consulting experienced sales growth of 27.1% from 2002 and 2005 – compared to 0.75% for Kansas businesses.

KSBDCs help create investment in our economy.

KSBDC consulting helped small businesses and aspiring entrepreneurs obtain an estimated \$132 million in financing from 2002 through 2005.

KSBDCs create more revenue than they cost the taxpayer.

KSBDC consulting generated approximately \$3.50 in tax revenues for every \$1 spent on the KSBDC program from 2002 through 2005. KSBDC consulting generated an average of \$16.70 for every \$1 the Kansas Department of Commerce invested in the KSBDC program from 2002 through 2005.

Sources and Amount of Funding for 2007

U. S. Small Business Administration –	\$740,234
Kansas Department of Commerce -	\$368,500
Local Match –	\$869,147
Total	\$1,977,881

KSBDC Team Members

The KSBDC Network currently has twenty-three (23) full-time team members, twenty (20) of the twenty-three (23) are involved in entrepreneurial activity and sixteen (16) of the twenty (20) team members provide counseling and training for entrepreneurs. We also have two (2) part-time team members and three (3) vacant positions. In addition to the KSBDC team members, we leverage faculty and student time to assist our clients.

Challenges:

1. Continued increasing demand for KSBDC services.
2. Retaining qualified personnel
3. Hiring qualified personnel

Increasing Demand:

A recent article in FORTUNE Small Business, Everyone wants to start a business, stated the following, “We are in the midst of the largest entrepreneurial surge this country has ever seen. According to the U.S. Small Business Administration projections, nearly 672,000 new companies with employees were created in 2005. That is the biggest business birthrate in U.S. history; 30,000 more startups than in 2004, and 12% more than at the height of dot-com hysteria in 1996.

Retaining and Hiring KSBDC personnel:

Positions	KSBDC	Midwest ⁴	Difference	National	Difference
Center Director	\$62,749 ¹	64,622	(\$1,873)	\$56,605	\$6,144
Consultant	\$40,630 ²	\$49,598	(\$8,968)	\$49,952	(\$9,322)
Admin Assistant	\$27,099 ³			\$27,919	(\$820)

1 The KSBDC has three positions with salaries less than the National average and four less than the Midwest average.

2 The KSBDC has seven positions with salaries less than the Midwest and National average.

3 The KSBDC has three positions with salaries less than the National average.

4 Nebraska, Oklahoma, Iowa, Missouri

The Governor recommended a \$1 million budget enhancement for the Kansas Small Business Development Center Network (KSBDC); the \$1 million is within the \$2.1 million enhancement to the Kansas Department of Commerce’s “block grant” of EDIF funds for the Office of Rural Opportunity. The table below, “Use of Additional Funds – FY 08”, provides details on the use of the additional funds, the actual historical impact of KSBDC services, and the projected impact of the new funds.

Use of Additional Funds - FY 08

Governor Sebelius proposed a series of budget enhancements targeted for rural development; \$1,000,000 was recommended for the Kansas Small Business Development Center (KSBDC) as a part of her Rural Development Initiative.

Use of Additional Funds	\$1,000,000	
Salary and Fringe Adjustments		\$153,199 ¹
Marketing/External Outreach Position – State Office		69,850 ¹
KSBDC Consultants – 9 New Consultant Positions		566,901 ¹
Operating Expenses: Travel, new equipment, professional development, supplies, etc.		210,050
Total		\$1,000,000

Actual Historical Impact and Projected Impact of Increased Funding

	Actual Historical Impact Four (4) Year Average ²	Projected Impact of New funds	Four Year Average Plus Projected Increase	Percent Change
New Businesses	258	179	437	69%
New Jobs	1,092	546	1,637	49%
Saved Jobs	1,293	646	1,939	49%
Increased Sales (Millions)	\$61	\$30.5	\$91.5	50%
Clients Assisted with Financing	448	224	672	50%
Financing Obtained (Millions)	\$33	\$16	\$49	48%
Equity Injected (Millions)	\$10.3	\$5	\$15.3	48%
Return on Investment:				
State/KDOC ³	\$6,597,829	\$3,298,915	\$9,896,744	50%
Federal/Total ⁴	\$27,511,454	\$13,755,727	\$41,267,181	50%
State/Total ⁵	\$6,432,665	\$3,216,333	\$9,558,998	50%
Clients	2,600	1,300	3,900 ⁶	50%
Client Consulting Hours	15,120	7,560	22,680	50%
Workshops	283	12 ⁷	295	5%
Workshop Attendees	3,972	240 ⁷	4,212	6%

¹ Includes Benefits at 27%

² Based on an average response rate of 39% for four years (2002 – 2005).

³ Average State incremental return Vs average KDOC funding (2002 – 2005).

⁴ Average Federal incremental return Vs average Total funding (2002 – 2005).

⁵ Average State incremental return Vs average Total funding (2002 – 2005).

⁶ Based on the launch of the Kansas Center for Entrepreneurship on March 9, 2006, the number of clients is expected to be greater than 3,900.

⁷ The primary goal is to serve additional clients and increase the in-depth assistance provided to clients rather than increasing the number of workshops because the greatest impact is achieved through one-on-one consulting.

Collectively, the enhancements in the Governor's Rural Initiative will help preserve, sustain and grow Kansas' rural communities and contribute to a stronger Kansas economy.

Lastly, I'd like to close with a quote from Carl Schramm's recently published book, "The Entrepreneurial Imperative", Schramm is the President of the Kauffman Foundation. I quote, "For the United States to survive and continue its economic and political leadership in the world, we must see entrepreneurship as our central comparative advantage. We either support and nurture increasingly entrepreneurial activities in all aspects of our society and around the globe, or run the very real risk that we will become progressively irrelevant on the world stage and suffer economically at home", end of quote. Schramm's book examines what he feels are the four key components of our nation's economy- large corporations, government, universities and start-up firms – and how different approaches to them will allow us to become even more entrepreneurial and what that means for us as individuals. He feels that these four institutions provide the greatest possibility for fostering entrepreneurial growth both here and abroad.

Again, I thank you for this opportunity and would welcome your questions at this time.

Contact Information: Wally Kearns, State Director, Kansas Small Business Development Center Network. ksbdc.wkearns@fhsu.edu 785-296-6514

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Everyone wants to start a business

Last year a record number of Americans started companies. Here's why becoming your own boss has become a national obsession.

By Phaedra Hise, FSB contributor

January 23 2007: 12:26 PM EST

NEW YORK -- Once upon a time, small business was seen solely as the domain of idiosyncratic, iconoclastic outsiders, willing to forgo the security of corporate life to venture out on their own. But today entrepreneurs are America's role models.

Almost everyone wants to own a business - from college students, who are signing up for entrepreneurial courses in record numbers; to those over age 65, who are forming more companies every year; to recent immigrants, who in 2005 started 25% more companies per capita than native-born citizens did.

We are in the midst of the largest entrepreneurial surge this country has ever seen. According to Small Business Administration projections, nearly 672,000 new companies with employees were created in 2005. That is the biggest business birthrate in U.S. history: 30,000 more startups than in 2004, and 12% more than at the height of dot-com hysteria in 1996.

Which states love small business best?

And the trend shows no sign of abating. The Bureau of Labor Statistics found that more businesses were created in the first quarter of 2006 than during the same period the previous year. Not only are more Americans launching small businesses, but most others are dreaming about it: Sixty-six percent of respondents in a 2006 Yahoo Small Business and Harris Interactive survey said they wanted to start a company someday; 37% of those said they hoped to do so within the next five years.

This trend is of course flattering to established entrepreneurs: They were small before it was beautiful. But what does it mean in dollars and cents? A world full of new competitors - and new opportunities. All these nascent businesses require services, technology, and expertise - demands that have launched an echo boom of small businesses seeking to serve other small businesses.

"It's such a huge market," says Gourab Nanda, 34, who started MyBusinessAssistant.com last year to provide virtual business-management solutions to small companies. "All you have to do is identify your customers, provide the services, and keep prices low."

Potential customers among new business owners can be found

FORTUNE SMALL BUSINESS



PHOTO: EVAN KAFKA

Gourab Nanda, 34, and Devina Mahapatra, 26, founded MyBusinessAssistant.com last year to provide virtual business-management solutions to small companies.

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almost anywhere. That's because the current entrepreneurial boom is not only larger than that of the mid-1990s, but also more diverse. Everyone is partaking of this surge - women, minorities, immigrants, teenagers, and corporate refugees alike.

America's fastest-growing small companies

But the diversity is more than demographic; it extends to the companies themselves. The last startup expansion was fueled mostly by technology firms. While plenty of those are still being launched, the number of new service companies - which include tech firms - fell by nearly 14% from 1996 to 2005, according to the Kauffman Foundation (kauffman.org), which tracks and promotes entrepreneurship. Meanwhile, some old-school sectors are enjoying rapid growth. Since 1996 the number of construction startups has jumped 7%, and manufacturing has grown by a remarkable 43%.

Top 10 states for taxes

Entrepreneurs don't just constitute a larger portion of our workforce; they also contribute a larger share of tax revenue. The owners and partners of privately held companies pay more than 54% of all individual income taxes, according to the Tax Foundation (taxfoundation.org), a nonprofit research institution. And on personal tax returns, more than 37% of individuals in the highest tax bracket are business owners. (That figure includes owners of large private companies, as well as wealthy individuals who happen to invest in small business. But, according to Scott Hodge, president of the Tax Foundation, entrepreneurs make up most of that 37%.) Meanwhile, the majority of business tax returns are now filed by small businesses; the Tax Foundation estimates that 60% of all corporate tax returns are now from S-corporations. From 1980 to 2005, the number of S-corporations, farms, sole proprietorships, and partnerships filing business returns grew by 572%, to 3.7 million.

Small businesses have long been referred to as the engine of the national economy. Today they're also providing the fuel. Forrester Research (forrester.com), a technology research firm in Cambridge, Mass., found that in 2006 U.S. small businesses spent about \$138 billion on technology products and services, accounting for 19% of all IT spending. And according to a 2005 study by Gartner, a technology consulting group in Stamford, Conn., companies that employed 20 to 99 expected to increase their IT budgets by 7% in 2006 - a figure that fell to just 2% among companies that employed 500 to 999.

6 ways to keep your business alive

Entrepreneurship remains a risky endeavor. The SBA projects that 544,800 small businesses closed in 2005, a slight increase from the 540,658 that closed in 2003. An additional 39,201 probably filed for bankruptcy, according to SBA estimates, up from 35,037 in 2003.

And yet it's arguably less risky to create a business now than ever before. A half-decade of rock-bottom interest rates has made it easier and cheaper for new entrepreneurs to borrow startup funds. Meanwhile, venture capital funds and other private equity investors are once again pouring money into young companies. "We are figuring out new ways to bring increasingly huge amounts of capital to startups," says Carl Schramm, head of the Kauffman Foundation and author of *The Entrepreneurial Imperative*. Schramm also points out that even as startup money is becoming more readily available, plummeting technology costs make it less necessary now that entrepreneurs often can purchase powerful computers and software without maxing out their credit cards.

Employee loyalty isn't dead

At the same time, the perks that corporate America once promised have lost most of their allure. Job security? Between 70,000 and 80,000 corporate employees are laid off every month, about 30,000 more than just six years ago, according to James Pedderson, director of public relations at Challenger Gray & Christmas (challengergray.com), which tracks national layoff statistics.

Are you ready to start your own business? Being your own boss may sound great, but not everyone has what it takes to succeed as an entrepreneur. Do you?

1. If I have to, I'm willing to lower my standard of living for a while - take fewer (or no) vacations and cut back on nonessentials like eating out - while trying to get my business off the ground.

True

False

NEXT >


A NEW BOOM

Entrepreneurs created 12.4% more new businesses in 2005 than at the height of the dot-com era.

* Percentage of Americans working at firms with fewer than 100 employees: 36%.

* Percentage of Americans working at firms with more than 2,500 employees: 37%. Source: SBA

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Pedderson also points out that top executive positions are less secure than ever; 1,322 CEOs left their jobs in 2005, twice as many as in the previous year. Pension funds and health-care benefits, once guarantees of employee loyalty, are being trimmed or abolished. Even stock options - the Holy Grail of the mid-1990s IPO craze - are offered less frequently. If the risks of starting a business are lower and the rewards of staying at a corporate job have also fallen, then it's no wonder that more Americans are turning to entrepreneurship.

Robert Fairlie, an economist at the University of California at Santa Cruz, says that the recent fluctuations of the labor market may have provided another spark. Many recently downsized tech professionals, facing a tough job environment, have turned to entrepreneurship, he says. But even though the trend is back toward low unemployment, that isn't depressing startup rates. Fairlie points out that today's strong labor economy may make risk-taking easier, because an entrepreneur can more easily find a job if her venture fails.

Become a 'chicken entrepreneur'

Meanwhile, it has become easier for entrepreneurs to start new companies without quitting their day jobs. According to the SBA, the total number of firms with no employees grew by 26% from 1997 to 2004, to 19 million. A little more than half of those companies are run by workers with another primary source of income.

If the nation's love affair with entrepreneurship continues, then we are in for a bright future. Despite their competitive reputations, entrepreneurs are more likely to get involved in their communities, through service on elected and appointed boards and other types of volunteer work. And they lead the nation in charitable donations. According to a study from Bank of America and Indiana University comparing wealthy individuals from various backgrounds, those whose money came from entrepreneurial activity donated an average of \$232,206 in 2005. That's more than twice the amount given by the next highest group, those with inherited wealth. They averaged only \$109,745. And those whose wealth came from real estate tailed the group, at \$11,015.

"If I inherit a lot of money, I may feel a fiduciary obligation to preserve the corpus," says Patrick Rooney, director of research at the Center on Philanthropy at Indiana University. "But a person who creates wealth, a risk-taker, says 'If I lose it all, I can go out and create it again.' "

A country with more small businesses is, by and large, a more innovative country. In 2002, according to Chicago-based consulting firm the Patent Board (patentboard.com), entrepreneurs accounted for 40% of "highly innovative" firms - those with 15 or more patents in the previous five years. Even as companies such as Sun Microsystems (Charts) have trimmed their R&D budgets, others have been snapping up inventive smaller firms and outsourcing their research efforts.

Typically, acquisitions for less than \$50 million indicate that a smaller company has been purchased by a larger one seeking access to an innovative product or process. In 1995 there were 322 such acquisitions; in 2004 there were more than 1,400, according to FactSet Mergerstat (mergerstat.com), a mergers and acquisition data firm based in Santa Monica.

Indeed, innovative entrepreneurs may help keep the country afloat in a time of global uncertainty. Even as emerging overseas economies, including India's and China's, become more competitive, no other country can rival America's appetite for entrepreneurial experimentation.

"That's a great thing about America, that our culture accepts this risk and accepts people who try new things," legendary computer entrepreneur Michael Dell, chairman of Dell (Charts), said in a recent interview with *FSB*. "Many nations have capital, many nations have smart people, but no nation really compares to the U.S. in terms of its willingness to accept risk takers in society."

Do you think it's good that so many Americans want to be entrepreneurs now? Does the boom help or hurt your business? What made you willing to take the plunge of starting a company? [E-mail the editors here](#) and let us know.

The next little thing: Best innovations from small business

Battle of the business plans ■

To write a note to the editor about this article, [click here](#).

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