

## The Business Incubator on Wheels

By Charles F. D'Agostino, MBA

### BRINGING ENTREPRENEURIAL SERVICES TO THE RURAL COMMUNITIES IN LOUISIANA

The Louisiana Business & Technology Center (LBTC) at Louisiana State University has established an Incubator on Wheels program that has brought business support, technical assistance, and entrepreneurship to over 120 communities in rural Louisiana and communities impacted by Hurricanes Katrina, Rita, Gustav, and Ike. The program allows the LBTC to coordinate, develop, promote, and foster entrepreneurial strategies and outreach activities to individuals who normally do not have access to such programs. By traveling to the site of potential clients, the LBTC can extend its services to individuals in the area as well as encourage them to seek further assistance.

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# the business incubator

## ON WHEELS

By Charles F. D'Agostino, MBA

How does a rubber chicken lunch turn into one of the most innovative entrepreneurship programs in recent years? The author was having lunch at a Louisiana State University function with LSU alumnus, John Q. Barnidge. Barnidge was the CFO of Healthtronics, a manufacturer of mobile medical units and first responder command vehicles based in Austin, Texas, and Harvey, Illinois. The discussion touched on the impressive vehicle that Healthtronics designed for NASA, called the *Benefits of Space* touring vehicle. The vehicle was an 18-wheeler converted into a classroom with a theater capable of seating 20 people, used for viewing videos of space exploration, and an exhibit area featuring showcases containing space memorabilia and space spinoffs. The Louisiana Business & Technology Center (LBTC) requested the unit from NASA and brought it to Baton Rouge to promote the Center's office at the NASA Stennis Space Center.

Barnidge arranged for Healthtronics to donate a similar unit to LSU so that the Louisiana Business & Technology Center could establish the "Incubator on Wheels" program. This lunch turned into the beginning of a program that has brought business support, technical assistance, and entrepreneurship to over 120 communities in rural Louisiana and communities impacted by Hurricanes Katrina, Rita, Gustav, and Ike. The unit was received fully refurbished and ready to hit the road in late October of 2005. The plans to present entrepre-



The Mobile Classroom following Hurricanes Gustav and Ike, deployed in Houma, LA.

neurial training to underserved rural Louisiana was temporarily put on hold by two infamous ladies, Katrina and Rita, and the powerful punch that they gave coastal Louisiana and Mississippi.

The Mobile Classroom, "Incubator on Wheels", was quickly deployed to coastal Louisiana, visiting areas from Chalmette and New Orleans to Cameron and Lake Charles. The unit became very quickly the business disaster recovery center on wheels. The LBTC partnered with Louisiana Economic Development, the US Department of Agriculture – Rural Development, the Louisiana Municipal Association, the LSU Ag Center, the Louisiana Public Facilities Authority, IEDC volunteers, and a full assortment of business counselors to assist impacted businesses in the hurricane devastated areas. The LBTC provided individuals in these locations with information on disaster loans

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## BRINGING ENTREPRENEURIAL SERVICES TO THE RURAL COMMUNITIES IN LOUISIANA

The Louisiana Business & Technology Center (LBTC) at Louisiana State University has established an Incubator on Wheels program that has brought business support, technical assistance, and entrepreneurship to over 120 communities in rural Louisiana and communities impacted by Hurricanes Katrina, Rita, Gustav, and Ike. The program allows the LBTC to coordinate, develop, promote, and foster entrepreneurial strategies and outreach activities to individuals who normally do not have access to such programs. By traveling to the site of potential clients, the LBTC can extend its services to individuals in the area as well as encourage them to seek further assistance.

and other relevant programs, offered technical assistance and business counseling, and allowed businesses to utilize laptop computers and satellite communications contained in the Mobile Classroom.

## LOUISIANA BUSINESS & TECHNOLOGY CENTER OVERVIEW

The Louisiana Business and Technology Center, a totally self-funded and an integral part of the E. J. Ourso College of Business's Stephenson Entrepreneurship Institute at Louisiana State University, endeavors to enhance economic development in Louisiana through the support of existing small businesses and the development of new businesses through its business incubation program. The Center serves to stimulate small business formation, growth, and survival which will ultimately lead to job creation and the expansion of economic development within the state of Louisiana. The LBTC has partnered with establishments such as the Louisiana Business Incubation Association, the Louisiana Small Business Development Center Network, Manufacturing Extension Partnership of Louisiana, and Procurement Technical Assistance Center Programs in order to better address the needs of its small business clients located throughout the state.

## MOBILE CLASSROOM OVERVIEW

The Louisiana Business & Technology Center "Incubator on Wheels" program is designed to bring the first-rate business counseling and technical assistance that the Center provides to rural, underserved areas of

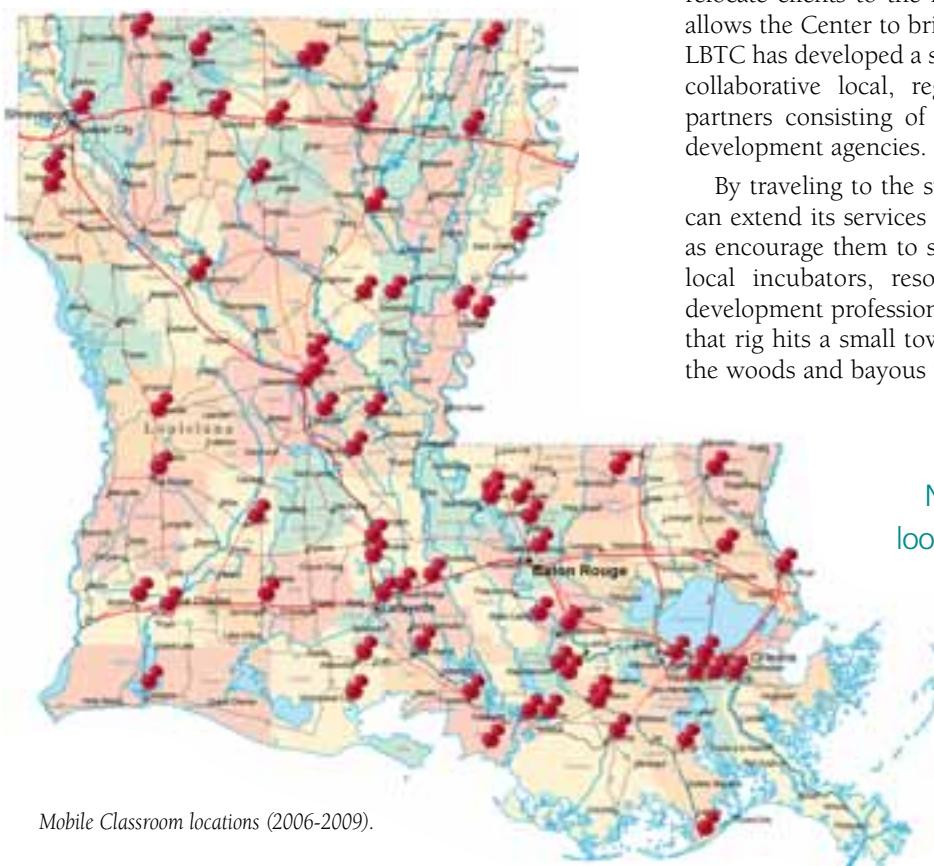


Teaching in the Mobile Classroom.

Louisiana. Since 31 percent of Louisiana's population, or around 1.4 million people, live in rural Louisiana, the Mobile Classroom strives to provide innovative entrepreneurial education and technical assistance training programs to individuals located in these areas where economic stimulation is needed. Not only does the Mobile Classroom look to serve aspiring business owners, but it also assists hurricane-impacted businesses by providing the immediate and critical resources necessary for successful recovery operations.

The mobility of the "Incubator on Wheels" program allows the Louisiana Business & Technology Center to coordinate, develop, promote, and foster entrepreneurial strategies and outreach activities to individuals who normally do not have access to such programs. Rather than relocate clients to the incubator, the Mobile Classroom allows the Center to bring its services to the clients. The LBTC has developed a strong and competent coalition of collaborative local, regional, statewide, and national partners consisting of incubators and other economic development agencies.

By traveling to the site of potential clients, the LBTC can extend its services to individuals in the area as well as encourage them to seek further assistance from their local incubators, resource providers, and economic development professionals. As one mayor stated, "When that rig hits a small town like ours, people come out of the woods and bayous to see what is going on."



Not only does the Mobile Classroom look to serve aspiring business owners, but it also assists hurricane-impacted businesses by providing the immediate and critical resources necessary for successful recovery operations.

The program makes a statement. It tells rural Louisiana that they are not forgotten just because they are not on the interstate highway. The small business owners in these communities are provided the necessary management and technical assistance to allow them to successfully grow their businesses. By working with businesses in the small communities, the Louisiana Business & Technology Center is able to show them how to market their products on the Internet, how to develop websites, how to apply for and receive loans, how to market their products, customer service capabilities, and other key tools necessary for success.

The ability for quick response by the LBTC and its "Incubator on Wheels" is critical. The ability to move into the hurricane impacted areas, in many cases before power and Internet was restored, was critical to business recovery. Research data verifies the fact that, the longer the business is down, the less chance it has for recovery. When the chicken processing plant was shut down in Farmerville, Louisiana, Louisiana Economic Development called for the "Incubator on Wheels" to come to the north Louisiana town to provide emergency business assistance to the small business owners impacted by the plant closure. The Center, its staff, and strategic partners from the LSU Ag Center and the Louisiana Workforce Commission designed programs and classes to help the former employees and subcontractors of the Pilgrim's Pride plant react to the devastation of a major employer shutting down its operations. The LBTC taught classes on resume writing, re-entering the workforce, marketing businesses to other industries, and personal business counseling.

Participants in the sessions provided the following quotes, during a recent survey of attendees.

- "The sessions in Oberlin were scheduled as a result of a desire to see an improvement in our downtown business area. Possible business owners were encouraged to attend and as a result, there have been two new businesses opened up on our small main street;" and
- "The sale of Farmerville poultry plant allowed me to go back to farming, but through your classroom experience I did enroll in trade school to update my skills. Thank you for the time you all put into the Mobile Classroom."

These types of responses make the program worthwhile. Our business counselors, disaster recovery specialists, and strategic partners are rewarded by the sincere "thank you" given to us by those attending the sessions.

## MOBILE CLASSROOM SERVICES

Each stop of the Mobile Classroom provides potential clients with innovative entrepreneurial education, a technical assistance training program, and training materials necessary for the clients' businesses to grow and sustain long-term success. The LBTC looks to develop a strong and competent coalition of collaborative partners in all areas visited in order to develop a system and continue to deliver content and services upon completion of the project. Through the mobile incubator, the Center hopes to facilitate the development and/or expansion of the entrepreneur infrastructure to areas lacking this foundation, as well as foster a forward-thinking entrepreneurship culture that develops sustainable networks and creates policies consistent with successful entrepreneurship development activities.

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Teaching computer skills in the Mobile Classroom.

Knowledgeable and experienced members of the Center staff accompany the Mobile Classroom on its tour of Louisiana, bringing their expertise where they are most needed and encouraging entrepreneurship to an audience that is often overlooked. The classroom typically stays in an area for three to five days during which it hosts a wide array of workshops and seminars. The sessions are selected by the community sponsors in each location and tailored to the specific needs of each community visited. Most importantly, the classes are **open to the public and free of charge**.

The operational cost of the program includes a full-time mobile classroom coordinator, the movement of the unit from location to location, and the overall general management of the project. This is estimated to be approximately \$150,000 annually, but the return on investment in good will for Louisiana State University

and the state's economic development mission is ten-fold. Recently, the US Department of Agriculture hosted a meeting of the USDA state directors from Texas, Tennessee, Mississippi, Arkansas, and Louisiana in Marksville, Louisiana. The meeting included a tour and presentation on the "Incubator on Wheels." Each of the state directors from the neighboring states requested information on how they could replicate the program.

The "Incubator on Wheels" program has partnered with the U.S. Department of Agriculture – Rural Development, the Louisiana Municipal Association, Louisiana Economic Development, and the LSU Ag Center and Cooperative Extension to develop a series of programs and training sessions teaching entrepreneurs how to start, finance, and market their business ideas. Entities such as IEDC, Manufacturing Extension Program of Louisiana (MEPoL), the Procurement Technical Assistance Center, the US Small Business Administration, the Louisiana Technology Transfer Office, Capital One Bank, the Louisiana Small Business Development Centers, Entergy, and Central Louisiana Electric Cooperative have also been instrumental in pro-

Workforce, and Basics of Lean Manufacturing. Other topics include Customer Relations, e-Commerce, Small Business Innovative Research (SBIR) Grants, Preparing Your Business for Survival and Continuity Before a Disaster, and How to Develop a Business Disaster Survival Plan.

Upon entering a specific area, the LBTC coordinates efforts with the Louisiana Business Incubation Association's business incubators in that specific area and encourages program participants to seek assistance from local Small Business Development Centers and incubator managers. The Center feels that it is essential to have local assistance in place once the "Incubator on Wheels" moves on to the next community.



*The Mobile Classroom 2009.*

**The LBTC staff work with local community leaders, elected officials, and economic development organizations to invite home-based business owners and entrepreneurs to visit the mobile incubator when it visits a community. Local officials are trained to be both resource providers and the point of contact between the community and the LBTC once the mobile incubator has vacated the community.**

| MOBILE CLASSROOM FEATURES   |  |
|---|--|
| Custom-designed 18-wheeler retrofitted with state-of-the-art technology |  |
| Wireless internet connectivity  |  |
| Plasma screen monitor for video presentations                           |  |
| Podium area for speakers  |  |
| Theater style seating for up to 30 people                               |  |
| Exhibit/display area  |  |
| Self-contained power  |  |
| Heating and cooling system  |  |
| Kitchen area  |  |
| Handicapped/wheelchair access   |  |
| Satellite system (donated by Capital One)                               |  |

viding some of their most knowledgeable people to provide one-on-one business counseling and give lectures on a wide variety of topics.

Some of the training workshops and seminar topics include Business Innovative Research, 21st Century Marketing, Basics of Business, Financing Your Business, Federal Contracting Basics, Developing a Productive

The LBTC staff work with local community leaders, elected officials, and economic development organizations to invite home-based business owners and entrepreneurs to visit the mobile incubator when it visits a community. Local officials are trained to be both resource providers and the point of contact between the community and the LBTC once the mobile incubator has vacated the community. After visiting the Mobile Classroom, Senator Mary Landrieu was able to see first-hand the impact the Louisiana Business & Technology Center and its Mobile Classroom have on small businesses throughout the state of Louisiana and stated, "This program is essential to keeping our rural economies strong."

#### MOBILE CLASSROOM HISTORY

The Mobile Classroom was first showcased in February of 2006 through the Louisiana Business & Technology Center's "Driving Louisiana's Economy" tour. This project has been a continual success due to the generous contribution of the Mobile Classroom by HealthTronics and funding provided by the U.S. Department of Agriculture – Rural Development, Louisiana Economic Development, Louisiana Public Facilities Authority, Louisiana Municipal Association,

| MOBILE CLASSROOM STATISTICS                                |               |                 |
|--|---------------|-----------------|
| Indicator  | Result        | Margin of Error |
| Percent of attendees in business                           | 73.9%         | 13.96%          |
| Opened for business after attending the Mobile Classroom   | 23%           | 12.35%          |
| Average number of employees                                | 5.5           | NA              |
| Average # of jobs added per employer in 2008               | 1.35          | NA              |
| Average Length of business ownership                       | 5.7 years     | NA              |
| Average rating of classes attended                         | 3.72 out of 5 | NA              |
| Average Growth of Businesses who attended Mobile Classroom | 24.54%        | NA              |
| <b>Locations Visited</b>                                   | <b>115</b>    |                 |
| <b>Number of Attendees</b>                                 | <b>1751</b>   |                 |
| <b>Business Start-Ups</b>                                  | <b>114</b>    |                 |
| <b>Jobs Retained</b>                                       | <b>312</b>    |                 |
| <b>Jobs Created</b>  | <b>562</b>    |                 |

Capital One, Louisiana Workforce Commission, and the Secretary of the State's office, as well as support from the LSU E. J. Ourso College of Business and the LSU Ag Center.

Since its inception, the Mobile Classroom has visited both hurricane-impacted and rural cities of Louisiana such as Marrero, Chalmette, Belle Chasse, Michoud, Lake Charles, Winnsboro, Eunice, New Iberia, Abbeville, Covington, Arcadia, Houma, and Mansfield, just to name a few. To our knowledge, there are no other programs of this type. The LBTC has received inquiries from the states of South Carolina, Michigan, Indiana, and Mississippi on the possibility of replicating the program.

### IMPACT OF HURRICANES KATRINA AND RITA

On the wake of Hurricanes Katrina and Rita, the Center realized that the Mobile Classroom could be utilized for more than just entrepreneurial training sessions and courses. After the storms, it quickly converted into a disaster business-relief counseling center and a haven for small businesses impacted by the hurricanes.

The Mobile Classroom was deployed immediately into the hurricane-devastated areas of Louisiana to offer incubation services and encourage the rebuilding effort, thereby stimulating the economy. Many businesses lost their physical facilities and looked to the Mobile Classroom for access to laptop computers, internet access, training and counseling programs, and an area for business owners to consider the options that lay ahead of them. Other business incubators within the state referred local businesses to the Mobile Classroom for expertise in disaster business loans, funding programs, and business plan adjustments. With these unexpected and unfortunate events, the Louisiana Business &

Technology Center recognized the true mobility of the Mobile Classroom through its ability to transform into an establishment that provides resources other than what it was initially intended to provide.

### MOBILE CLASSROOM RECOGNITIONS

The LBTC and the "Incubator on Wheels" program have been recognized numerous times for this unique approach and efforts in creating a sustainable entrepreneurial culture across the state of Louisiana. Just recently, the Louisiana Business & Technology Center was awarded the 2009 Excellence in Economic Development Award



Immediately following Hurricanes Gustav and Ike, the Mobile Classroom with its satellite internet access allowed business owners to access the internet.

in Rural Economic Development by the US Department of Commerce - Economic Development Administration for its "commitment to research-based, market driven economic development in helping grow the local economy." (Borlik, Bryan. "U.S. Commerce Secretary Gary Locke Announces Louisiana State University as Excellence in Economic Development Award Recipient." June 5, 2009) Other awards received include:

- 2009 Most Innovative Program by the National Business Incubation Association,
- 2008 IEDC Entrepreneurship Award,
- 2007 Southern Growth Policies Board Innovator of the Year, and
- 2006 AURP Excalibur Award for services provided in hurricane recovery.

The Louisiana Business & Technology Center is proud of the recognition received by this program and looks forward to many more years of service to the entrepreneurs of rural Louisiana.

## LESSONS LEARNED

The "Incubator on Wheels" program has been well received and has shown great success by the number of communities requesting visits and repeat visits. The primary lesson learned in owning a unit of this sort is that a major expense that has to be covered is the actual moving of the unit from community to community. Since it is not self-contained and LSU does not have a tractor available to deploy the unit, the LBTC has had to enter into a contract with a third party to move the unit. This cost averages about \$1,250 per move and with 30 moves per year, this expense averages just under \$40,000 per year.

Although, we could deliver the same classes and training programs by renting local meeting facilities, the use of the mobile unit in "small town, rural Louisiana" attracts attention and makes it special for the participants and our local partners. A seminar in a meeting room at the chamber would go unnoticed, but when the Big LSU rig comes to town – IT IS NOTICED. When it rolls into town, people come out to see what is going on. The LBTC staff has the opportunity to visit many local communities and participate in their local culture. This allows them to determine what business support services are needed in the community and to assess local resources available to the small business owners and entrepreneurs. The LBTC can then customize technical assistance programs to meet the specific needs of the community.

The LBTC staff also has learned that the mobile classroom is the first step to get local business owners and entrepreneurs interested in getting help to grow their businesses. In depth counseling must be available as a follow-on program to make sure that assistance is available from local sources and the LBTC at LSU in Baton Rouge. This program builds local capacity in the community.

Our unit was donated, but there is funding available to other states to purchase similar vehicles to replicate this program. The program truly brings the experts to the people and has illustrated extreme value in the rural and disaster prone locations. Finally, since the unit is deployed over 120 days per year, it is very important to have a motivated and dedicated staff that is willing to be on the road for long periods of time. 

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