January 30, 2007. Thirty people gather at Stratford Ontario’s Festival Inn for a graduation ceremony. No fancy gowns or graduation caps tossed in the air; this celebration marks the evolution of a community economic development initiative from a pilot project into a full-blown regional strategy. They are here to celebrate Community E.F.F.O.R.T. (Enterprise Facilitation Fusing Opportunity, Resources and Talent), a unique collaboration of credit union and co-operative champions, funders, sponsors, and community leaders in support of Enterprise Facilitation® in southwest Ontario.

With people, services, investment, and political power being pulled from rural or small centres in the province, how are small communities to thrive? Part of the answer lies in fostering the entrepreneurial energy and imagination of folks who remain behind. That is the focus of Enterprise Facilitation, a process developed by Ernesto Sirolli that has received considerable international acclaim since the 1980s.

But small entrepreneurs can’t revitalize communities alone – and they can’t rely on one agency or one organization to solve the problem with them ... much less for them.

In the early 2000s, financial and government circles devoted much attention to the small to medium enterprises (SMEs) and the economic contributions they were making to communities and regions throughout the country. SME owners were part of a growing sector that could contribute significantly to economic development at a community level – provided sufficient resources and services were devoted to nurturing and supporting them.

Could people in southwest Ontario, backed by a diverse group of stakeholders, use Sirolli’s model to awaken the entrepreneurial spirit in their communities and achieve a new and higher level of SME activity? That’s the question that EFFORT was intended to answer.

Building Community EFFORT

In January 2001, Credit Union Central of Ontario (Ontario Central) commissioned research to determine whether Enterprise Facilitation would mesh with the services currently offered by Ontario credit unions. An initial exposure to Sirolli and his passion and devotion to locally-based economic development had deeply impressed Ontario Central representatives. They saw the grassroots nature and community focus of Sirolli model as a likely blend with the credit union’s approach to community economic development.
Enterprise Facilitation

"Enterprise Facilitation was founded on passion and on the assumption that self-motivation, energy and intelligence exist, right now, everywhere. They are like air, light and oxygen. They are what allows our species to survive and what ultimately will lead to the survival of our planet." — Ernesto Sirolli, *Ripples from the Zambezi*

Sirolli developed the Enterprise Facilitation model on the basis of his years of experience doing "traditional" development work in Africa. Since then, Sirolli has worked with small entrepreneurs all over the world to help them start or grow their businesses and foster effective connections in the communities in which they worked.

Introductions

A client (entrepreneur) is introduced to the local Enterprise Facilitator because of a gap in the client's knowledge or skill base. The referral generally comes from a front-line lender in a credit union or CFDC. Sometimes the referral comes from others in the community who have had exposure to, or already graduated from the program. Sometimes the contacts are initiated by the entrepreneurs themselves.

Trinity of Management

The Enterprise Facilitator meets with the client to identify any deficiencies or weaknesses in the client's background that would hinder the launch or growth of his/her entrepreneurial idea. Sirolli classifies all business needs through a concept called "Trinity of Management." It holds that entrepreneurs generally have skills and passion for one, or possibly two of the three key areas required to start up, grow, and maintain a business: production, marketing, and financial skill.

Therefore, it is impossible for one person to run a business successfully; not only would one person need skills in each area, s/he would need to be equally passionate about all of them. Interestingly, Sirolli's Trinity does not include skills in hiring, training, and delegating to others. The EFFORT Enterprise Facilitator often included these human resource skills during the client evaluation, however.

Referrals

The Enterprise Facilitator brings each case to monthly meetings of a community Resource Board. Its members supply referrals to people in the region who could help the client. These contacts may have overcome some of the same issues; they could provide a useful product or service (regarding an accounting, legal, or production issue, for example); or they could act as mentors or even sounding boards.

Follow-Up

The Enterprise Facilitator passes these referrals on to the clients and continues to meet and coach them for as long as they wish to participate in the EFFORT. That assistance often includes "homework assignments" (for example, to complete a business plan or to evaluate computer accounting packages). After completing the assignment, it is up to the client to contact the Enterprise Facilitator for follow-up. An Enterprise Facilitator who strictly follows the Sirolli protocols will not contact the client until the client contacts him. However in most instances EFFORT’s Enterprise Facilitator did take the initiative with clients, checking in regularly and responding to their additional inquiries.

Enterprise Facilitation has been described as CED through entrepreneurial management, coaching, and civic networking. In earlier applications, however, Enterprise Facilitation generally had been implemented in one specific community or region (see sidebar this page).

What was under consideration in southwest Ontario would break new ground. The Community EFFORT project would have to encompass the geographical areas (or "bonds of association") of four sponsoring credit unions. That would cover seven counties as well as Waterloo region — a combination of small municipalities like Milverton and Woodstock; and such medium-sized cities as Guelph and Waterloo. Cities with universities and major manufacturing facilities were grouped with farming towns and villages with perhaps one main street of businesses.

So the "fit," while promising, was not perfect. Then a policy directive from Ontario’s Ministry of Agriculture, Food and Rural Affairs (OMAFRA) added impetus to the project, supporting the efforts of local credit unions to assist rural entrepreneurs. With an initial budget of approximately $500,000 supplied by OMAFRA, Ontario Central, and the four supporting credit unions, the Community EFFORT pilot project was underway. (See sidebar next page, "Community EFFORT.")

As the pilot got rolling, however, it became apparent that contractual obligations with the Sirolli Institute would require a wider range of project sponsors. This led to the recruitment of the CUMIS Group, The Ontario Rural Council (TORC), the Ontario Co-operative Association (On Co-op), and three regional Community Futures Development Corporations (CFDCs). An additional stakeholder was, of course, The Sirolli Institute itself. It provided training and follow-up support to an Enterprise Facilitator, to Ontario Central staff, and to the EFFORT Resource Board. The Institute also trained lenders or their supervisors at the four participating credit unions and the supporting CFDCs.
EFFORT was no easy sell. The project had to be continually marketed to the lenders, clients, & even to current supporters & CED champions in order to increase the pool of Resource Board participants & to provide an adequate base of introductions for the Enterprise Facilitator.

Enterprise Facilitation had been tried in other parts of Canada and the U.S.A. before, but never with this level of collaboration, funding, and interaction between funders, sponsors, and community leaders. This made the EFFORT pilot a unique and complicated application of Sirolli's approach.

Ontario Central acted as project manager for the 30-month initiative that commenced in March 2003. It had four objectives:

- To increase the number of and success rate of entrepreneurs creating and growing businesses in southwestern Ontario.
- To increase the capacity of local credit unions to work with entrepreneurs.
- To build links between credit unions and other lenders, project funders, and organizers, and with other business support services such as CFDCs, local economic development offices, and business enterprise centres.
- To assess the potential of applying the EFFORT model in other communities in Ontario.

Big Challenges

Let's be clear – EFFORT was no easy sell. The project had to be continually marketed to the lenders, clients, and even to current supporters and CED champions in order to increase the pool of Resource Board participants and to provide an adequate base of introductions for the Enterprise Facilitator. (The Sirolli model discourages impersonal methods of marketing or promoting its techniques.) The EFFORT Executive Committee, and in fact every Resource Board member, had to provide a strong value proposition about the project's expected outcomes and how they related to the greater community picture.

One challenge was around the concept of “value for money” or “return on investment.” Essentially, Community EFFORT champions had to quantify what made EFFORT’s approach different from more traditional economic development and more worthwhile. That was a difficult proposition, especially when speaking with those used to more traditional economic development techniques and success indicators.

It is unlikely that many financial institutions would jump for joy when being told, for example, that XYZ enterprise did not fold this month. Does that mean something unfortunate had been avoided, or that something inevitable has just been delayed? Many credit unions and CFDCs, being more community-focused than banks, evaluate SME proposals with a more flexible and community-minded score sheet. However, many representatives still wanted to see the impacts of the EFFORT program expressed concretely, in terms of dollars or numbers.

To appease the bean-counters, EFFORT tracked progress through the number of entrepreneurs assisted, the number of jobs created, or the number of existing businesses that overcame challenges. But these indicators only told part of the program’s story. Other, less measurable indicators, were critical to the success of the pilot and the future of the initiative: the relationships and collaborations that formed in the course of the

Community EFFORT

Community EFFORT is based on the concept of Enterprise Facilitation® created by Ernesto Sirolli, and marketed by the California-based Sirolli Institute.

In order to develop the pilot project effectively in southwest Ontario, it became apparent early on that the Sirolli model would require modifications. The size of the catchment area and the diversity of the communities and the participants were wholly new features. In addition to the central players in the traditional model – the Resource Board and Enterprise Facilitator – EFFORT required an additional management structure to co-ordinate the project’s administration.

The Enterprise Facilitator

The Enterprise Facilitator was the “face” of the EFFORT. He met with clients to understand and assess their businesses and their needs.

The Resource Board

Mainly comprised of community leaders and representatives from sponsors and funders, the Resource Board’s main purpose was to provide the names of local business people or organizations who could help resolve the challenges faced by the Enterprise Facilitator’s clients. The Resource Board was also responsible for personally introducing the Enterprise Facilitator and the EFFORT to others in the community. Apart from these personal introductions, strict adherence to the Sirolli model does not permit any other forms of local promotion or marketing of a project.

The Executive

The EFFORT’s Executive Committee hired, managed, and evaluated the Enterprise Facilitator, and provided the linkages and administration between funders, sponsors, and the project.

The Evaluation Group

Integral to EFFORT was an independent, third-party evaluation to document its successes, challenges, and potential for expansion throughout Ontario. Working with Harry Cummings and Associates, the EFFORT evaluation committee developed an evaluation platform that included baseline and follow-up surveys of clients, Resource Boards, participating credit unions, non-Sirolli comparison groups (e.g., business service centres not using a Sirolli model), and interviews with the Enterprise Facilitator and a Sirolli Institute representative.
This collaborative was historic for Ontario credit unions. It came at a time when mergers & regional credit union development were becoming a common way for credit unions to make their service to their communities more efficient & effective.

Nevertheless, many sponsors were not to be swayed. They evaluated their quantifiable financial and human resource contributions against a quantifiable return on that investment.

The collaborations necessary to make the pilot viable also placed still more strain on two pillars vital to EFFORT’s success: the Enterprise Facilitator and the Resource Board.

EFFORT’s unique way of mentoring and providing constant, unwavering dedication to clients did not “click into place” with traditional approaches. The Resource Board members were not used to assisting from behind the scenes, supplying advice and direction to clients through the Enterprise Facilitator. Coupled with the amount of energy required to initially implement the pilot, this lack of direct stimulation caused some Resource Board and Executive Committee members to disengage and others to burn out.

The unprecedented size and variety of the catchment area presented a huge challenge. Large distances made it difficult to maintain a Resource Board structure with stakeholders from across the region’s various municipalities. It also meant the Enterprise Facilitator had to travel extensively in southwest Ontario and was unable to establish strong relationships in all areas. The large percentage of time spent having to travel within the catchment area reduced the number of clients that he could work with effectively. As a result, while clients strongly preferred proactive follow-up to “homework assignments,” this was not always possible.

At the project’s mid-point, the Enterprise Facilitator left and had to be replaced. Several Resource Board members and sponsors then became discouraged with the Sirolli model and the future direction of the pilot project. While EFFORT did solidify with respect to its structure at the project’s mid-point, it never fully recovered from the change in Enterprise Facilitators. Many of the communities serviced by the project, the Resource Board, and the sponsors, felt disconnected from the project. (The new Enterprise Facilitator felt disconnected at times, too!)

Some participants felt that training on the Enterprise Facilitation process and in Sirolli’s concepts was not as robust as it might have been, considering the cost of the services (almost half the original project budget). This compounded the challenge the Executive Committee had of satisfying partners that the project was giving value for money.

Whereas Sirolli’s model suggested the Resource Board should be growing to meet the referral requirements of the Enterprise Facilitator’s clients, the Board actually dwindled. By the close of the pilot, consistent Resource Board attendance had fallen to a small core group. The remaining Board members often were not familiar with all parts of the catchment area and could not provide referrals and even introductions for all the clients.

Bigger Achievements

Despite these difficulties, Community EFFORT made big gains in terms of all the indicators.

While some struggled to understand and embrace the Sirolli concept of Enterprise Facilitation, it captured the imagination of many who had been involved in small businesses and small business development for years. Sirolli’s Trinity of Management
particularly resonated with funders, sponsors, and board members. They saw an opportunity to strengthen their community through grassroots economic development. Champions recognized that there was indeed a need in their communities for this free and confidential service, and that it would enhance the services that already existed.

The EFFORT pilot project demonstrated that Enterprise Facilitation is empowering for business owners and produced an increase in the number of businesses started in the region. It allowed 51 clients to get the kind of advice or linkages they needed to build their passion and skill set into viable businesses. It enabled 58 existing business owners to work through obstacles by achieving milestones in small steps, while allowing them to tap assistance from a locally-rooted business network. EFFORT also assisted 121 entrepreneurs who received referrals from the local Resource Board and wanted to discuss their business problems before approaching a lender.

An independent, third-party evaluation confirmed that EFFORT increased the capacity of local credit unions to assist entrepreneurs. Over half the lenders reported that Enterprise Facilitation was of some value and over 40% indicated that they changed the way they dealt with entrepreneurs as a result of the service. Credit unions and other lenders were also provided with a resource to which they could send potential clients to get assistance with business planning. The four credit unions referred 50 or more clients to the Enterprise Facilitators.

More telling still was EFFORT’s impact on the relationships among credit unions, government agencies, and CFDCs. The Resource Board proved incredibly important in this respect. It helped build stakeholder support for the project, and brought together key innovators and supporters. While some relationships formed because of the unusual funding requirements set up during the EFFORT project’s initial stages, other relationships formed in spite of them. Some local economic development organizations, for example, at first thought their services competed with those of the credit unions and with those offered by the Enterprise Facilitator. The EFFORT project continued to engage both CFDCs and credit unions, and encouraged them to support the program. By the end of the pilot, representatives of both groups indicated that they had learned important information about how the other operated and how they could work together.

The evaluation process was key to measuring various types of achievement and comparing them to the original EFFORT objectives. The evaluation indicated that EFFORT clients accessed business development assistance and services from accountants, mainstream banks, CFDCs, business information centres, libraries, Chambers of Commerce, and credit unions, among other community organizations. These resources were all interconnected through the Resource Board or the Executive Committee. For those that understood and valued the community level impacts of helping more businesses succeed, this was a powerful measure of success – even if it meant that they were not directly receiving business from a particular client.

Indeed, all the champions of EFFORT recognized the value that the project made to their own lives and jobs on account of the value it had to the community. In essence, making their communities a better place in which to live and work also met a deep-seated personal need. What was in the project “for them” was, in fact, a community made better through a stronger economic fabric.

The development of this collaborative was historic for Ontario credit unions. Partnerships were built that have led to further business collaboration (an outcome that was not anticipated, but definitely welcomed). It came at a time when mergers and regional credit union development were becoming a common way for credit unions to try and make their service to their communities more efficient and effective. Yet little effort went into celebrating the successes by the joint service development and delivery that Community EFFORT exemplified. This muted the impact of the pilot in spite of the enthusiasm with which some key credit union leaders received it.
Poised at the Frontier … or the Precipice

Once the pilot started to wind down, discussions turned to moving Community EFFORT into a second phase: expansion of the model to multiple communities across the province. The partners and stakeholders remain the same in this new iteration of the model. But the additional financial support required meant that the Ontario Co-operative Association (On Co-op) had to become project manager to gain access to new sources of funding. It also meant changing the focus of EFFORT to satisfy additional mandates: co-op development and social enterprises.

Unlike Ontario Central, On Co-op can access sources of funding available to nonprofits and to CED organizations. On Co-op also has dedicated resources and a staffperson to help drive the linked mandates of EFFORT and co-op development. Meanwhile, Ontario Central continues to provide support for Community EFFORT under the umbrella of the national credit union’s SME program. This program aims to position credit unions as the primary and preferred choice for SMEs to do business with. Support for EFFORT is a tangible way that the credit union system can help demonstrate that commitment.

In November 2006, the Ontario Trillium Foundation provided four years of seed funding to allow implementation of EFFORT in two southwestern locations (one of them the original pilot area) and two northern communities in the province. Each area will have its own Enterprise Facilitator. The Trillium Foundation funding also presents the project with two new challenges for its next phase. The first is to extend the model to include co-ops and social enterprises as key indicators of success. The second is to make the expanded EFFORT program financially self-sustaining and independent of public sources of funding.

The Community EFFORT program is now faced with a series of new tasks, requirements, and opportunities – almost a new frontier. There are additional levels of complexity around both the marketing and measurement, as well as the administrative overhead for the Executive Committee and project management team. Time has passed since the end of the pilot – are the partners and stakeholders able to move confidently into the next phase after months of planning for the relaunch? They will have to market EFFORT broadly and ensure a renewal and recommitment of energy and enthusiasm. They have to maintain interest and engagement using more complex indicators of CED, both statistical and qualitative, that track not just numbers of businesses, but types of businesses, each with their own defining criteria.

Nevertheless, EFFORT’s purpose remains essentially the same: to provide the means by which SMEs (be they private firms, co-ops, or social enterprises) can overcome the many pitfalls of start-up and become well-managed and solvent operations. The applicability of Enterprise Facilitation to every type of entrepreneur and form of business will be supremely tested. If EFFORT fails to achieve measurable success in this area, nothing that any champions can do will convince sponsors or agencies to finance future endeavours.

On Co-op must reach out to new segments of the community to broaden participation in the Resource Board: established co-ops and social enterprises. Neither sector was represented in the make-up of the pilot’s Resource Board. This presents incredible opportunities to diversify the local Resource Boards. But how are communication and collaboration to be maintained among sectors that have traditionally operated in such isolation from each other? In this respect, the co-op sector’s intrinsic understanding of the need to provide and articulate both social and economic benefits to a diverse membership may actually work to EFFORT’s advantage.

For the new phase of EFFORT to be manageable, the Executive Committee must define rural or northern areas in which Resource Boards and Enterprise Facilitators can work effectively. These areas must be reasonable in size so the Executive Committee can provide consistent project management and communication among Resource Boards, Enterprise Facilitators, and partners and supporters. But flexibility will also be important. The unique character of each community must be allowed to mould the project into a form that works best for them, building cohesion and participation in places that are often remote from a larger policy and support framework.

Looking forward . . .

Many past participants and more than a few new EFFORT champions attended the January 2007 graduation, as EFFORT passed from pilot status to a free-standing project. Much is riding on the implementation of the next phase over the coming four years. As the ceremony continued late into the evening, past champions and new partners shared their experiences and viewpoints with other. The former provided some perspectives on how the project had unfolded and things they would like to see in this new phase. The latter expressed their expectations and how they felt EFFORT could fit in their communities.

This connection between new and old, more than any other part of the evening, truly represented why this was more than a graduation. This was not the culmination of an experience, but the recognition of how the activities in the past will provide a key foundation to allow EFFORT to evolve into something even bigger.

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