



# Cultivating Rural Entrepreneur Network Development in Maine

## OVERVIEW

This report offers an understanding of the ways in which rural entrepreneurs and small business owners in Maine can benefit from connections to their fellow entrepreneurs for shared learning, joint problem solving and exploration of potential business opportunities. Enrichment of rural networks is an important consideration in cultivating a wide array of entrepreneurs and supporting their success.

## GOALS OF THE REPORT

The purpose of this report is to:

- Identify characteristics of key connectors and determine whether a pattern of certain types of activities or personal attributes exist across efforts.
- Outline the kinds of barriers preventing peer connectedness and offer concrete ways in which they can be overcome.
- Better understand the investment and types of resources that would result in more routine and effective connection building and its related benefits.

### Definitions

For purposes of this report, *rural network* is defined as meaningful peer connectedness in Maine communities outside of Lewiston/Auburn, Portland and Bangor metropolitan areas. *Entrepreneur* is defined as a person who organizes and manages any enterprise, especially a business, usually with considerable initiative and risk. A *small business owner* is a type of entrepreneur with a product or service. Other terms used in the report are included in the glossary.

The underlying premise is that if rural entrepreneurs are less isolated and have simple, reliable methods for connecting to likeminded peers with similar entrepreneurial aspirations, they are more likely to succeed professionally and generally have richer lives. If peers support one another in problem solving, providing introductions to other entrepreneurs, and potentially working together on projects, the social and business supports that accompany this interaction can increase business growth. The network – the people in the

community who are living and working in these ways – can then also make it easier for newcomers to assimilate to the community and be successful.

Existing capacity-building organizations in Maine serve the purpose of increasing successful entrepreneurial activity in the state. They provide valuable technical assistance through structured learning and field support and, to a lesser extent, opportunities for meaningful interaction among rural entrepreneurs. Involvement in the services and programs these organizations offer reaches some, but not all, of potential and existing entrepreneurs and small businesses in the state. How are those who are not inclined to join these efforts getting their needs met?

## EXISTING COMMUNITY ACTIVITY

Communities that have the most “findable” entrepreneur peer support activity underway have two key attributes in common:

- People point to one or two individuals as playing the role of key connector and host to others in the community peer group; and
- Connections that exist tend to be organized around a specific field or sector.

## THE POWER OF THE INDIVIDUAL – AND THE HAZARD OF RELIANCE ON A MODEL OF “ONE”

Many people find their way into an entrepreneur peer network through the effort one individual made to connect them with others. These compulsive connectors see either the immediate value of connecting people to one another or they hold a big-picture vision of the community that emphasizes deeper connectivity overall, or both. Connectors’ tasks can be challenging since locating local entrepreneurs can be difficult. After all, many entrepreneurs are “working in their door yards,” as one Maine uber-connector explained it. They are hidden in plain view, working from home in a repurposed spare room, barn, workshop – in some cases, in their yards. Knowing the community is key to finding and connecting with these people. Uber-connectors make it a habit to maintain this level of curiosity and awareness, but generally undervalue the importance of these practices.

While these uber-connectors are recognized and valued by community, hazards exist. Because of the presence of uber-connectors, others can feel less need to bring entrepreneurs together, rationalizing that the role for doing this is being informally filled by someone else. An uber-connector’s untimely death meant one ongoing community connecting effort stalled nearly completely for two years. Eventually, another entrepreneur filled the void and the cycle of the lone individual filling this role is being repeated. What can be done to reduce the vulnerability of this cycle? Providing support for expanding connector roles among community or sector groups is one approach.

Networks thrive when connecting people to one another becomes everybody’s work. This is vital for many reasons, among them:

- In “The Strength of Weak Ties,” sociologist Mark Granovetter (1973) showed that job seekers were more likely to find employment through people they knew only slightly than through the people they interacted with much more closely. The logic is that you and your friends are already connected to one another and to a larger group that probably possesses the same general knowledge as you, including knowledge of job opportunities. People you know only slightly, however, belong to different social networks and are more likely to have information you do not. The strength of ties correlates with “network density,” a property describing the connectedness and cohesiveness of a network. The Ewing Marion Kauffman Foundation suggests four key indicators of entrepreneurial

“ecosystem” vibrancy – density, fluidity, connectivity and diversity.<sup>1</sup> (See Glossary for definitions.) Granovetter’s work and the Kauffman Foundation’s findings align and provide opportunities for action with rural entrepreneurs. Investing in credible methods for connecting – co-working spaces, informally hosted problem-solving circles and other forms of meet-ups with invitations that intentionally span among sectors – are concrete examples of cultivating connectivity and have the potential for diversifying community connections and reaching beyond the immediate circle of acquaintances.

- Mastercard’s Center for Inclusive Growth believes the key to equitable and sustainable growth worldwide is to connect microenterprise entrepreneurs to “vital networks,” such as financial service networks, peer networks, social networks and human capital development networks.<sup>2</sup> These connections are most likely to form in a network with a high number of connectors, with everyone sharing the responsibility for deepening network ties and expanding the network. The opportunity is to educate entrepreneurs about this reality and invite their active participation in cultivating these relationships.

- Physicist Fritjof Capra describes how everyone from biologists to philosophers has long talked about the “web of life,” the countless interdependencies of all living organisms. In a biological network, where cells have semi-permeable membranes that admit some flows and shut out others, the boundaries are “not boundaries of separation but boundaries of identity.”<sup>3</sup> In the same way, the nodes in social networks – meaning the people – are both distinct from and connected to other people by their communications and common action with them. Separate and connected are not opposites but complementary and coexisting states.<sup>4</sup>

- No individual has an identical set of connections to another. Those who might be especially well qualified to problem solve, innovate and provide social supports may not be connected to the uber-connector. When this is the case, entire groups of entrepreneurs and those surrounding them can be missing from problem solving and innovation. The goal is to build a strong, cohesive, resilient web of connections. There is an opportunity to advance this by bringing rural entrepreneurs together in unexpected combinations for cross-sector learning based on topics all care about or want to better understand, such as about navigating regulations, seeking funding, or creating work/family balance.

## THE POWER OF FAMILIARITY WITH A SPECIFIC SECTOR, INDUSTRY OR ISSUE

Certain patterns are consistent across communities. Rural entrepreneurs and small business owners who feel well connected to others are nearly always most connected to others in a field that is complementary or adjacent to theirs. For instance, a restaurateur and a local grower whose food is destined for a restaurant’s use suggest a higher rate of trust and interest in helping one another than two restaurant entrepreneurs in the same community. How much the rural nature of community influences this is difficult to determine. It is reasonable to assume that this is more than coincidence. Therefore, efforts to connect same-field entrepreneurs offering services are most likely to be successful if they are not in the same immediate community. That way, problem-solving and barrier reduction strategies can be shared with potentially less perceived direct competitive threat to parties. There is opportunity in deepening overall

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1 *The Tale of Two Entrepreneurs* – Understanding Differences in the Type of Entrepreneurship in the Economy – Aulet and Murray – Martin Trust Center for MIT Entrepreneurship 2013

2 Excerpted from *The Chessboard and the Web* – Slaughter, Yale University Press, 2017

3 Excerpted from *The Chessboard and the Web* – Slaughter, Yale University Press, 2017

4. Excerpted from *The Chessboard and the Web* – Slaughter, Yale University Press, 2017

ties within “like” sectors or industries, even if earlier attempts to do so failed. New approaches can yield different outcomes. Some obstacles may be overcome if those doing the introductions are highly credible among the entrepreneurs, effort is placed on relationship cultivation and forming common ground, and time together is structured and focused on interests important to all.

Network members build relationships rather than routines. The trust that comes from established relationships allows rapid shifts in course while keeping everyone on board. The network members are “typified by reciprocal patterns of communication and exchange” (another way of saying they depend upon relationships more than structures, rules and processes). They build the trust and tacit knowledge that support sustained but open-ended cooperation. In a world of uncertainty and rapid change, trust is the key ingredient of adaptability.<sup>5</sup> This is an important consideration when crafting network cultivation or learning opportunities and when designing and hosting gatherings.

## EASING ARRIVAL FOR COMMUNITY NEWCOMERS

There is no readily available guide of co-working spaces or existing entrepreneur networks outside city centers. Those contemplating a move to Maine in areas other than Portland and Bangor, for instance, have had to rely on a community-by-community search to discover what, if any, spaces and networks exist. For some, this is less about seeking office space and more about understanding the likelihood that they can find a path to forming community. The lack of an easy-to-access compendium delays or prevents all but the most tenacious from considering a move to rural Maine. To be effective, a resource guide will require constant monitoring and updating. Awareness of it needs to exist in the business, tourism and education sectors. Previous guides were limited and not consistently updated. Not surprisingly, they were perceived as bringing low value.

While co-working spaces populated by those in “like” industries or sectors often work well and are desirable, space that welcomes cross-sector members, especially in more rural areas, is an idea worth pursuing. It will increase the likelihood that co-working spaces succeed and can promote cross-pollinating industries, which allows for new forms of learning and innovation. Interest in space is evolving from just being about office space to being about tools, collaborations, new idea generation, deeper ties and generally helping one another. Further, as co-working spaces move into second generation designs that maximize the learning of what worked and didn’t in the initial introduction of these spaces, supporting the redesign of existing co-working space can make these transitions possible.

## ADDITIONAL WAYS TO CULTIVATE AND SUPPORT RURAL ENTREPRENEURIAL GROWTH

In 2017, the World Bank issued a report titled *Creative Community Spaces*.<sup>6</sup> The report’s authors defined methods for increasing the level of connectedness among entrepreneurs. The methods are reflected in the four headings below. Specific ideas for advancing networking as articulated by entrepreneurs during this discovery process include:

### Community-Building Events

- Erase any temptation to standardize the nature, frequency and circumstances of convenings within or across communities. The key is to know each community well enough to know whom to ask for ideas. Primarily, those are the people who are well connected, have a reputation for

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<sup>5</sup> Excerpted from *The Chessboard and the Web* – Slaughter, Yale University Press, 2017

<sup>6</sup> *Creative Community Spaces*, The World Bank, Mulas, Nedayvoda, and Zaatari, 2017

compulsively connecting people, and are willing to do it. Invest in the cultivation of naturally occurring connection-building.

- Host meet-ups for community members who are unaccustomed to the concept of sharing work space to familiarize them with the power of it. Invest in a series of hosted events designed to explore the potential in rural communities across the state, starting with the “hot spot” communities. If local interest exists, consider ways to subsidize or incent co-working space and program creation.

### **Skills Training Events/Resources**

- Support deeper understanding of the power of rural community networks and the value they bring to entrepreneurs through trainings and storytelling by those who are currently succeeding at it. Sponsor locally hosted events.
- Align learning/convening opportunities with businesses’ stage of development. Being around people in a similar stage of growth cycle can be very useful.
- Track entrepreneurial trending by issue and location and make this information easily accessible by others. Examples include:
  - o Recreation/trails
  - o Cross-sport marketing
  - o Food, food, food
  - o Center for ecology-based economy

For instance, in Maine, clusters exist in the human-powered recreation (mountain biking, hiking, whitewater rafting, back-country skiing) start-ups; in growing, processing and commercially packaging and serving local foods, and in industrial arts production (woods, masonry, metalwork, pottery).

- Support pop-up spaces by making them available for certain types of businesses to experiment, learn and build confidence. Arrange casual sessions for sharing lessons learned. Locate co-working spaces in proximity to pop-up spaces, which can help create an incubator mindset and result in new forms of experimentation and collaboration.

### **Collaboration Spaces**

- Build on the effective capacity-building programs and sponsor co-hosted, virtual learning events for co-working space inhabitants. Offer these during off-hours, since program participation is often hindered by the scheduled time or distant location of the events.
- Cultivate “emergent” environments where lack of traditional meeting or meet-and-greet structures is intentional and new ideas can germinate. Most currently offered networking opportunities are not designed to meet rural entrepreneur needs, schedules or geography. Consider, for instance, hosting “Reciprocity Ring” gatherings at which attendees bring problems, topics, or introductions they would like help with from peers. This proven method supports immediate connection and action. The structured exercise originated at the Ross School of Business at the University of Michigan and is outlined by Adam Grant in *Given and Take* – Penguin, 2013.

### **Networks of Mentors/Peers**

- Support meet-ups that are hosted by community-based entrepreneurs.

- Create a Maine-based website like Creative Coffee International (<http://www.creativecoffee.org/>) with a section devoted to rural entrepreneurs.
- Support youth engagement in entrepreneurial endeavors. In many cases, co-lab and co-working space-based entrepreneurs fit the profile of those who would be willing to teach/mentor.
- Create the conditions that encourage mentoring. For instance, create a pilot program in one community that pairs seasoned entrepreneurs with those at the early end of business start-up. Encourage informal connections.
- Intentionally cultivate and build the peer network periphery, engaging those who are less well known and may be familiar with only one or a few others in the network.<sup>7</sup> This strengthens the network, overall. One way to do this is to build on one of the convenings outlined earlier in this report: Include an activity that requests participants to provide the names of two people they think might enjoy meeting fellow rural entrepreneurs but currently are less well-connected to the community. Support attendees in extending an invitation to a gathering.

Each community has unique needs; the key is to recognize and support this through learning and reciprocity, tailored investments and cross-pollination of community endeavors.

## THE IMPORTANCE OF QUIET INVESTORS

A little understood or tracked source of capital for entrepreneurs is other community members who make loans with fewer restrictions and friendlier terms than lending institutions do. These investors are found through word of mouth, circumstance or some form of pre-existing relationship. Most have accumulated wealth through their own business success. For many entrepreneurs, this funding source makes launching a new endeavor doable. Often, the investor also serves as a source for advice, introductions to others, and help at navigating. They play a key role in the community network; they are quiet supporters, avoiding attention and requesting discretion of loan beneficiaries as part of the terms of the deal. They are yet another example of why being woven into the community network of connections is so important.

## LEADERSHIP IN A NEW AGE

Leading at building a peer entrepreneur network requires the following:

- Cultural competence;
- Recognizing opportunities to connect others to one another and doing it without reservation;
- Honoring the importance of not needing to be a part of or take credit for future interactions and projects of others who are part of the network; and
- Putting the “we” before the “I.”

It also requires a distinct set of characteristics: connecting, cross-fertilizing, aligning interests, troubleshooting, problem solving, funding, and continual orienting and reorienting toward the larger purpose of building community and increasing prosperity.

The key barrier to network development is the lack of time dedicated to cultivating it. This can be remedied by creating position(s) that are place-based and held by people who live there and possess the attributes of a network thinker.

Network leadership and network leaders are partnership brokers, curators, problem solvers, troubleshooters, and systems entrepreneurs. Leaders make things happen through clarification, curation,

<sup>7</sup> *Networks that Work, Second Edition* Vandeventer and Mandell, 2011 – Ideas Into Action

connection, cultivation and catalysis.<sup>8</sup> Investment in developing rural network leaders has the potential to bring lasting value.

## GLOSSARY

**Network** – Sets of relationships and the patterns they create. These patterns influence the quality of communication and the likelihood of collaboration and innovation. The intentional connecting of individuals to one another is voluntary, and all who are connected are peers. In networks, engagement is fostered among participants and action is often mobilized. Cultivating relationships and trust is a hallmark of networks.

**Closing triangles** – Introducing two individuals via informal conversation, helping them to become acquainted and encouraging them to share common values, interests or histories. If logical, the two discover how to help each other or work together.

**Network weaver** – An individual who helps people become aware of the web of relationships or networks in which they are embedded and encourages them to become more intentional about those networks.

**Strength of weak ties** – The power of forming potentially deeper connections with those outside the immediate circle of friends/colleagues. Network theory demonstrates that problem solving benefits enormously from reaching beyond those closest to us (“the usual suspects”) and engaging others.

**Density** – The number of ties an individual has directly to other individuals.

**Fluidity** – The ability of the individuals in a network to easily and quickly seek out others in the network and maximize the connection to achieve a specific outcome.

**Diversity** – The array of individuals in the network working in different fields, possessing different areas of expertise, and variety of social, ethnic and belief-based backgrounds.

**Web of life** – The web of connections people have with and among one another.

**Co-lab** – A space for creative production in art, science, and engineering where people of all ages and career paths integrate digital and physical technologies to learn technical skills and create new products.

**Co-working space** – A membership-based work space that allows diverse groups of independent creative professionals and individuals that work remotely to work in a shared setting. Coworking spaces aim to help those with common values develop potential synergies.

**Entrepreneur** – A person who organizes and manages any enterprise, especially a business, usually with considerable initiative and risk.

**Small business owner** – A type of entrepreneur with a product or service.

**Network mapping** – A visual image of the connections among people created as a result of self-reporting of familiarity and ties with others. Maps help reveal relationship patterns and their consequences.

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<sup>8</sup> Excerpted from *The Chessboard and the Web* – Slaughter, Yale University Press, 2017

**Uber-connector** – A person who is masterful at and intentional about closing triangles, often for purposes beyond self-interest.

**Interactive environments** – Spaces or sessions intentionally designed to cultivate interaction among those who enter or participate in it.

**Core** – Located in the center of the network, those with the densest set of connections to others within the network.

**Periphery** – Located on the edge of the network, those with the least dense set of connections to others in the network.

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## About this Report

This report was prepared for the Maine Community Foundation by Carole Martin. Martin researched and prepared the report in consultation with Maine Community Foundation staff in 2018.

Carole Martin is an independent consultant with expertise in the design, formation, and functioning of networks, collaborations, and strategic alliances, including the leadership skills necessary to support their success. Her experience includes coordinating cross-sector networks and advising local, statewide, regional, multi-state sector, and cross-sector endeavors. Carole lives in Maine.

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