

A MEDIUM FOR GROWTH

THE STATE OF ENTREPRENEURSHIP IN WISCONSIN



WISCONSIN DEPARTMENT OF COMMERCE
UNIVERSITY OF WISCONSIN – EXTENSION
EDWARD LOWE FOUNDATION
U.S. SMALL BUSINESS ADMINISTRATION



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2005

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**PLATYPUS
TECHNOLOGIES**

OPERATING IN
WISCONSIN SINCE **1993**

**BARBARA
ISRAEL PH.D.**

EXECUTIVE

SUMMARY

Governor Jim Doyle has made entrepreneurship a priority in his *Grow Wisconsin* plan. Entrepreneurship plays a key role in developing a strong economy through job creation, economic diversification, and tax base expansion. However, multiple sources have given the state of Wisconsin medium to low rankings in the entrepreneurial and business arenas. The University of Wisconsin-Extension in conjunction with the Wisconsin Entrepreneurs' Network (WEN) and the Wisconsin Department of Commerce launched a research study to assess the status of entrepreneurship in Wisconsin and determine why the state's entrepreneurial spark seems to sputter.

The study focused on the perception of the Entrepreneurial Climate across the state of Wisconsin as well as involvement of Wisconsinites in the Entrepreneurial Process and their awareness of and experience with entrepreneurial assistance programs.

— Key Findings —

Roughly half of the people in Wisconsin are or have been involved in the Entrepreneurial Process – i.e. they are thinking about starting a business or have started a business.

The Wisconsin population views the Entrepreneurial Climate as “neutral” – neither encouraging nor discouraging.

Among people involved in the Entrepreneurial Process, there is a low level of awareness and usage of state assistance programs for entrepreneurs.

Given these findings, study recommendations are aimed at creating a more hospitable environment for entrepreneurship across Wisconsin; motivating the large segment of potential entrepreneurs to start businesses; and assisting entrepreneurs and small businesses that already exist.

RECOMMENDATIONS



Redefine the Lines

A new vision of who and what an entrepreneur is would include everyone from florists and furriers to inventors and biochemists. Redefine entrepreneurship in a broader and more inclusive manner.



Spotlight Opportunities

Hearing about “entrepreneurial opportunities” will spark interest among potential entrepreneurs and make success seem within reach.



Lighten the Load

Removing barriers will help entrepreneurs move through the stages of entrepreneurship with less angst. Most helpful: make entrepreneurs aware of available assistance, ensure that programs are relevant and effective, connect entrepreneurs with assistance programs that are right for them and provide detailed success stories.



Ask Questions

Continued research would reveal how Wisconsin's Entrepreneurial Climate matches up against climates in other states and why certain entrepreneurial projects are and are not successful.



WISCONSIN IS CONTINUALLY STRIVING TO FURTHER ITS ECONOMIC STATUS



MICHAEL AGUILAR

— Background —

Wisconsin is continually striving to further its economic status, and Governor Jim Doyle has made this a priority in his *Grow Wisconsin* plan. Entrepreneurship plays a key role in developing a strong economy through job creation, economic diversification, and tax base expansion. Growth and promotion of entrepreneurship are areas of opportunity for the state of Wisconsin. Historically a number of different of different sources have issued Wisconsin medium to low rankings in the entrepreneurial/business arena. In addition,

NorthStar Economics has predicted that Wisconsin's income per capita will be 17% below the US average in 2024 based on 2000 data. Therefore, learning more about the climate for entrepreneurship in Wisconsin is of great importance to the health of the state. The University of Wisconsin-Extension in conjunction with Wisconsin Entrepreneurs' Network (WEN) and the Wisconsin Department of Commerce saw an opportunity for a research study that would address these issues.

— Study Overview —

The key topics covered by this study are: perception of the Entrepreneurial Climate across the state of Wisconsin, involvement of Wisconsinites in the Entrepreneurial Process, and awareness, usage and experience regarding entrepreneurial assistance programs.

parameters of the study, and attain a sample size large enough to yield statistically valid results, a custom survey was selected as the methodology. Distributing the survey via mail was optimal as the survey reached the greatest cross-section of the population and the format worked well with the longer multi-part questions. The survey was sent out to 3,000 randomly selected households across Wisconsin, and 1144 surveys were completed and returned.

A statewide survey was the best way to cover these topics for the Wisconsin population as a whole. In order to retain the ability to customize the questions, control the

— Acknowledgments —

We would like to thank Professors Paul Reynolds, Ph.D. & Sammis White, Ph.D. for their invaluable help and insights during the development and analysis of this study. They also graciously allowed the use of their Entrepreneurial Climate scale for this study (*The Entrepreneurial Process*, 1997). We would also like to acknowledge the Global Entrepreneurship Monitor, the Entrepreneurial Network Study (1999), and Panel Study of

Entrepreneurial Dynamics (Kauffman Foundation) as valuable sources of information. We would like to thank the Wisconsin Department of Commerce, Wisconsin Governor Jim Doyle, the Edward Lowe Foundation and the U.S. Small Business Administration for their contributions to the study. Finally, we would like to acknowledge the excellent work of the University of Wisconsin Survey Center in the survey distribution and data collection process.

RECOMMENDATIONS

THE OVERALL GOAL OF THIS PROJECT

**IS TO LEARN MORE ABOUT
ENTREPRENEURSHIP IN WISCONSIN
IN AN EFFORT TO FIND WAYS
TO INCREASE SUCCESSFUL
ENTREPRENEURSHIP AND IMPROVE
THE ECONOMIC SITUATION.**



The study covered several pertinent topics including the Entrepreneurial Climate in Wisconsin, involvement in the Entrepreneurial Process, and usage of and experience with assistance services. The data yielded useful findings that suggest how to improve/increase entrepreneurship in Wisconsin.

The study found that people in Wisconsin generally view the Entrepreneurial Climate as “neutral” - neither encouraging nor discouraging. The study also found that roughly half the people in Wisconsin are or have been involved in the Entrepreneurial Process, a strikingly high number. They are either thinking about starting a business,

are starting a business, or have previously started a business. However, among people involved in the Entrepreneurial Process, there is a low level of awareness and use of assistance programs for entrepreneurs.

Given these findings, study recommendations are aimed at creating a more hospitable environment for entrepreneurship across Wisconsin; motivating the large segment of potential entrepreneurs to start businesses, and assisting entrepreneurs and small businesses that already exist. The following recommendations were developed from this research along with information from other sources (see Acknowledgements section).

**GEORGE AND
SUE KRUG**

OPERATING IN
WISCONSIN SINCE **1994**

ANCORA COFFEE ROASTERS

REDEFINE THE LINES

CREATE A BROADER AND MORE INCLUSIVE VIEW OF ENTREPRENEURSHIP. HALF OF THE PEOPLE IN WISCONSIN REPORT THEY ARE OR HAVE BEEN INVOLVED IN THE ENTREPRENEURIAL PROCESS AT SOME LEVEL, BUT THEY DO NOT NECESSARILY SEE THEMSELVES OR OTHERS LIKE THEM AS “**ENTREPRENEURS.**”



LINDA HAGAN

When people see themselves and others like them as entrepreneurs, they may be more likely to look for help and encouragement that will increase their chance of success.

In the Entrepreneurial Climate section of the survey, respondents were more likely to acknowledge successful and admired entrepreneurs in the world but less likely to report that people in their close circles are starting businesses. This contrasts with the finding from the Entrepreneurial Process section that over half of the state’s population is involved (or has been previously involved) in the Entrepreneurial Process.

There may be a preconceived notion of who and what an “entrepreneur” is expected to be. “Entrepreneurs” like Bill Gates have received so much publicity that people may see entrepreneurs only as rich, brilliant and successful, breaking ground in a new field.

They may not consider a person who works “on the side” doing something like contract web-page design an “entrepreneur.”

This view of “entrepreneur” and “entrepreneurship” excludes a large and productive segment of the population who might benefit from attending entrepreneurship classes or networking with other entrepreneurs for advice. In fact, research has shown that networking is particularly important for female entrepreneurs.

It is possible that people do not see “entrepreneurship” and being self-employed or owning a business as synonymous. In reality, many people have a full-time job with an established organization at the same time that they are trying to start or run their own business. Entrepreneurship can occur at any point along the way and with any combination of “job and business.” It could be a weekend business or a lifetime pursuit.

ACTIONS:

- 1 Create a more welcoming and realistic view of entrepreneurship by providing examples all along the “job-business” continuum. Potential entrepreneurs will see possibilities in their own lives for entrepreneurship and be more realistic about the outcome. If they feel they are included in the entrepreneurial community, they may also be more likely to seek out entrepreneurial assistance or networking opportunities.
- 2 Provide examples of successful entrepreneurs “close to home” both geographically and figuratively. Testimonials note the presence of fellow entrepreneurs within the same area. The more targeted the campaign, the better. Consider gender or region-specific campaigns. There should be the feeling that entrepreneurs are “just like me.”

HEARING ABOUT
**“ENTREPRENEURIAL
 OPPORTUNITIES”** WILL
 SPARK INTEREST AMONG
 POTENTIAL ENTREPRENEURS
 AND MAKE SUCCESS SEEM
 WITHIN REACH. A “CAN-DO”
 ATTITUDE IS CONTAGIOUS.

Along with broadening the perception of what an entrepreneur is and does, opportunities to become an entrepreneur should be highlighted. People with a broad view of entrepreneurship will likely be more open to seeing opportunities to start their own businesses. In addition, given that many people see entrepreneurship as risky, highlighting good opportunities may ease their minds.

People will be more likely to become involved in the Entrepreneurial Process if they perceive more opportunities in the entrepreneurial world. In particular, people who will eventually be in the job market (like students) should be made aware of entrepreneurial opportunities. Developing a pipeline of future entrepreneurs is very important for the long-term health of Wisconsin’s economy.

ACTIONS:

- 1** Provide evidence and examples of different entrepreneurial opportunities in communities across Wisconsin.
- 2** Educate people about different levels of opportunities. For example, a good opportunity does not necessarily need to open a new market or revolutionize an industry; it just needs to be solid and feasible. Even taking an existing technology and finding a new application can be a fruitful opportunity.
- 3** Work with the media to change the way they portray entrepreneurship – particularly language about success and failure that can affect the perception of risk and opportunity.



SPOTLIGHT OPPORTUNITIES



MADISON ENVIRONMENTAL GROUP

OPERATING IN WISCONSIN SINCE **1998**

SONYA NEWENHOUSE

LIGHTEN THE LOAD

REMOVING BARRIERS WILL HELP ENTREPRENEURS MOVE THROUGH THE STAGES OF ENTREPRENEURSHIP WITH LESS ANGST.

Most helpful: make entrepreneurs aware of assistance, ensure that programs are relevant and effective, connect entrepreneurs with programs that are right for them and provide detailed success stories.

While this study did not specifically identify barriers that entrepreneurs face at each stage in the Entrepreneurial Process, it did reveal that there is a sizable number of people who are thinking about starting or trying to start a business. The study also showed that entrepreneurs/potential entrepreneurs are not aware of and/or not taking advantage of assistance programs in Wisconsin. In particular, the data showed that how people perceive the availability of and access to funding alters their view of the Entrepreneurial Climate. The majority (roughly 80 percent) of respondents said people in their circle of family and friends would start new firms if they could get funding.

These findings generated several insights:

1) People may not be aware of assistance programs (both financial and otherwise) and/or... **2)** The programs offered may not be relevant and/or... **3)** They may not think that they need help.

In reality, the difficulty probably lies in all three. Some respondents also felt they were given conflicting information when they contacted multiple sources for assistance. Given the fact that, according to Reynolds & White, start-up firms that have "moved successfully through the process are more likely to have received some assistance," efficient access to help is vital.

ACTIONS:

- 1** | Build communities that welcome entrepreneurs and foster entrepreneurship.
- 2** | Help entrepreneurs find the resources they need at each stage of the Entrepreneurial Process.
 - Increase marketing
 - Focus on providing effective and relevant programs
 - Show how important these programs are to the success of new businesses
 - Help connect entrepreneurs with assistance that is right for them at any given time
 - Avoid providing conflicting information by developing a comprehensive, collaborative and consistent network of services
- 3** | In terms of financial assistance:
 - Change the perception that funds are not available by providing successful case studies
 - Help entrepreneurs understand and move through the steps necessary to get funding (such as business plan development)



**CONTINUED
RESEARCH COULD
REVEAL HOW
WISCONSIN'S
ENTREPRENEURIAL
CLIMATE MATCHES
UP AGAINST
CLIMATES IN
OTHER STATES
AND WHY CERTAIN
ENTREPRENEURIAL
PROJECTS DO AND
DO NOT SUCCEED.**

ASK QUESTIONS

SUCCESS BEYOND 2000

OPERATING IN
WISCONSIN SINCE **1999**

**DEBORAH
RAGLAND**

This study generated several new questions about entrepreneurship that the data could not answer. Future research on these topics would help policy makers and the public further understand the state of entrepreneurship in Wisconsin. Researchers should:

ACTIONS:

- 1** Create a longitudinal project for the topics covered in this study. One of the limitations of this study is that it is not longitudinal and does not provide the immediate opportunity to compare results over time. However, given the interesting results generated from the study, it may warrant repetition in three-to-five years to examine any changes in the elements measured.
- 2** Study why people become discouraged on the path to starting a business or discontinue a business which has previously been open. For example, when is too much "churn" fatal? It is necessary to have some churn (i.e. discontinued businesses) to ensure successful idea generation and entrepreneurship. Finding out why businesses fail is necessary to understand more about creating "optimal" churn. Determining why potentially successful businesses do not get off the ground could also help reduce barriers for future entrepreneurs.
- 3** Consider benchmarking research to determine how Wisconsin stacks up against other states in terms of Entrepreneurial Climate and participation in the Entrepreneurial Process. Consider states with high ratings/rankings in terms of entrepreneurship and/or similar demographic profiles.



KEY FINDINGS



**MARK
HOLLAND**

ENTREPRENEURIAL CLIMATE

To foster high levels of successful entrepreneurship Wisconsin should have the most encouraging Entrepreneurial Climate possible. This would be a score of 4.0 on the Entrepreneurial Climate scale developed by Reynolds & White. The average score across all respondents in Wisconsin in this study is 2.47, meaning that they view the Entrepreneurial Climate as “neutral” (neither encouraging nor discouraging). This score has changed little over the past 12 years since Reynolds & White found the average score to be 2.48 in 1993. This indicates that there is an opportunity to create a more positive and encouraging Entrepreneurial Climate across Wisconsin. (Note: the Entrepreneurial Climate scale is made up of attitudinal statements with which respondents agree or disagree. See Detailed Findings Section for further information.)

Respondents reacted fairly positively to statements regarding community support for start-up and small businesses.

Respondents responded neutrally to Entrepreneurial Climate statements regarding the encouragement young men and women receive to be independent and start new firms.

Many Wisconsinites see and admire entrepreneurs from afar but are much less likely to identify an entrepreneur in their circle of family/friends.

Funding continues to be a hot topic for Wisconsinites. On the Entrepreneurial Climate scale, statements regarding funding and financing received less than positive ratings and brought down the Entrepreneurial Climate average overall.

OPERATING IN
WISCONSIN SINCE **1990**

HOLLAND CONSTRUCTION

INVOLVEMENT IN THE ENTREPRENEURIAL PROCESS



Roughly half of the Wisconsin population is or has been involved in the Entrepreneurial Process in some way. This is a large group even given this study's broad definition of "involvement" in the Entrepreneurial Process.

- Roughly 19% of respondents indicated that they are self-employed, owners/managers of current businesses or selling goods/services to others.
- Seventeen percent (17%) are thinking about starting a business while 12% are currently in the process of starting one. Interestingly, of those who indicated that they are trying to start one, half (50%) have taken two or more steps towards this goal.
- On the other hand, 14% of respondents indicated that they had discontinued the process of starting a business and 12% had shut down a business that had previously been open (not including businesses which were sold).

Note: these "stages" are not mutually exclusive so an individual respondent could potentially be included in multiple stages.

Respondents who indicated that they are not involved in the Entrepreneurial Process in any way (50% of the population), listed various reasons for this including: no funds, too risky, happy with current job, and retired.

Respondents who are involved in the Entrepreneurial Process have a statistically lower average Entrepreneurial Climate score than those who are not involved (i.e. a less positive perception).

Demographically, current business owners are more likely to be married and in the 45-54 age group. Close to two thirds (62%) are male while just over one third (37%) are female.

Those who are not involved in the Entrepreneurial Process are more likely to be female, not married, employed full-time, retired, high school graduates, and/or have no Internet access.

**RICK
NORRIS**

AWARENESS AND USAGE OF ENTREPRENEURIAL ASSISTANCE SERVICES

According to this study, the majority of people involved in the Entrepreneurial Process are not contacting assistance sources in Wisconsin for help with marketing, financing, business planning or regulatory issues.

- Seventeen percent (17%) of respondents contacted sources for regulatory information, the largest percentage for any of the four topics.

Referrals from other agencies was one of the top ways that respondents found out about assistance services, although, on average, this only happened for less than half of respondents.

Information from the Internet and referrals from other entrepreneurs were also key in helping entrepreneurs find assistance services.

Roughly a quarter to half of respondents (who did contact a source or sources for assistance) indicated that they received conflicting information.

When examining the awareness and usage of assistance programs for more specific topics (see Detailed Findings Section for a complete list), it is clear there is a lack of awareness and usage for the majority of these programs, with awareness between 25% and 60% among those involved in the Entrepreneurial Process.

- Programs for assistance with licenses/patents and other regulatory issues had the highest awareness and usage.



OPERATING IN WISCONSIN SINCE **1994**

NORRIS & ASSOCIATES
ENGINEERS, SCIENTISTS AND PLANNERS

ROUGHLY
 HALF
 OF THE WISCONSIN
 POPULATION
 49%
 IS OR HAS BEEN
 INVOLVED IN THE
 ENTREPRENEURIAL
 PROCESS
 IN SOME WAY.

METHODOLOGY
 &
 DETAILED FINDINGS

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M E T H O D O L O G Y

— Study Topics —

Entrepreneurship is important to the health of Wisconsin’s economy and, as such, there is an interest in many facets of entrepreneurship across the state. This study addresses the following questions related to entrepreneurship:

- How does the Wisconsin population feel about the Entrepreneurial Climate?
- How are Wisconsinites involved in the Entrepreneurial Process?
- Why are some people not involved in the Entrepreneurial Process?
- Do perceptions of the Entrepreneurial Climate in Wisconsin vary depending on other factors such as level of involvement in the Entrepreneurial Process or geography?
- What have those involved in the Entrepreneurial Process contacted Wisconsin assistance services for help with?
- How did they find out about these assistance services? How many sources did they contact? Did they receive conflicting information at any point?
- What is the awareness and usage of entrepreneurial assistance services by specific topic?

— Sampling and Data Collection —

The sample for this study was obtained by the University of Wisconsin Survey Center from Market Systems Group and was comprised of mailing addresses for over 3,000 randomly selected households across the state of Wisconsin. The sample was designed as general population (rather than specifically entrepreneurs) to study entrepreneurship from a “big picture” point of view. However, the survey also asked questions specifically of people involved in the Entrepreneurial Process to obtain actionable information for this segment as well.

A mail survey was selected as the methodology for this study for several reasons. First, this methodology ensured that all segments of the population were reached (as opposed to utilizing the Internet - which was especially important given that roughly 20% of the respondents indicated that they do not have Internet access). Second, it would have been difficult to collect accurate data over the phone for the multi-part questions that were included in the survey. Third, it was economical and a good match for the budget. Therefore, a mail survey was identified as the best methodology given the circumstances. One additional point is that, based on findings from Reynolds & White, [a single methodology was selected as opposed to using a multi-method approach to maintain consistent results.

In an effort to secure the highest response rate possible (and therefore limit non-response bias), a reminder postcard and second survey were mailed to all households that did not return the initial survey. (Non-response bias occurs when respondents with certain characteristics choose not to respond to a survey, therefore biasing the results. The best solution for non-response bias is to increase the response rate.) In addition, a \$2 pre-incentive was used to increase the response rate. Multiple mailings and prepaid incentives are standard survey practices to increase response rates (Dillman, 2000, Mail and Internet Surveys). To help increase the response rate even further by conveying the importance of the survey, the cover letter for the initial survey was signed by Governor Jim Doyle and appeared on the governor’s letterhead.

The first mailing occurred May 27, 2005, followed by the postcard on June 2 and the second survey on June 10. The field was closed on June 24, 2005.

In the end, 1,144 surveys were completed and returned by the field-close data yielding a 40% response rate. The total of 1,144 also provided a substantial sample size for statistical analysis for most of the survey questions. Another positive finding was that the demographic profile of the respondent base as a whole closely matched the census statistics for the population of Wisconsin.

D E M O G R A P H I C P R O F I L E

This section provides a demographic profile of the respondents for the study. For the most part, the respondent data closely matches the census statistics for the state of Wisconsin. (In fact, any data weighting to more closely match the census statistics did not yield any significant differences at .95 or .90 levels in any of the results which emphasizes the representative nature of the results of the population as a whole. This was

particularly important as some of the questions in the survey deal with gender.)

Cross-tabulations of the demographic characteristics by other survey variables are discussed in the results sections for each topic. (Note: due to the racial/ethnic make-up of the Wisconsin population (98% non-Hispanic and 93% white), cross tabulation by these characteristics did not yield any significant results at any point.)

FIGURE 1-1 | Gender

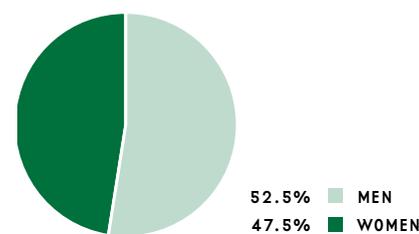


FIGURE 1-2 | Age

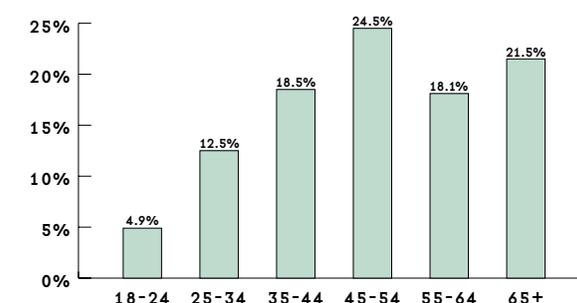


FIGURE 1-3 | Ethnicity

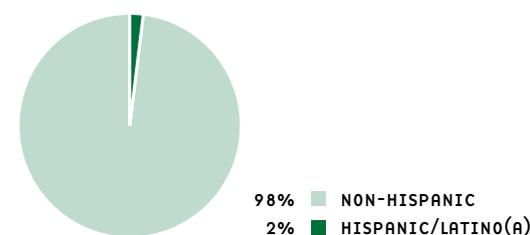
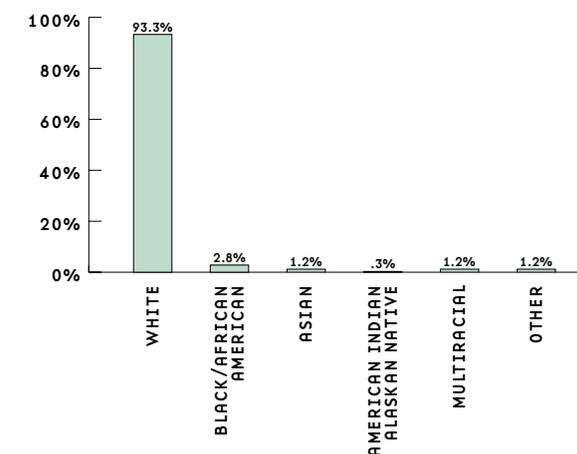


FIGURE 1-4 | Race



KEY FINDINGS

ENTREPRENEURIAL CLIMATE

FIGURE 1-5 | Marital Status

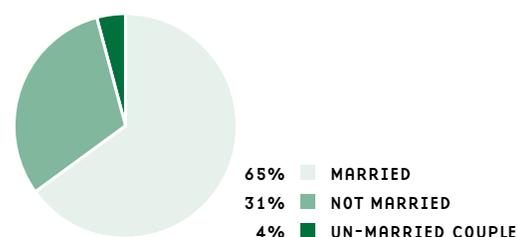
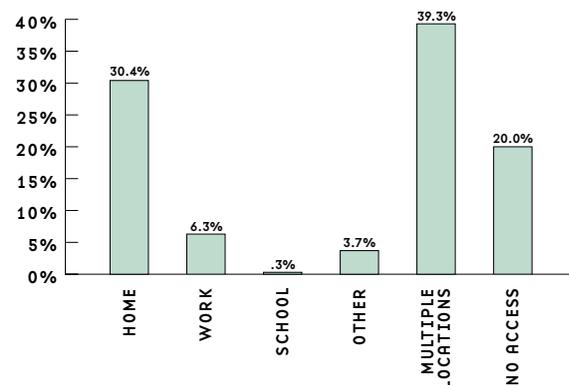


FIGURE 1-6 | Internet Access



Background

This section of the report explores the results from the Entrepreneurial Climate portion of the survey. All respondents were asked to complete this section of the survey to determine the perception of Wisconsin’s Entrepreneurial Climate across the entire population (regardless of involvement or lack thereof in the Entrepreneurial Process). While the perception of the Entrepreneurial Climate is a softer measurement than, for example, the number of new firms in Wisconsin, it is still a key measure and may provide more in-depth insights. Having a climate in Wisconsin that fosters and is supportive of entrepreneurship is a key step in increasing successful entrepreneurship and achieving a healthy economy.

entrepreneurship (their general population study was completed in 1993). These statements deal with issues such as support and assistance for new businesses, the social view of entrepreneurs, and proximity to new business owners. Respondents were asked to indicate if they “strongly disagree, disagree, agree or strongly agree” with each statement. (Note: a high level of agreement with some of the statements indicates a more positive view of the Entrepreneurial Climate while a high level of agreement with other statements indicates a more negative view of the Entrepreneurial Climate. See Tables 2-2A and 2-2B for distinction.)

Analysis was performed on the results for each statement individually. However, in the course of their research, Reynolds & White found that nine of the statements comprised the best Entrepreneurial Climate index with a high level of internal consistency. (See Figure 2-19) The mean for this set of nine statements (termed the Entrepreneurial Climate score) was used in cross-tabulation with other study variables.

Each respondent was asked to indicate their level of agreement with 18 different statements regarding the Entrepreneurial Climate in Wisconsin. The first two statements were developed for the purposes of this study and were used to evaluate the level of perceived community support for entrepreneurs/ entrepreneurship. The other 16 statements were developed by Reynolds & White in their work on

Results

FIGURE 1-7 | Highest Level of Education Attained

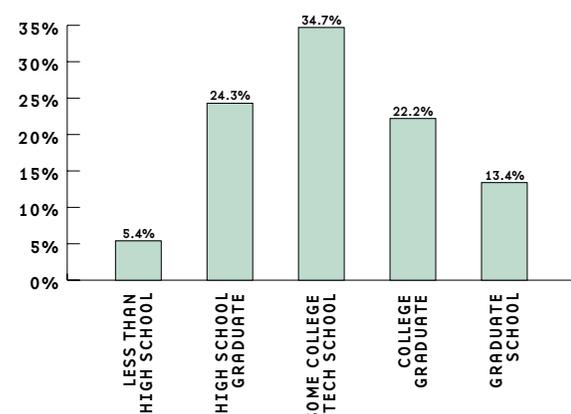


FIGURE 1-8 | Employment Status

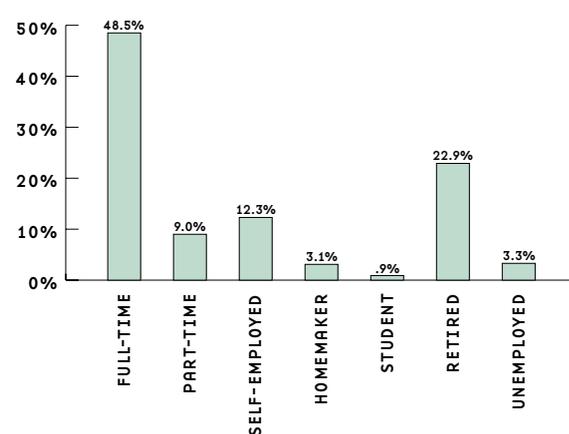


FIGURE 1-9 | Annual Household Income

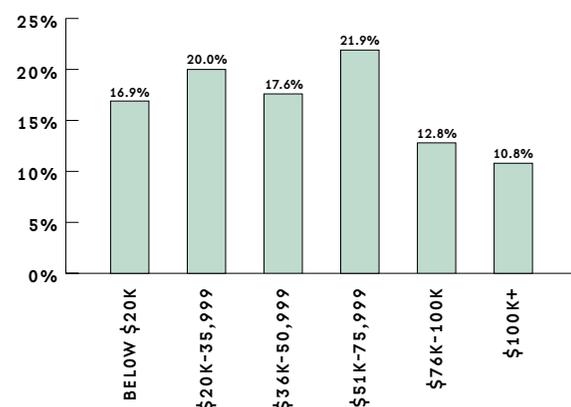
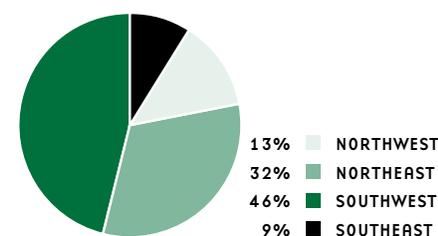


FIGURE 1-10 | Geographic Regions Defined by Wisconsin Entrepreneurs’ Network



Community Statements The majority of respondents indicated that they agreed with the statements about community support for entrepreneurship with mean scores of 2.87 and 2.91. A higher percentage of respondents agreed/ strongly agreed with the statement regarding

support for existing business owners as opposed to people starting businesses. (Note: Besides determining the mean response for each statement, it is also helpful to examine the breakdown of responses for each statement as shown in Figures 2-1 and 2-2).

TABLE 2-1 | Mean Response to Community Related Statements

Community Statement	Mean Response
My community is supportive of people starting new businesses	2.87 (n=1105)
My community is supportive of existing small business owners	2.91 (n=1103)

FIGURE 2-1 | “My community is supportive of people starting new businesses”

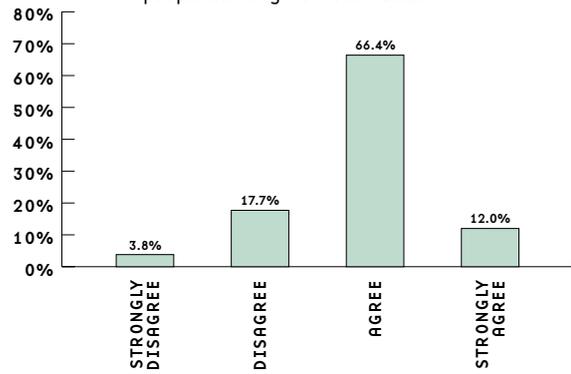
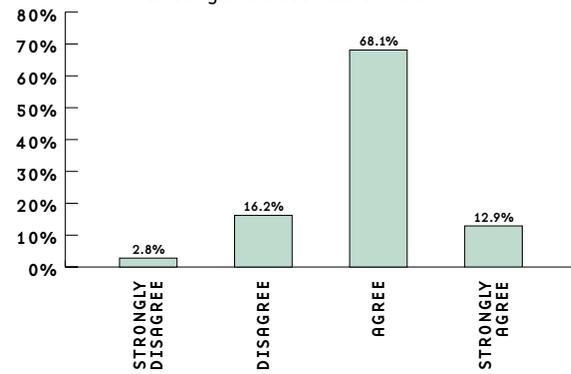


FIGURE 2-2 | “My community is supportive of existing small business owners”



Entrepreneurial Climate Statements (Reynolds & White) Respondents were most likely to agree that entrepreneurs get attention and admiration (2.97) and that there are a lot of examples of successful entrepreneurs in the world (2.95). They were less

likely to agree that many young men or women in their circle of family/friends are entrepreneurs (2.09, 1.96). They also feel that young men and women try to find positions with current firms (3.06, 3.05).

TABLE 2-2A | Mean Response to Entrepreneurial Climate Related Statements (Higher mean response indicates a more **positive** view of the Entrepreneurial Climate)

Entrepreneurial Climate Statement	Mean Response
Those with successful businesses get a lot of attention and admiration	2.97 (n=1088)
Young men are encouraged to be independent and start their own businesses	2.50 (n=1080)
Young women are encouraged to be independent and start their own businesses	2.45 (n=1083)
State and local governments provide good support for men starting new firms	2.46 (n=1152)
State and local governments provide good support for women starting new firms	2.48 (n=1048)
Bankers and other investors go out of their way to help new firms get started	2.36 (n=1056)
There are many examples of well respected people who have made a success of themselves by starting new businesses	2.95 (n=1088)
Among my friends and family... many of the men have started new firms	2.09 (n=1100)
Among my friends and family... many of the women have started new firms	1.96 (n=1089)
Among my friends and family... more women would start new firms if they could get financial help	2.92 (n=1085)
Among my friends and family... more men would start new firms if they could get financial help	2.95 (n=1083)

TABLE 2-2B | Mean Response to Entrepreneurial Climate Related Statements (Higher mean response indicates a more **negative** view of the Entrepreneurial Climate)

Entrepreneurial Climate Statement	Mean Response
Among my friends and family... we rarely meet entrepreneurs socially	2.69 (n=1075)
Among my friends and family... we are embarrassed to talk about those with failed businesses	2.08 (n=1087)
If a person’s business fails, they will never be respected again	1.92 (n=1098)
Most young women try to find good jobs and careers with existing organizations	3.06 (n=1100)
Most young men try to find good jobs and careers with existing organizations	3.05 (n=1098)

FIGURE 2-3 | “Those with successful businesses get a lot of attention and admiration”

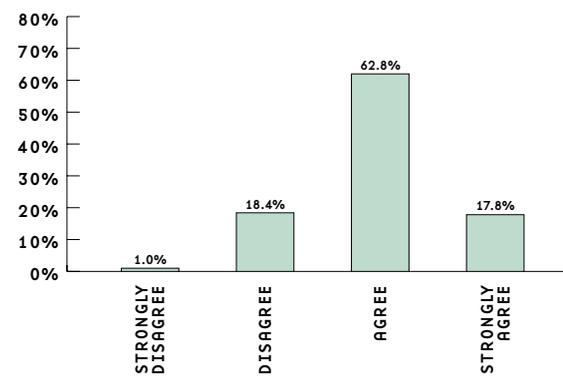


FIGURE 2-4 | “Young men are encouraged to be independent and start their own businesses”

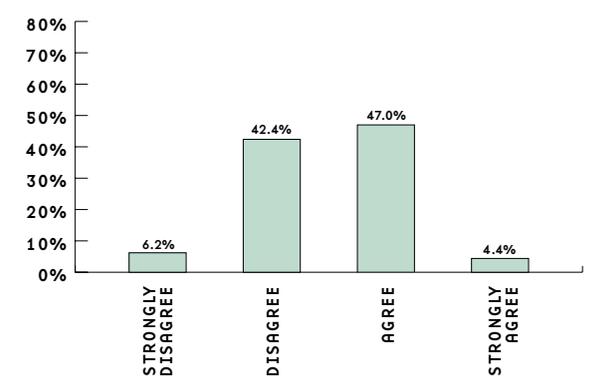


FIGURE 2-5 | “Young women are encouraged to be independent and start their own businesses”

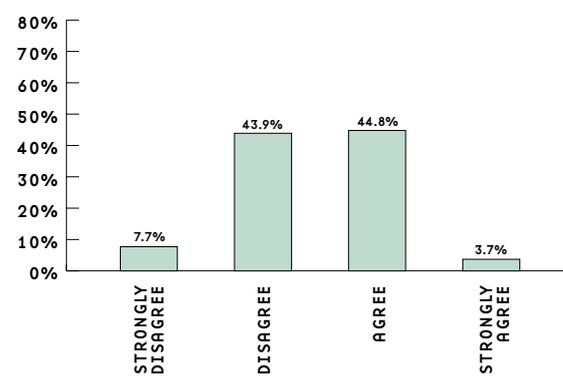


FIGURE 2-6 | “State and local governments provide good support for men starting new firms”

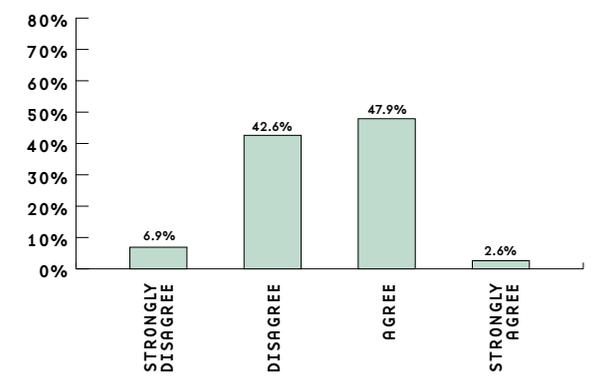


FIGURE 2-7 | "State and local governments provide good support for women starting new firms"

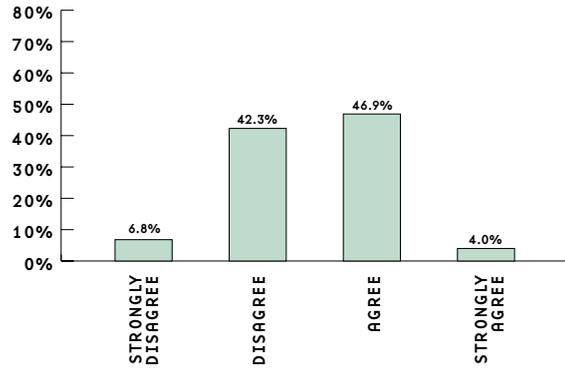


FIGURE 2-8 | "Bankers and other investors go out of their way to help new firms get started"

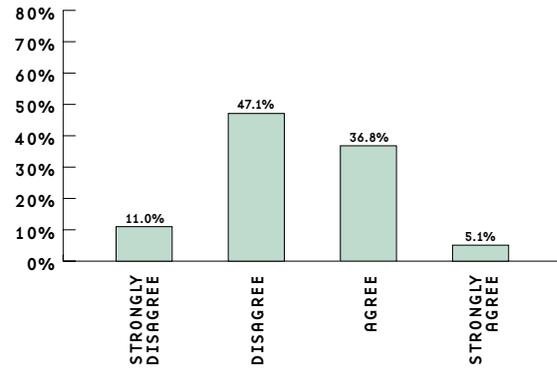


FIGURE 2-13 | "Among my friends and family... more men would start new firms if they could get financial help"

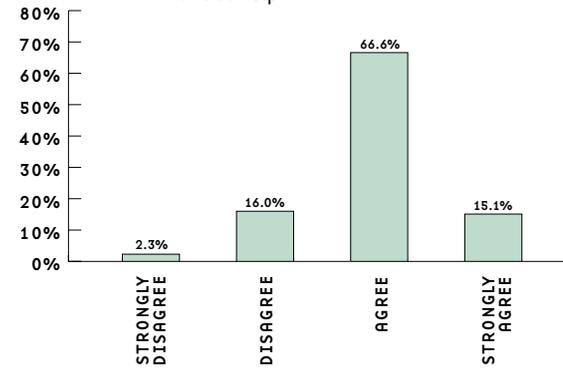


FIGURE 2-14 | "Among my friends and family... we rarely meet entrepreneurs socially"

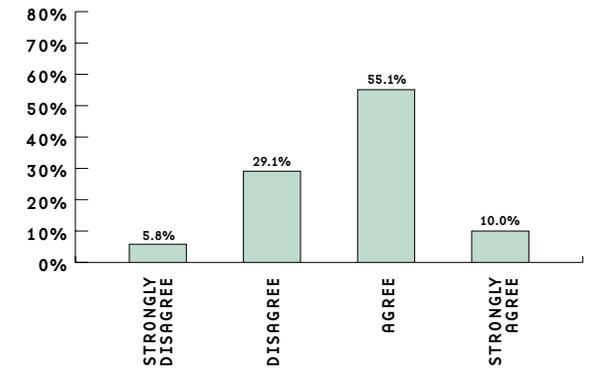


FIGURE 2-9 | "There are many examples of well respected people who have made a success of themselves by starting new businesses"

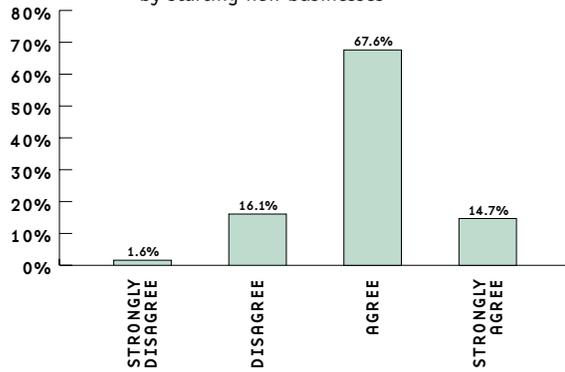


FIGURE 2-10 | "Among my friends and family... many of the men have started new firms"

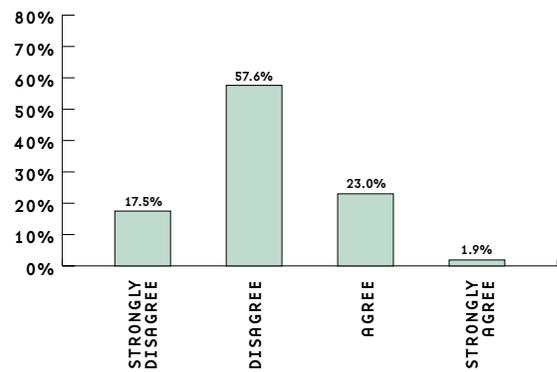


FIGURE 2-15 | "Among my friends and family... we are embarrassed to talk about those with failed businesses"

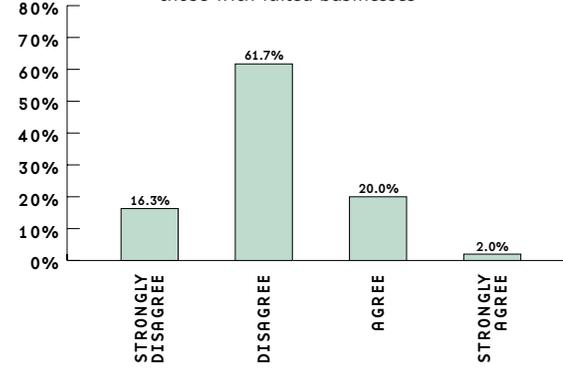


FIGURE 2-16 | "If a person's business fails they will never be respected again"

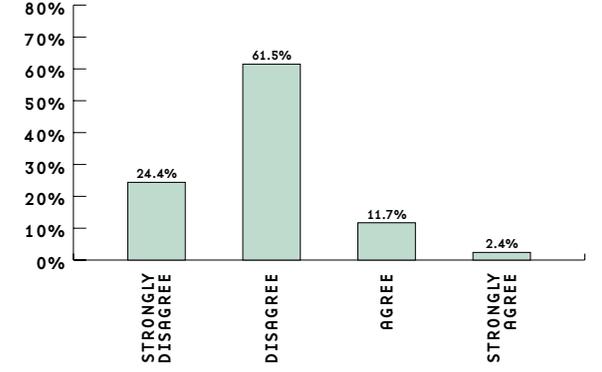


FIGURE 2-11 | "Among my friends and family... many of the women have started new firms"

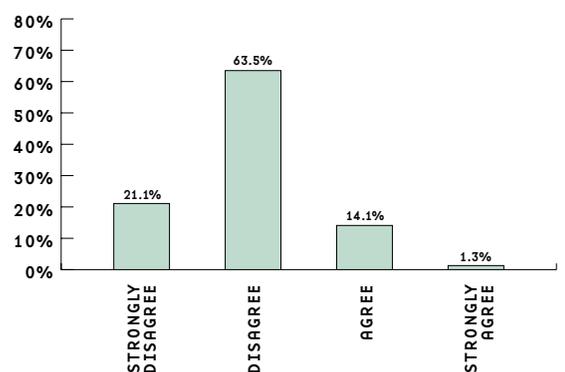


FIGURE 2-12 | "Among my friends and family... more women would start new firms if they could get financial help"

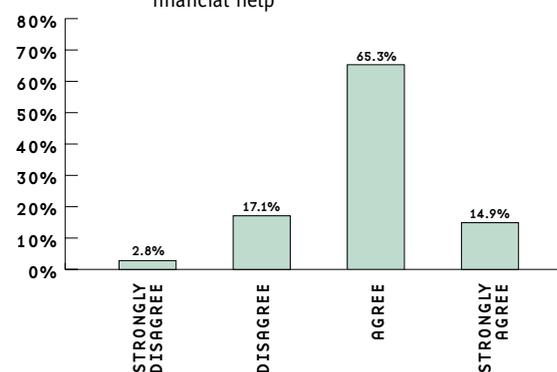


FIGURE 2-17 | "Most young women try to find good jobs with existing organizations"

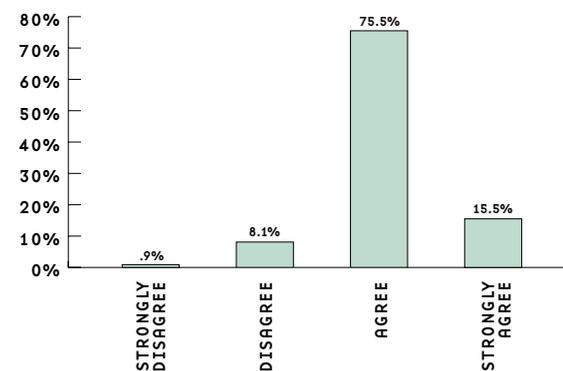
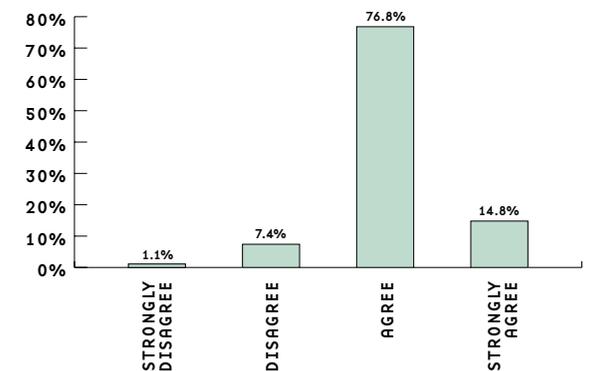


FIGURE 2-18 | "Most young men try to find good jobs with existing organizations"



Nine-item Entrepreneurial Climate Scale

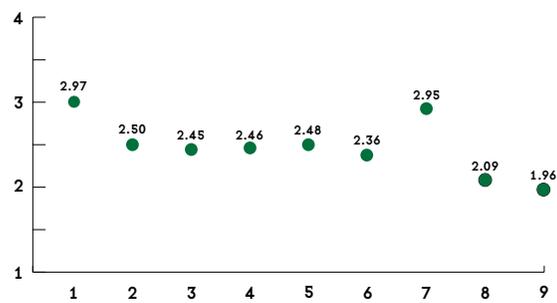
In their work on entrepreneurship, Reynolds & White identified nine of the statements in the Entrepreneurial Climate section that provide the best index for the Entrepreneurial Climate. All nine statements are “unidirectional” meaning that higher mean responses indicate a more positive perception of the Entrepreneurial Climate. Across these nine items, the

average score generated in this study is 2.47, which is considered a “neutral” score. Neutral implies that the climate in Wisconsin is neither encouraging nor discouraging entrepreneurship. Interestingly, Reynolds & White found that the average for the Wisconsin population in 1993 was 2.48, indicating little change over the last 12 years.

The nine statements in the Entrepreneurial Climate scale are:

- 1 | Those with successful businesses get a lot of attention and admiration
- 2 | Young men are encouraged to be independent and start their own businesses
- 3 | Young women are encouraged to be independent and start their own businesses
- 4 | State and local governments provide good support for men starting new firms
- 5 | State and local governments provide good support for women starting new firms
- 6 | Bankers and other investors go out of their way to help new firms get started
- 7 | There are many examples of well respected people who have made a success of themselves by starting new businesses
- 8 | Among my friends and family many of the men have started new firms
- 9 | Among my friends and family many of the women have started new firms

FIGURE 2-19 | Average Scores for Entrepreneurial Climate Scale Items



Entrepreneurial Climate Scale Items
(see above list for complete statements)

Entrepreneurial Climate Results by Demographic Characteristics

Another interesting data set to examine is the Entrepreneurial Climate ratings cross-tabulated by demographic characteristics. The data show that responses to the Entrepreneurial Climate statements tend to be somewhat related to age and

employment status as seen in Tables 2-3A and 2-3B. It should be noted that Reynolds & White performed a more robust analysis on findings in this area in their work and did not find that personal characteristics had a large impact on the overall Entrepreneurial Climate score.

TABLE 2-3A | Demographic Profile of Respondents Based on Reaction to Entrepreneurial Climate Statements
(Higher mean response indicates a more positive view of the Entrepreneurial Climate)

Community/Entrepreneurial Climate Statement	Those who <i>disagree</i> are statistically more likely to be/have...	Those who <i>agree</i> are statistically more likely to be/have...
My community is supportive of people starting new businesses	Internet in multiple locations Tech school Self employed	65+
My community is supportive of existing small business owners	Tech school Self employed	65+
Those with successful businesses get a lot of attention and admiration	Self employed	n/a
Young men are encouraged to be independent and start their own businesses	18-24 Male Married Internet in multiple locations Tech school	65+ Female Not married Internet at work only
Young women are encouraged to be independent and start their own businesses	25-34 Internet in multiple locations Tech school	65+ Not married
State and local governments provide good support for men starting new firms	45-54 Married Internet in multiple locations Self-employed \$76,000 - \$100,000	65+ Not married Retired
State and local governments provide good support for women starting new firms	45-54 Internet in multiple locations Self-employed	65+ Retired
Bankers and other investors go out of their way to help new firms get started	25-44 Self-employed Employed full time \$100,000+	65+ Not married No Internet access Retired
There are many examples of well respected people who have made a success of themselves by starting new businesses	Internet at home only Tech school	Married Retired
Among my friends and family... many of the men have started new firms	n/a	65+ Retired
Among my friends and family... many of the women have started new firms	Married Internet in multiple locations \$51,000-76,000	65+ Retired
Among my friends and family... more women would start new firms if they could get financial help	Male Married College graduate	Female Not married High school graduate
Among my friends and family... more men would start new firms if they could get financial help	Internet at work only College graduate	High school graduate

TABLE 2-3B | Demographic Profile of Respondents Based on Reaction to Entrepreneurial Climate Statements

(Higher mean response indicates a more **negative** view of the Entrepreneurial Climate)

Community/Entrepreneurial Climate Statement	Those who <i>disagree</i> are statistically more likely to be/have...	Those who <i>agree</i> are statistically more likely to be/have...
If a person's business fails, they will never be respected again	65+	n/a
Most young women try to find good jobs and careers with existing organizations	n/a	Married
Most young men try to find good jobs and careers with existing organizations	n/a	Married
Among my friends and family... we rarely meet entrepreneurs socially	25-34 College graduate \$100,000+	55+ Female No Internet access \$20,000-36,000
Among my friends and family... we are embarrassed to talk about those with failed businesses	Female Internet in multiple locations	Male

Entrepreneurial Climate Results by Geographic Region

The four regions used for this analysis were NW, NE, SW, and SE as determined by the Wisconsin Entrepreneurs' Network. When the average Entrepreneurial Climate score was cross-tabulated by region, a difference appeared. Respondents in the SW region have the highest average score (indicating that they have the most positive perception of the Entrepreneurial Climate). There could be multiple reasons for this and it would be difficult to pinpoint one with certainty.

TABLE 2-4 | Average Entrepreneurial Climate Score by Geographic Region

WEN Region	Mean score
Northwest	2.49 (n=142)
Northeast	2.48 (n=343)
Southwest	2.56 (n=94)
Southeast	2.42 (n=499)

— Discussion —

In examining the data from the Entrepreneurial Climate statements as well as the cross-tabulations, several key insights stand out.

First, the Entrepreneurial Climate score in Wisconsin has not changed significantly from 13 years ago. While there has not been a backslide, there has also been no significant improvement. The hope is that information from this study will help to improve the Entrepreneurial Climate in the future.

Community support can have a great impact on entrepreneurship and the data from this study indicate that there is room to improve in this area. Wisconsinites provided a slightly better than neutral response to the community-related statements. The need to work for more community support concurs with the conclusion reached by the 1999 Entrepreneurial Network Study (SBDC & Department of Commerce).

Many Wisconsin residents see entrepreneurs from afar but not up close. Respondents were fairly likely to agree that entrepreneurs get admiration for their achievement (2.97) and that there are examples of these people in the world (2.95), showing that the social climate (from afar) is positive for entrepreneurs. However, it is interesting that the majority of respondents indicated that they did not have many family/friends who have started new businesses. To go along with this, over half (65%) of respondents indicated they do not interact with entrepreneurs socially. So, while they feel that entrepreneurs are admired and there are examples of them out in the world, they do not feel that there are many within their close circle.

Not surprisingly, the data reflect the appeal of existing organizations in that almost all respondents (roughly 90%) agree or strongly agree that most young men and women try to find jobs with existing organizations while only about half agree that they are encouraged to be independent and start new businesses. This is an interesting finding that sheds light on possible changes that could be made to encourage further entrepreneurship among young men and women.

Funding is a key issue in the Entrepreneurial Climate statements and apparently also for the Wisconsin population. Roughly half of all respondents indicated they did not feel that state and local governments or bankers/investors are good at helping new firms get funding. On the other hand, the majority (roughly 80%) of respondents indicated that people in their circle would start new firms if they could get funding. As with most statements of this nature, this is liable to be overstated but still paints an interesting picture. The question that arises is whether there are not enough funds, not enough access to the funds, or not enough projects with good potential to fund. An additional possibility could be that the system is working as it should and that the public perception is the only sticking point.

When examining the cross-tabulation by demographic characteristics, it appears that older (65+) respondents have a more positive view of the Entrepreneurial Climate. This is an interesting finding and could possibly stem from the feeling that it was easier to start a business in previous decades or a strong faith in government systems. It could also be due to the fact that this age group is inclined to use the positive end of the scale.

KEY FINDINGS

INVOLVEMENT IN THE ENTREPRENEURIAL PROCESS

— Background —

One of the reasons that this study was designed as a general population survey (meaning that the results are representative of the Wisconsin population) was to determine if and how Wisconsinites are involved in the Entrepreneurial Process. It is important to understand entrepreneurship at this “big-picture” level to develop recommendations which will have maximum impact.

To this end, all respondents were asked several questions to determine if they were or had ever been involved in an entrepreneurial endeavor at any level. They were asked if they...

- | Are thinking about or interested in starting a new business
- | Are currently trying to start a new business
- | Have tried to start a new business but given up or discontinued efforts
- | Are currently self-employed, the owner of a business that they help manage or selling goods and services to others
- | Have shut down, discontinued or quit a business that they owned or managed (not counting businesses that have been sold)

These questions were designed based on previous work done by the Global Entrepreneurship Monitor (GEM) and Reynolds & White. The questions are also similar to many other measures of entrepreneurial

experience/participation but may be broader or more encompassing. Because the study sample did not contain any information about business involvement, it was not possible to determine if respondents were in multiple stages with multiple endeavors. Therefore, the “stages” are not discrete, and respondents can be in multiple stages simultaneously. For example, a respondent could have shut down one business and then opened another and would therefore answer yes to two questions and be included in two “stages.”

Respondents who indicated that they were starting a business were asked a follow-up question to determine which steps they had taken in this process. The purpose of this was to determine how far along in the process they were and also to examine which steps were the most common. Current business owners/managers were also asked two follow-up questions: how long the business had been open, and what industry it was in.

If respondents indicated that they were involved in the Entrepreneurial Process in any way (i.e. they answered “yes” to any of the questions in this section), they proceeded on to further questions about the types of assistance they have sought. If they answered “no” to all five questions, they were not considered to be involved in the Entrepreneurial Process and were then asked why they had chosen not to start a business and sent to the demographics section at the end of the survey.

— Results —

Entrepreneurial Process Involvement

Keeping in mind that the Entrepreneurial Process involvement “stages” created for this study are broader than other similar measures, the data show that roughly half of Wisconsinites are (or have been) involved in some way. (Because the categories are not mutually exclusive, this figure is derived by taking the number of respondents who are not involved and subtracting it from the total.) Just over nineteen percent (19.4%) of respondents indicated that they are currently self-employed, the owner/manager of a business, or selling goods/services to others. Of those who currently have a business, the

majority (68%) indicated that the business has been open more than four years. Only 12% of those with a business indicated that the business has been open less than one year. In terms of the industries the businesses are in, 41% are in consumer services, 25% are in agriculture/construction with fewer in each of the other categories (see Figure 3.8).

Seventeen percent (17%) of respondents are thinking about or interested in starting a business, and 12% indicated that they are trying to start one. Of those who are trying to start a business, 42% indicated that they had completed a business plan

while 43% had looked for facilities or equipment. Far fewer respondents had sought financial support (29%) or applied for licenses or patents (27%). Only 8% of respondents stated they had hired employees. (This question was a multiple response question so respondents were allowed to select multiple steps they had completed.) When examining the number of respondents who had completed two or more steps (including any steps in the “other” category),

roughly half (50.3%) had completed two or more steps while 49.7% had completed one or less.

When examining the other two “stages” in the Entrepreneurial Process, a similar percentage of respondents indicated they had become discouraged (14%) or had discontinued a business (12%).

FIGURE 3-1 | Involvement in the Entrepreneurial Process (multiple mention)

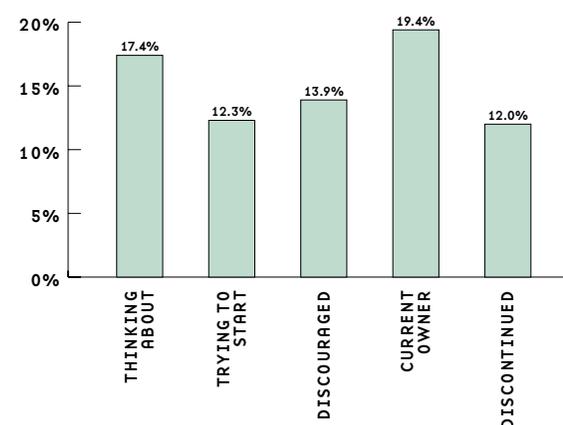


FIGURE 3-2 | “Are you thinking about or interested in starting a new business?” (n=1144)

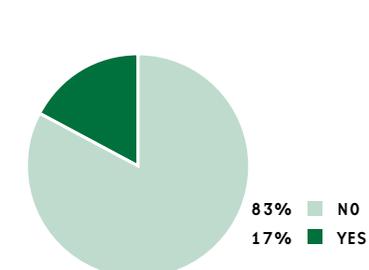


FIGURE 3-3 | “Are you, alone or with others, now trying to start a new business?” (n=1144)

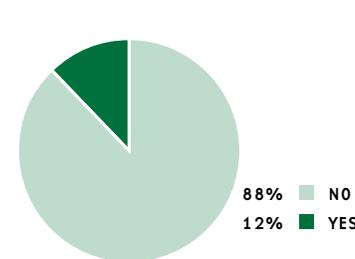


FIGURE 3-4 | Steps Taken to Start a New Business (n=143)

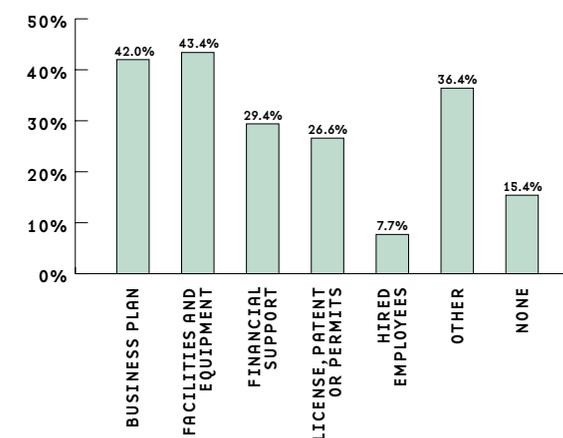


FIGURE 3-5 | Taken Two or More Steps in Starting a Business (n=143)

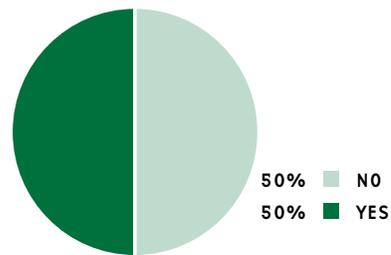


FIGURE 3-6 | "Have you, alone or with others, tried to start a business but given up or discontinued your efforts?"

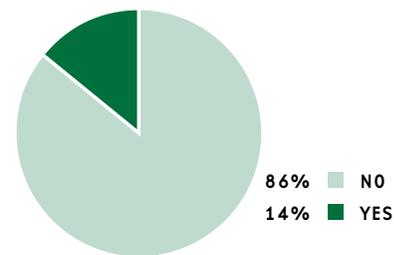


FIGURE 3-7 | "Are you currently self-employed, the owner of a business that you help manage, or selling goods/services to others?" (n=1144)

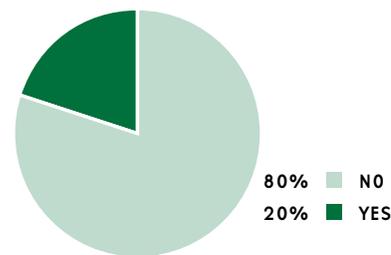


FIGURE 3-8 | Industry of Business for Current Business Owners (n=310)

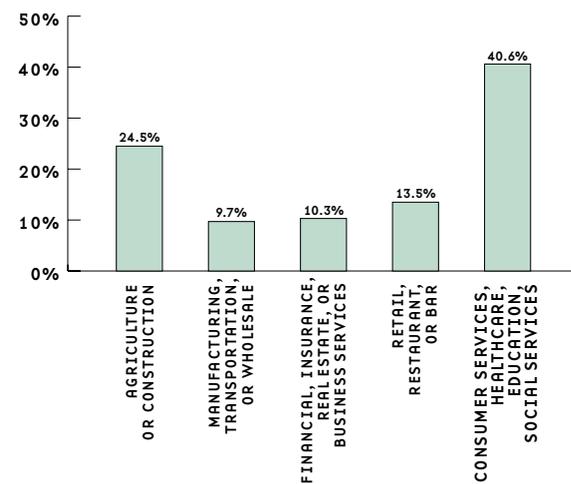


FIGURE 3-9 | Number of Years Business Has Been Open for Current Business Owners (n=218)

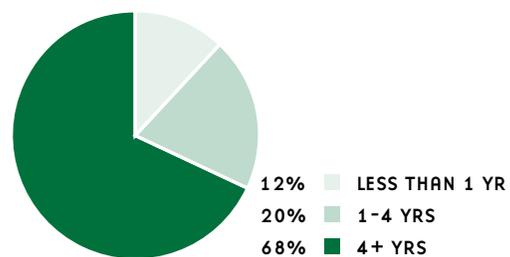
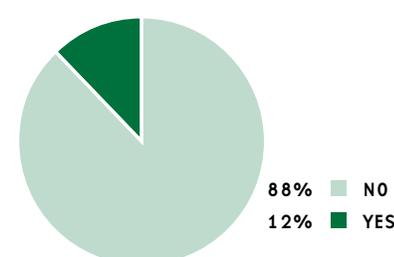


FIGURE 3-10 | "Have You Shut Down, Discontinued, or Quit a Business that You Owned and Managed?" (n=1144)



Roughly half (51%) of respondents indicated that they were not involved in the Entrepreneurial Process by answering "no" to all five Entrepreneurial Process questions. When asked why they had not started a business, the top responses were: "not interested," "not enough funds" and "happy with current job."

However, 'not knowing where to start' and 'not having the necessary knowledge or skills' were also selected more than 20% of the time. (Note: respondents could check all of the answers that applied to them.)

FIGURE 3-11 | Involvement in the Entrepreneurial Process (n=1144)

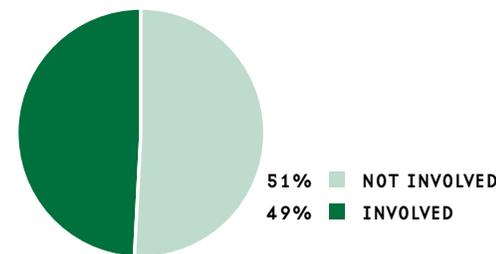
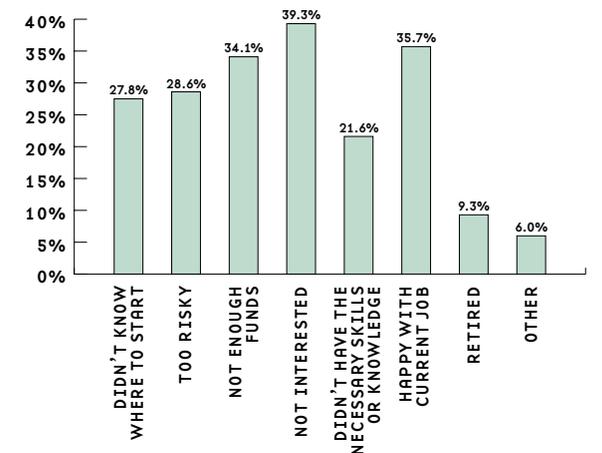


FIGURE 3-12 | Reasons for Not Starting a New Business Provided by Those Not Involved in the Entrepreneurial Process (n=619)



Entrepreneurial Process Involvement by Demographic Characteristics

To encourage successful entrepreneurship, it is helpful to understand who is more likely to be in each stage of the Entrepreneurial Process. Respondents who are involved in the Entrepreneurial Process at any stage are statistically more likely to be male. Roughly two thirds (63%) of current business owner/managers are male while just over one third (37%) are female. (See Figure 3-13) Those who are involved in the initial stages of the Entrepreneurial Process are more

likely to be under 55, have a college degree and be well connected to the Internet (access at multiple locations). Those who have a current business are more likely to be in an older age group (45-54) and married.

Based on the above findings, it can be concluded that respondents who are not involved in the Entrepreneurial Process are more likely to be employed full-time or retired, female, not married, without Internet access, and with a high school education.

FIGURE 3-13 | Entrepreneurial Involvement by Gender (n=619)

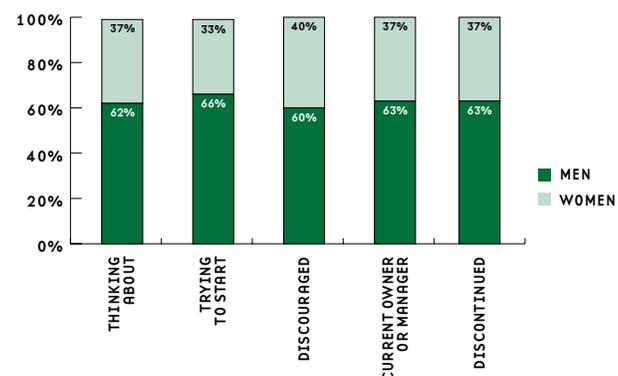


TABLE 3-1 | Entrepreneurship Processes Involvement by Demographic Characteristics

Stage of Entrepreneurial Process	People in this Entrepreneurial Process stage are more likely to be/have...	People in this Entrepreneurial Process stage are less likely to be/have...
Thinking about or interested in starting a new business	25-54 Male Internet- multiple locations College grad Self-employed Below \$20,000 \$100,000+	55-64 Female \$51,000-76,000
Currently trying to start a new business	25-54 Male Internet – multiple locations College graduate Self-employed \$100,000+	55+ Female High school graduate
Tried to start a new business but given up or discontinued	45-54 Male	Female High school graduate
Currently owner/manager of a business, self-employed, or selling goods/services	45-54 Male Married Internet – home only College graduate \$100,000+	55+ Female Not married Internet – no access Employed full time \$20,000-36,000
Shut down or discontinued a business that owned and managed	45-54 Male Self-employed	Female
Have not started a business (not involved in the Entrepreneurial Process)	Female Not married Internet – no access High school graduate Employed Full-time Retired	45-54 Male Married

Entrepreneurial Process Involvement by Entrepreneurial Climate Scale Average Score

One other interesting cross-tabulation of the data is involvement in the Entrepreneurial Process by Entrepreneurial Climate scale scores. Again, this uses an average score for the nine item scale developed by Reynolds & White. The results show that respondents involved in stages of the Entrepreneurial Process yield statistically lower average Entrepreneurial Climate ratings than those who are not involved the Entrepreneurial Process.

TABLE 3-2 | Entrepreneurial Process Involvement by Entrepreneurial Climate Scale Score

Entrepreneurial Process Stage	Mean Entrepreneurial Climate Score for Respondents in this Stage
Interested	2.38
Trying to start	2.34
Discouraged	2.31
Owner	2.41
Discontinued	2.38
Not involved	2.50

— Discussion —

Data regarding the involvement of the Wisconsin population in the Entrepreneurial Process provide several interesting insights. First and foremost, roughly half of the Wisconsin population is or has been involved in the Entrepreneurial Process. When the definition of entrepreneur or entrepreneurship is broadened to take this into account, entrepreneurship is on the radar of many Wisconsinites. This is a huge market for policies and programs regarding entrepreneurs or potential entrepreneurs.

Seventeen percent (17%) of respondents indicate they are thinking about starting a new business. There is an opportunity to help this portion of the population move on to actually taking steps in the start-up process. There are also Wisconsin residents who are trying to start new businesses. It is particularly interesting to examine the steps that respondents have taken to start a business. Only about half have completed two or more steps, which shows an opportunity to help entrepreneurs outline and complete steps on the way to starting a business. This is a key touch-point, particularly given what other research (Kauffman Foundation) has determined: less than 20% of nascent entrepreneurs actually start businesses.

There is also a group in the population who are business owners/self-employed. This segment is roughly 20% of the population and tends to be male, 45-54, and married. As Reynolds & White noted, marriage may provide stability and additional financial resources for potential entrepreneurs. Many of these findings closely match the findings from the GEM study. GEM found that people between 25 and 34, males, people with a specialized higher degree and African-Americans and Hispanic-Americans are most likely to be active in entrepreneurial activity. Interestingly Reynolds & White also noted that business owners in Wisconsin tend to be older than average, which also concurs with data from this study. This demographic information as well as other studies on entrepreneurs may help policy makers design programs to help current entrepreneurs reach their business goals.

Some respondents also indicated they have tried to start a business and become discouraged and/or shut down or discontinued a business (excluding selling the business). The percentage of respondents who indicated that they had experienced (either or both of) these stages was not overly large but brings up questions about how people fall into these stages and what can be done to prevent this. For example, what steps did they perform in starting their businesses and did they miss any steps? This is particularly interesting given that Dun & Bradstreet determined that one of the most prevalent reasons given for discontinuing a business (nationwide) is “lack of knowledge.” In addition, these findings bring up the issue of positive versus negative churn.

Finally, there is the matter of Wisconsinites who have chosen not to start a business. Those who say that they have not done so because they are retired are perhaps of less interest and show less potential for future entrepreneurship. Those who feel that it is too risky, cannot find funding, or do not feel they have the skills or experience may be people who could start successful businesses with education or assistance.

This study determined that people who are interested in becoming or who are already involved in the Entrepreneurial Process have a less positive view of the Entrepreneurial Climate than those who are not involved. In fact, Reynolds & White found that the further people advance into the Entrepreneurial Process, the less positive their perception of the Entrepreneurial Climate (until the business has been open for a number of years). This could demonstrate that people who are involved in the process are running into challenges or issues that are resulting in a less favorable view of the Entrepreneurial Climate. This could potentially be an issue because a key part of being successful in entrepreneurship is networking. Therefore, the impact of this phenomenon may warrant further study.

KEY FINDINGS ASSISTANCE PROGRAMS

Background

This section explores entrepreneurs' experiences with assistance services. All of the respondents who indicated that they are involved in the Entrepreneurial Process by answering "yes" to at least one of the questions in that section then moved on to questions about assistance services. Therefore, at this point the study becomes loosely focused on entrepreneurs. When discussing assistance services, the questions were kept general and only dealt with topics rather than specific services or organizations. This was done to avoid potential issues with respondents not remembering or becoming confused about which organization(s) they had received help from. Therefore, the first series of assistance program questions deals with four different topics: marketing, business planning, financial issues, and regulatory

compliance & legal issues. Respondents were asked if they had sought assistance from a Wisconsin service for each topic. If they had, they were asked a few follow-up questions about the experience such as how they heard about the program, how many sources they contacted, and whether they received conflicting information.

In the second part of the Assistance Programs section, respondents were also asked about their awareness and usage of assistance services but for more specific topics. Twenty-one different topics were reviewed by respondents who indicated if they were aware of assistance for this topic, if they had contacted assistance services for help with this topic and whether they found the information provided to be helpful.

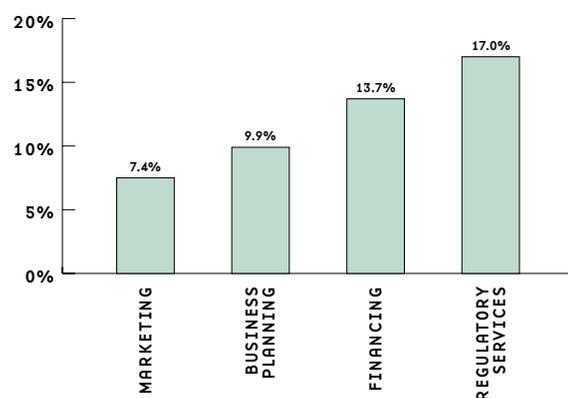
Results

EXPERIENCE WITH ASSISTANCE PROGRAMS BY GENERAL TOPIC

The majority of respondents involved in the Entrepreneurial Process did not contact sources for assistance with any of the four major topics listed. Only 17% contacted a source or sources for help with regulatory issues, followed by 14% for financing, 10% for business planning and 7% for marketing.

If respondents indicated that they had sought assistance in a particular area, they were asked follow-up questions about that experience: how they found out about the assistance service, how many sources they contacted, and if they received conflicting information. The results from these questions by topic are as follows.

FIGURE 4-1 | Assistance Sought by Topic (n=493)



Marketing When asked how they found out about marketing assistance, the top response was a referral from another agency (43%), followed by a referral from another entrepreneur (32%). The majority of respondents contacted either two (38%) or three

(30%) sources for assistance with marketing. The largest number of sources contacted was 10 (n=2). Forty percent (40%) of respondents indicated that they had received conflicting information from the source(s) they did contact.

FIGURE 4-2 | Contacted Assistance Services in Wisconsin for Help with Marketing

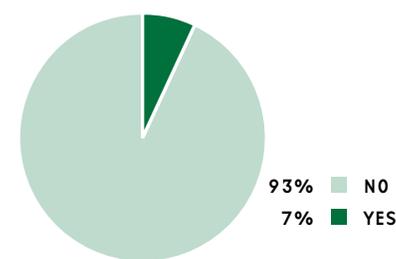


FIGURE 4-3 | How Respondents Became Aware of Marketing Assistance

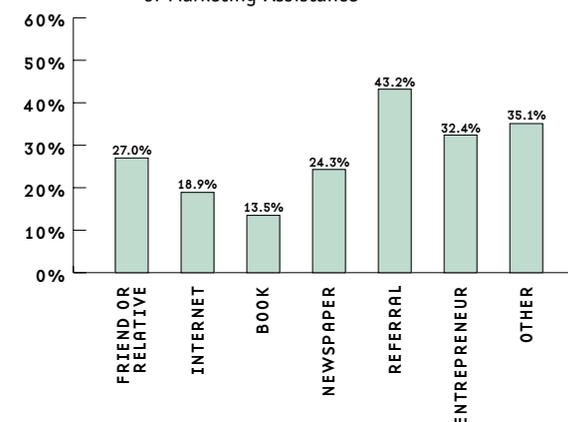


FIGURE 4-4 | Numbers of Sources Contacted (mean=3.0, n=37)

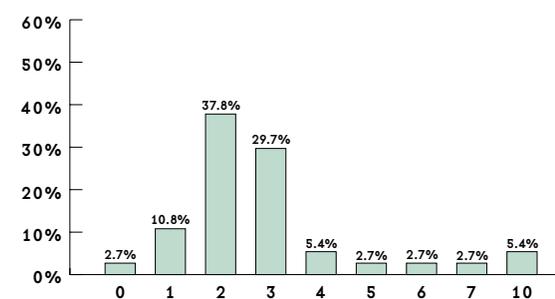
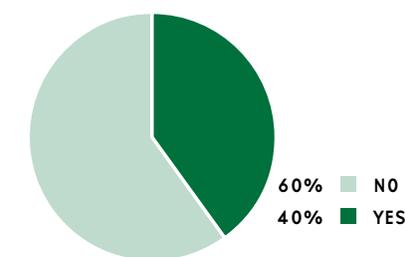


FIGURE 4-5 | Received Conflicting Information (n=35)



Business Planning The top way to find out about assistance with business planning was a referral from another agency (51%), followed by a tip from a friend or relative (37%). The top number of sources

to contact was one with 39%, followed by two at 33% and three sources at 18% of respondents. Less than a third (28%) of respondents indicated they had received conflicting information.

FIGURE 4-6 | Contacted Assistance Services in Wisconsin for Help with Business Planning

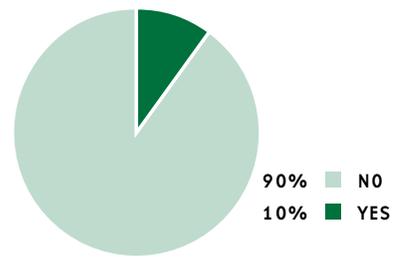
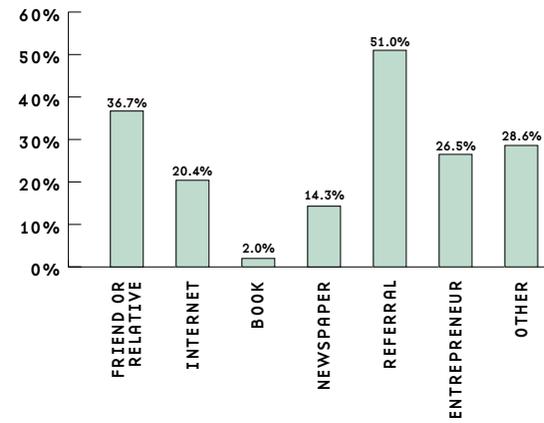


FIGURE 4-7 | How Respondents Became Aware of Business Planning Assistance (n=49)



Financial Issues When asked how they found out about assistance with financial issues, the top response was a friend or relative (47%), followed by a referral from another agency (41%). The majority of respondents contacted one (27%) two (31%) or three

(27%) sources for assistance with financial issues. Forty-seven percent (47%) of respondents indicated they had received conflicting information from the source(s) they did contact.

FIGURE 4-10 | Contacted Assistance Services in Wisconsin for Help with Financial Issues

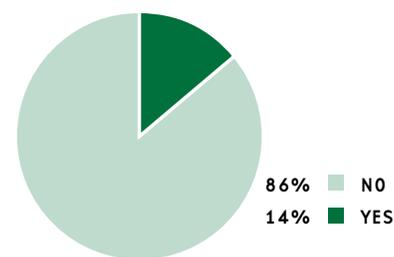


FIGURE 4-11 | How Respondents Became Aware of Assistance with Financial Issues (n=68)

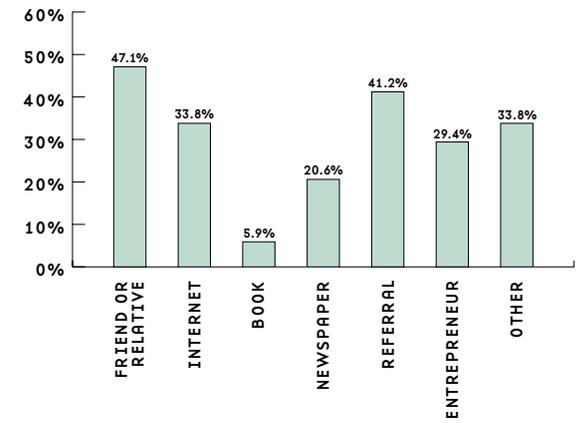


FIGURE 4-8 | Number of Sources Contacted (mean=2.0, n=49)

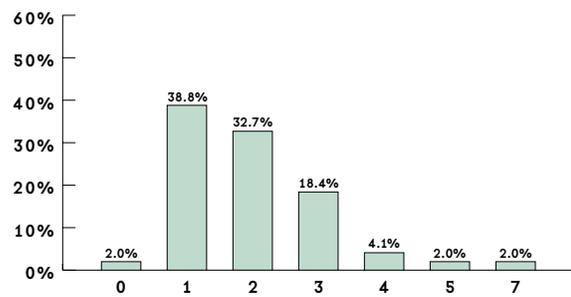


FIGURE 4-9 | Received Conflicting Information (n=46)

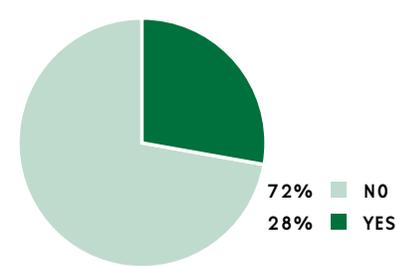


FIGURE 4-12 | Number of Sources Contacted (mean=2.9, n=64)

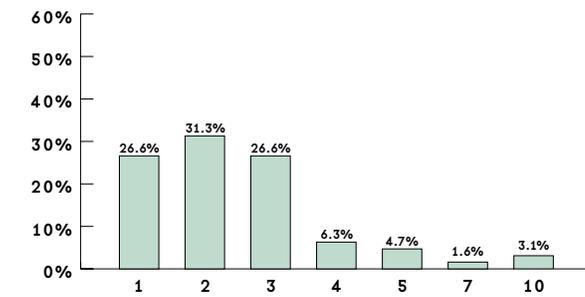
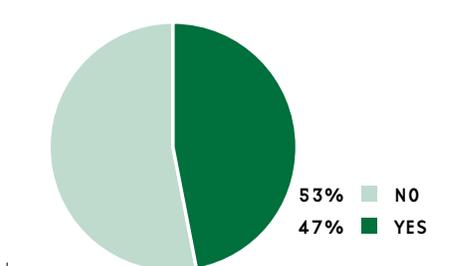


FIGURE 4-13 | Received Conflicting Information (n=64)



Regulatory Compliance & Legal The top way to find out about assistance with regulatory compliance and legal issues was a referral from another agency (36%), followed by the Internet (31%). The top

number of sources to contact was one with 52%, followed by two sources with 34% of respondents. Slightly more than a quarter (27%) of respondents indicated they had received conflicting information.

FIGURE 4-14 | Contacted Assistance Services in Wisconsin for Help with Regulatory Compliance & Legal Issues

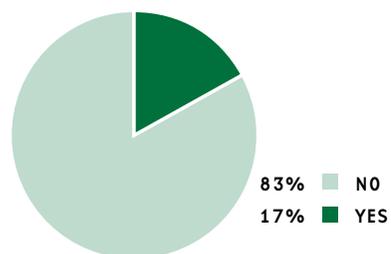


FIGURE 4-15 | How Respondents Became Aware of Regulatory Compliance & Legal Assistance (n=84)

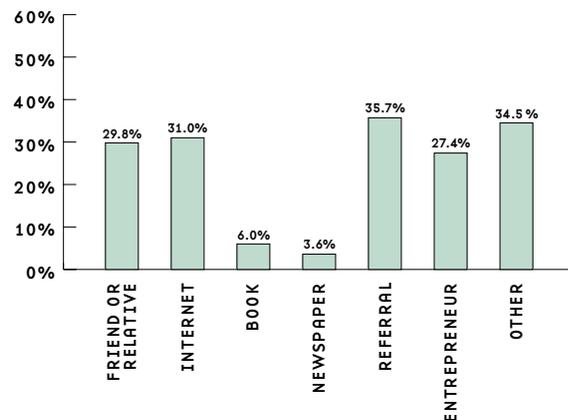


FIGURE 4-16 | Number of Sources Contacted (mean=1.8, n=81)

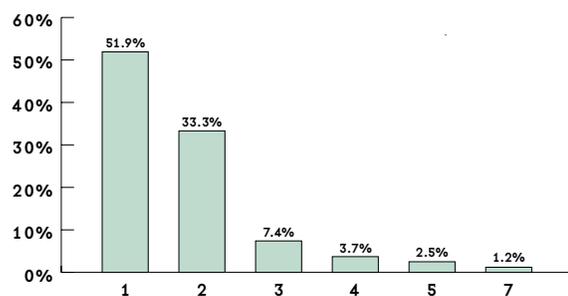
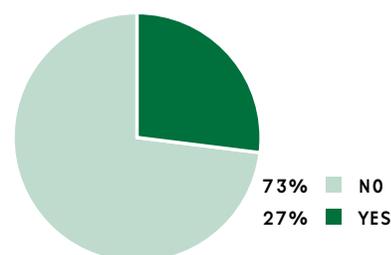


FIGURE 4-17 | Received Conflicting Information (n=82)



Assistance Program Usage by Demographic

Characteristics When the results from the program usage and awareness section were cross-tabulated by demographic characteristics and Entrepreneurial Process stages, there were only a few key points worth noting. (This is largely due to the small sample size of those respondents who did seek assistance.) Those who looked for assistance in marketing were more likely to have Internet access

in multiple locations. Those who sought assistance with business planning were more likely to be college graduates. Respondents who sought help with financial issues were more likely to be currently trying to start a new business or have a new business. Those who looked for help with regulatory issues were more likely to be current business owners, college graduates, and have Internet access in multiple locations.

AWARENESS AND USAGE OF ASSISTANCE PROGRAMS BY SPECIFIC TOPIC

The second portion of the assistance program section listed 21 different topics and asked respondents to indicate (for each) if they: were not aware, were aware but had not made contact, had made contact but not received helpful information, or had made contact and received help.

(see Figures 5-1 – 5-21 and Table 5-1). The range in percentage of unaware respondents ran from around a third (39%) for information on licenses, patents and permits to three-quarters (75%) for topics like business feasibility and market assessment studies with levels for the rest of the topics falling in between. The percentage of those respondents who had contacted and received help from the assistance programs (which is ideal) was very small (between 1% and 20% depending on the topic).

When asked to indicate their awareness and usage of assistance programs for various topics, respondents showed a general lack of awareness for these programs, not to mention minimal usage

FIGURE 5-1 | Awareness & Usage of Marketing Plan Development Assistance (n=455)

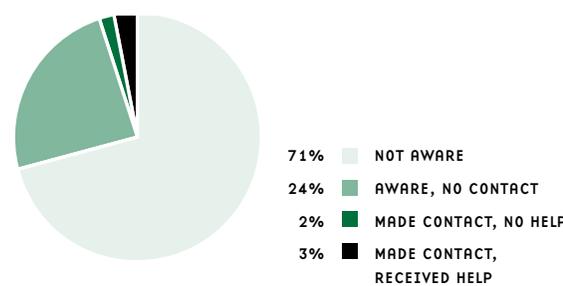


FIGURE 5-2 | Awareness & Usage of Competitive/Market Assessment Assistance (n=459)

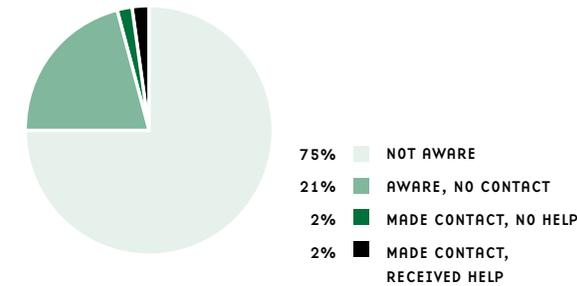


FIGURE 5-3 | Awareness & Usage of Internet Marketing Assistance (n=457)

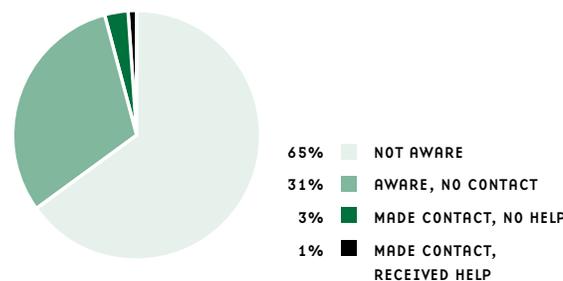


FIGURE 5-4 | Awareness & Usage of Business Plan Development Assistance (n=460)

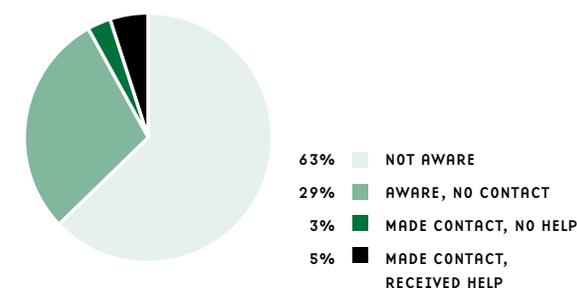


FIGURE 5-5 | Awareness & Usage of Business Entity Formation Assistance (n=457)

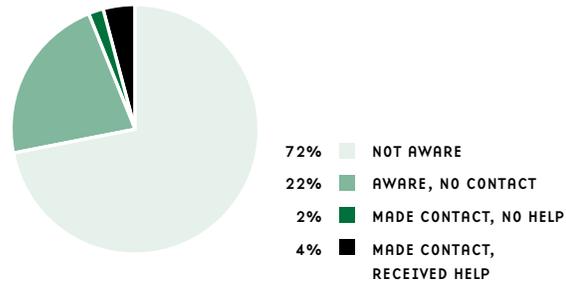


FIGURE 5-6 | Awareness & Usage of International Trade Assistance (n=456)

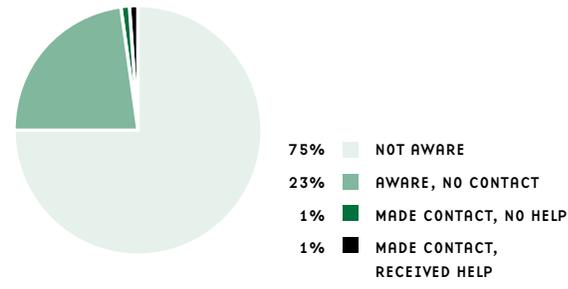


FIGURE 5-11 | Awareness & Usage of Networking Assistance (n=453)

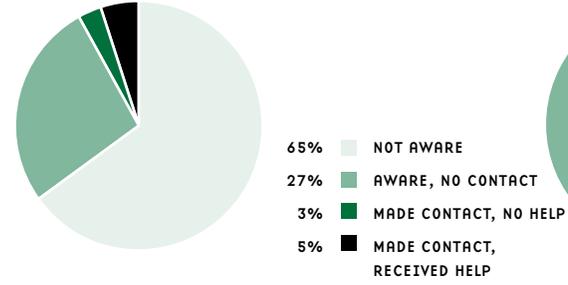


FIGURE 5-12 | Awareness & Usage of Funding Assistance (n=459)

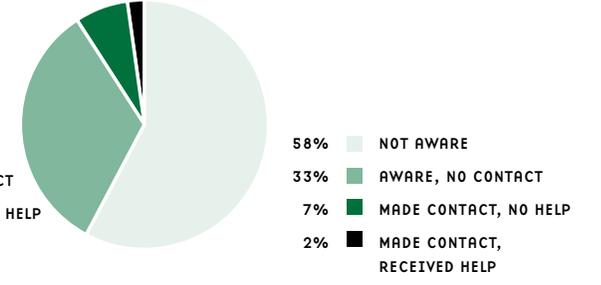


FIGURE 5-7 | Awareness & Usage of Business Feasibility Assistance (n=459)

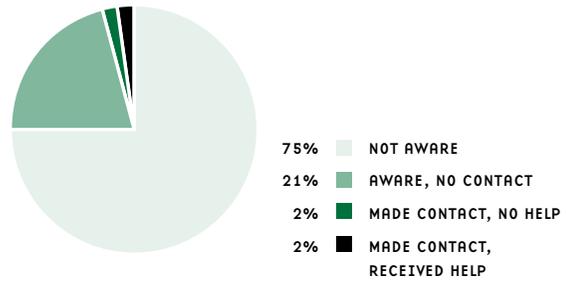


FIGURE 5-8 | Awareness & Usage of Human Resources Assistance (n=457)

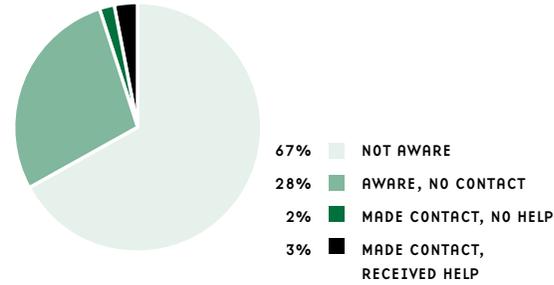


FIGURE 5-13 | Awareness & Usage of Assistance in Finding Government Funding (n=461)

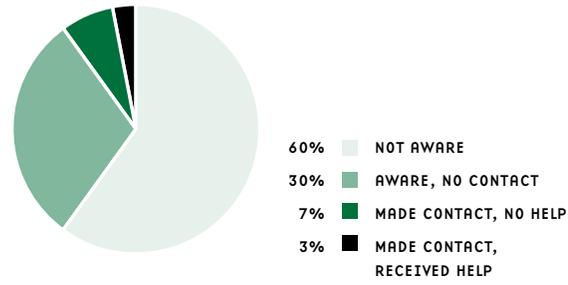


FIGURE 5-14 | Awareness & Usage of Bookkeeping/Accounting Assistance (n=458)

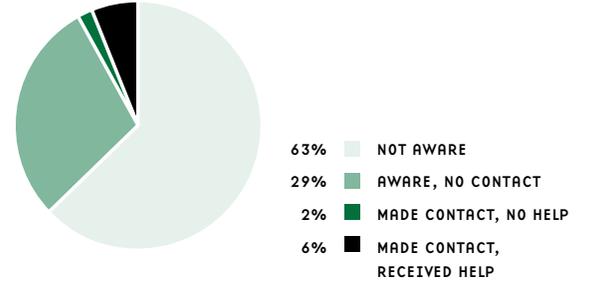


FIGURE 5-9 | Awareness & Usage of Business Expansion Assistance (n=459)

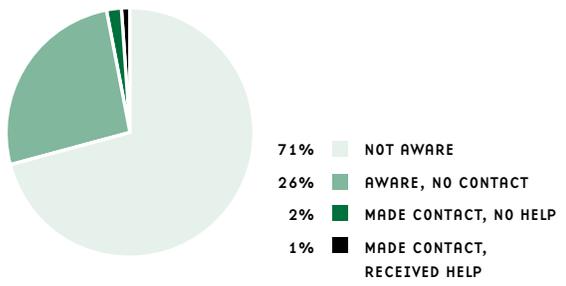


FIGURE 5-10 | Awareness & Usage of General Business Management Assistance (n=457)

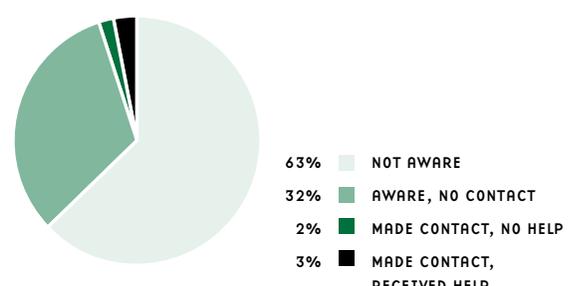


FIGURE 5-15 | Awareness & Usage of Tax Credit Assistance (n=461)

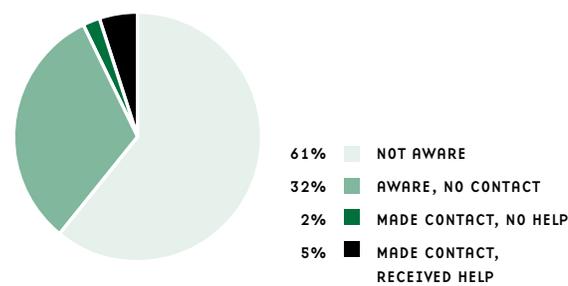


FIGURE 5-16 | Awareness & Usage of Building Code Assistance (n=455)

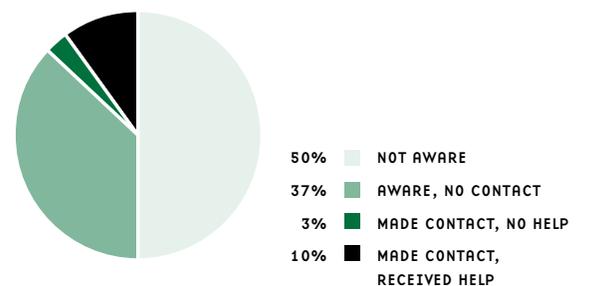


FIGURE 5-17 | Awareness & Usage of Governmental Procurement Assistance (n=456)

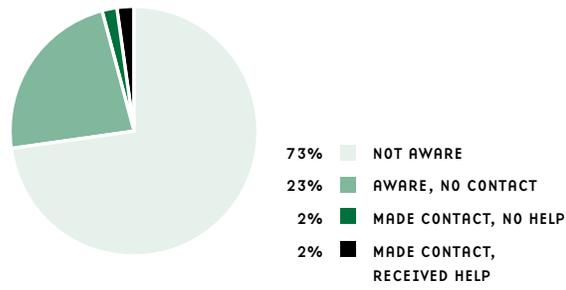


FIGURE 5-18 | Awareness & Usage of Regulatory Assistance (n=458)

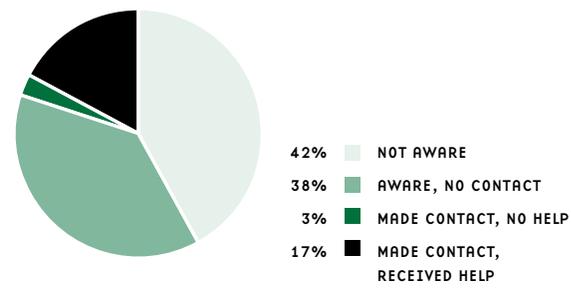


FIGURE 5-19 | Awareness & Usage of License, Patent, and Permit Assistance (n=458)

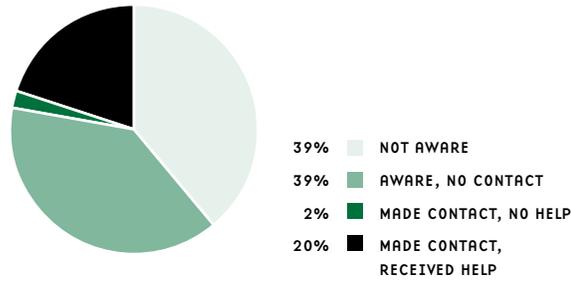


FIGURE 5-20 | Awareness & Usage of Insurance Assistance (n=462)

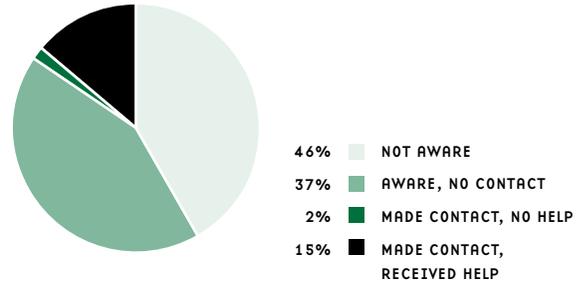


FIGURE 5-21 | Awareness & Usage of Environmental Compliance Assistance (n=455)

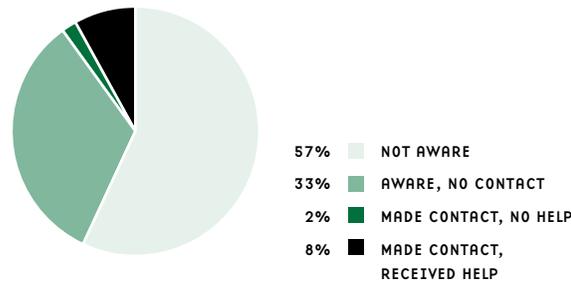


TABLE 5-1 | Awareness and Usage of Assistance Programs by Topic

	Not Aware	Aware, No Contact	Made Contact, No Help	Made Contact, Received Help
Licenses, Patents & Permits	38.6%	39.1%	2.0%	20.3%
Information on Laws & Regulations	41.9%	38.2%	2.8%	17.0%
Insurance Requirements	46.3%	36.6%	2.4%	14.7%
Building Code Information	49.7%	37.1%	3.1%	10.1%
Environmental Compliance Assistance	57.1%	32.7%	2.2%	7.9%
Assistance in Finding Funding	58.2%	32.7%	6.5%	2.6%
Assistance in Finding Government Funding	59.9%	29.5%	7.2%	3.5%
Tax Credit Assistance	60.5%	32.3%	2.4%	4.8%
Business Plan Development	62.6%	28.9%	3.0%	5.4%
General Business Management	63.0%	31.7%	1.8%	3.5%
Bookkeeping/Accounting Assistance	63.8%	28.6%	2.0%	5.7%
Internet Marketing	65.0%	30.9%	2.8%	1.3%
Networking	65.3%	27.2%	2.6%	4.9%
Human Resources Assistance	67.0%	28.4%	2.0%	2.6%
Business Expansion Assistance	71.0%	26.4%	2.0%	0.7%
Marketing Plan Development	71.2%	23.5%	2.2%	3.1%
Business Entity Formation	71.6%	22.3%	2.0%	4.2%
Governmental Procurement Assistance	73.7%	22.8%	1.8%	1.8%
Business Feasibility Studies	74.9%	21.4%	2.0%	1.7%
Competitive/Market Assessment	75.4%	20.7%	2.0%	2.0%
International Trade Assistance	75.4%	22.6%	1.3%	0.7%

— Discussion —

The low level of usage and awareness of entrepreneurial assistance services in Wisconsin illuminates a clear opportunity. In general, people involved in the Entrepreneurial Process in Wisconsin are not contacting assistance services for help. The data indicates that this may, in part, be due to the fact that they are not aware that assistance is offered for particular topics. This may also be due to the fact that they do not feel the need for assistance, do not feel that they have the time or are too intimidated.

The top way that respondents found out about assistance with marketing, regulatory/legal, and business planning was referral from another agency. The most common way to find out about assistance with financial issues was through a referral from a friend or relative. Referrals from other entrepreneurs were also important. This again brings up the importance of networking within the entrepreneurial world. Interestingly, the Internet was an important way to find information on regulatory compliance and legal issues.

Most respondents contacted either one, two or three sources for information on all topics, with two being the most common. Ideally one source should be able to answer all the questions a person might have or be able to refer them to another organization which can. However, it was disturbing that a quarter to a half of respondents indicated they received conflicting information from the source(s) they contacted. This is an area of concern, and there is a clear opportunity to create a more cohesive and collaborative network of assistance sources.

When asked about awareness and usage of assistance programs for more specific topics, respondents indicated that they were generally not aware of or not utilizing all of the resources available to them. The large percentage of respondents who are not aware of the offerings is just as troublesome as the smaller percentage that is aware but not taking advantage of them. Only a small percentage actually made contact and received help from assistance sources. This again indicates an opportunity for Wisconsin.

One interesting note is that a greater percentage of respondents contacted services for help with topics that deal with more concrete issues such as regulatory compliance, patents and insurance information. Interestingly, the topics which have the highest awareness are laws/regulations, patents/permits, and insurance requirements, which matches what was seen in the more general assistance programs section. On the other hand, assistance programs for issues such as business planning had lower awareness and usage. While the data do not provide the rationale behind this, there are several possible explanations. It could be that people seek help with the more focused questions while for the more nebulous inquiries that require time and thought, such as marketing issues, they attempt to find information in other ways or not at all. This may also be a factor of the type of information and services that are readily available (primarily on the Internet). Finally, it could also be that legal/regulatory issues are seen as the most crucial things to deal with when starting a business.

L I M I T A T I O N S

While this study was designed to be comprehensive, there are still several limitations which should be noted:

- 1 | The data in the survey were all self-reported by respondents. Therefore, we were reliant on respondents to provide the most complete and accurate information possible. For example, if a respondent indicated that he/she was a small business owner, we did not validate this fact using outside sources. The survey also did not ascertain the size of the entrepreneurial endeavors that people were involved with so there is no way to determine how large the businesses (or potential businesses) were.
- 2 | Some of the questions (particularly the statements in the Entrepreneurial Climate section) were attitudinal - meaning that respondents were indicating their opinions rather than actual actions or facts.
- 3 | To keep the nature of the study focused, the subject of impact was not explored. We did not study the impact of entrepreneurship in terms of economic impact nor did we touch on the impact of working with assistance programs on the individual businesses.
- 4 | At the current point in time, this study is not longitudinal (although there is potential for a long-term study of the Entrepreneurial Climate and entrepreneurship in Wisconsin) meaning that the data are essentially snapshots in time. Therefore, the data do not provide any insights in terms of change over time.
- 5 | The survey was designed to provide a “big-picture” view of entrepreneurship in Wisconsin so the focus was not on drilling down into specific areas. For this reason, the survey questions were concise with few open-ends. This provides a good base for statistic analysis but does leave some “why” questions open for further (and potentially qualitative) research. An additional condition of the wide scope of the project is that entrepreneurs were not the sole focus. While they were the focus of the assistance programs section, the rest of the study was designed for the population as a whole. This provides a representative view of the population in Wisconsin, but more in-depth research regarding entrepreneurs would be a beneficial addition.
- 6 | The study did not identify or research specific assistance programs by name or organization. Further research would enable examination of awareness and usage for specific organizations.
- 7 | Due to the racial/ethnic composition of Wisconsin, examination of any variables by these characteristics was not statistically valid.

FURTHER RESEARCH

Based on the future goals of the Wisconsin Entrepreneurs' Network and the University of Wisconsin–Extension and some of the limitations of this study, the following are possibilities for further research:

- 1 Tracking or longitudinal replication of the complete survey or sections of the survey to examine changes over time
- 2 Further research, either qualitative or quantitative to explore some of the issues generated in this study
- 3 More targeted in-depth research specifically on entrepreneurs
- 4 Impact assessment of assistance programs
- 5 Research designed to assess awareness, usage, satisfaction etc. for specific assistance programs (as opposed to primarily by topic as is the case in this study).

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