

# BUSINESS

WEDNESDAY, MAY 20, 2009 >> THE NEWS EXAMINER >>

## Business incubator study launched

### Venture to promote entrepreneurship, strengthen area economic stability

By Dessislava Yankova  
THE NEWS EXAMINER

Small businesses throughout Sumner County could soon be feeling the heat, in a good way.

The Gallatin Economic Development Agency (EDA) and Volunteer State Community College (VSCC) have teamed up to determine if a business incubator would fare well in and around Sumner.

At a time when fewer than 50 percent of small businesses survive the first five years of operation, as reported by the Small Business Administration, a business incubator works to improve the chances of survival and growth.

"An incubator could be a tremendous opportunity to promote and nurture entrepreneurship, creating jobs and additional wealth for our community and region," EDA Executive Director Clay Walker said. "Therefore, doing all we can to get it off the ground is well within the scope of our mission."

### What is a business incubator?

Just like a heat incubator helps hatch eggs in the absence of the mother bird, a business incubator would give local entrepreneurs the necessary lift to get them off the ground.

Such a small-business incubator typically consists of a building or

buildings that house many small businesses in proximity to one another at below-market rates. The fledgling ventures share common operation spaces such as meeting rooms, copying facilities, and reception areas and staff. The incubator's purpose is to nurture a business through its early – and generally some of the most challenging – developmental stages, therefore encouraging future growth and prosperity in the competitive market environment.

"By the time they're in for two, three years, they should be at a point where they don't need us any-more. They'll move out, and we'll put a new business in and start the process all over again," Vol State President Warren Nichols



Clay Walker

said. "Vol State will provide them with guidance from our business faculty and the Tennessee Small Business Development Center (TSBDC) to create their logo and marketing plan."

### Partnership's birth

The EDA/Vol State partnership's genesis came after the agency's Board of Directors' Advisory Committee, a citizen group that brainstorms with EDA officials twice a year, recognized prosperous incubators generally have an educational component.

"Most people in and around Gallatin recognize that Vol State is a tremendous asset to our community, but they don't always realize that it has an incredible impact on our economic development efforts in terms of attraction as well as retention and

expansion," Walker said. "We don't need to be the frontrunner of this project in five years. Volunteer State will be and must be the logical leader in the long term."

When Walker broached the subject of a business incubator to him, Nichols said such a concept had already been a part of the college's master plan and long-term vision. In fact, Vol State's Continuing Education & Economic Development Division staff has for years been assisting businesses with customized training.

"An incubator is just another component of our mission to improve the economic development of our region and be a good community partner," Nichols said.

Another instrumental player in this endeavor would be a Vol State-based small business resource that offers free counseling to help entrepreneurs grow and develop businesses.

"One of the most obvious groups that will



Warren Nichols

benefit from this is the Tennessee Small Business Development Center,"

Walker said. "An incubator would be a tremendous tool for the TSBDC to expand its work and reach many more would-be entrepreneurs."

Charles Alexander, TSBDC director, said making himself readily available for counseling and teaching workshops at the potential incubator would create more avenues for his services as well as local business owners.

### Feasibility study now available

After receiving bids from three consulting firms, the EDA and

VSCC hired Florida-based Greenwood Consulting Group (GCG) to perform a feasibility study to gauge the level of local interest in a business incubator.

“We can look at all the demographic and economic data in the world, but what matters (most) is whether actual entrepreneurs and small business owners in this community would use and benefit from the incubator,” GCG Principal Jim Greenwood said.

“The survey also helps us understand the best location for the incubator and what kinds of services it should provide,” he continued.

Survey results are expected by the end of June. If favorable, they could be helpful in securing federal and state grant monies for the incubator.

“The beauty of this project is that it fits into so many worthwhile and effective groups’ missions and vision,” Walker said. “An incubator will also enhance our downtown efforts by helping to get businesses started and equipped to succeed with some of them, hopefully, locating permanently on or around the Square.”

“The incubator is an outstanding opportunity for Gallatin and for potential entrepreneurs all around us,” said Paige Brown Strong, Executive Director of the Gallatin Area Chamber of Commerce.

## **YOUR INPUT**

A business incubator feasibility survey, distributed at meetings of area civic groups, is also available online at [volstate.edu/survey](http://volstate.edu/survey).

Anyone can take the survey by May 26. The results could be available by the end of June.

For more information, contact Shirley Smith, with the Gallatin Economic Development Agency, at [shirley.smith@gallatin-tn.gov](mailto:shirley.smith@gallatin-tn.gov) or 451-5940.

Source: Gallatin Economic Development Agency