



## New Partnership Created to Help Prepare Skilled Workforce



*From left: Jamie Zanos, NIACC Vice President for John Pappajohn Entrepreneurial Center; Dr. Lyn Brodersen, NIACC Vice President for Academic & Student Affairs; Brad Davis, NIACC Foundation Board; Daniel Robeson, President, Iowa Business Growth; Terry Schumaker, NIACC Dean of Continuing Education and Economic Development*

Iowa Business Growth (IBG) and North Iowa Area Community College (NIACC) have created a new partnership to help educate and train people to become the skilled workers needed by Iowa businesses.

*Project Lead Forward* is a public-private partnership designed by IBG and NIACC to help relieve the shortage of skilled workers in Iowa, especially in rural areas of Iowa. Iowa business leaders face a shortage of skilled workers to meet the demands of business and industry.

As a result of a request from IBG, the NIACC John Pappajohn Entrepreneurial Center provided a list of strategies to the IBG board of directors in September, 2012. The board then asked NIACC to provide a specific proposal to address the labor shortage of

skilled applicants in North Iowa. The result is a comprehensive project aimed at increasing the number of skilled workers ready to be hired by North Iowa businesses. The funding is \$115,000 for one year, with a possibility of the same for a second year.

Daniel T. Robeson, President of IBG said, "IBG's mission is to help stimulate the economy in Iowa through our lending activities. Our goal is to provide Iowans with increased employment opportunities through the projects we help finance. Our partnership with NIACC is a departure from our normal approach of helping businesses create jobs to a position where we are helping individuals improve their employment potential for current jobs. This is just another approach for IBG to achieve our mission to improve the quality of life in Iowa through a strong economy".

### How it Works

The project has three tiers with the goal of enrolling 20 individuals in each tier and an ultimate goal of placing participants in jobs when they complete the program.

- Tier 1 focuses on basic reading, writing, math and computer skills. Each participant will be assessed to determine their entry skill level and to provide appropriate skill development to prepare them for a successful transition to college and into workforce readiness programs.

- Tier 2 is designed to take participants with entry level skills or those who have achieved the training in Tier 1 into certificate programs to prepare them for the workplace. Students in the second tier will complete the National Career Readiness Certification (NCRC) process and begin internships or participate in cooperative work experiences.

- Tier 3 is for students to study in a credit-based program related to high-demand, skilled work areas coupled with training in Lean Manufacturing principles. In this phase, the program works closely with business partners. This part of the plan incorporates private, federal and state funds. Iowa Business Growth is providing the seed money to get this launched.

"We were thrilled that IBG asked us for ideas on how they could assist business growth in North Iowa and are grateful for their confidence in NIACC to partner with us to help alleviate worker shortages through their gift and support. We look forward to this program's success," said Jamie T. Zanos, NIACC Vice President for the John Pappajohn Entrepreneurial Center.

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**North Iowa TechBrew  
meets the  
3rd Tuesday  
of the month  
5 - 7 p.m.**

TechBrews are informal networking events designed to bring together entrepreneurs, technology and business people.

North Iowa TechBrews are sponsored by the Technology Association of Iowa, the NIACC John Pappajohn Entrepreneurial Center and the North Iowa Corridor EDC with a local or area business as a principal sponsor each month.

**For Dates & Locations  
Check Our Website  
[www.niacc.edu/  
pappajohn/resources/  
tech-brew](http://www.niacc.edu/pappajohn/resources/tech-brew)**

## Director's Notes

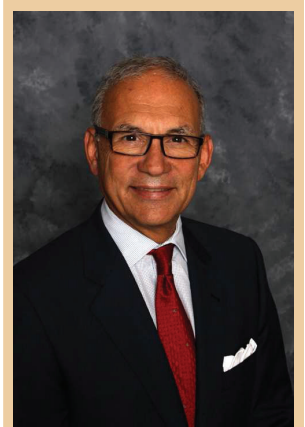
We continue to find partners to help drive entrepreneurship and business growth. Recently, with the economy improving, a shortage of qualified skilled workers has developed within certain industries in North Iowa. This threatens the opportunity for businesses to embrace the growth they are experiencing and fulfill orders. With funding from Iowa Business Growth, NIACC and NIACC's John Pappajohn Entrepreneurial Center (JPEC) developed and are launching a new initiative to identify and train people in North Iowa to take positions in the factories and businesses that have shortages in their work force and lack qualified applicants.

The jobs are here and the role of NIACC is to help train people for those jobs to ensure the businesses have the skilled workforce necessary. The JPEC will be involved in helping identify businesses and candidates for internships that will allow businesses to get to know potential hires and vice versa. We hope to get 60 or more through the programs (a three tiered process) during the next 12 months. This is a unique partnership with Iowa Business Growth and a news release detailing a little more about the effort, called *Project Lead Forward*, can be found on our website at <http://www.niacc.edu/blog/2013/07/15/new-partnership-created-to-help-prepare-skilled-workforce/>.

Additionally, we have enjoyed success with our partnership with the Technology Association of Iowa, the North Iowa Corridor EDC and various local and area businesses who sponsor the new North Iowa TechBrews. We expect the TechBrews to bring together technology, business and financial individuals to assist them with introductions and engagement to stimulate further entrepreneurial and business activities. We hope that the TechBrew's social mixing of creative energies from different fields will yield synergistic business opportunities, combining talents to serve new clients and create new businesses. The first North Iowa TechBrew drew over 100 people! We'd like to see more high-value information technology businesses grow in North Iowa, copying the success of local and national powers Kingland Systems, TeamQuest and DealerBuilt.

As the economy has improved and jobs are opening up, the number of people looking to start businesses in North Iowa has dropped. Nonetheless we have had success both with new businesses and with consulting for existing businesses, which has grown this year. Some of those numbers are reported elsewhere in our newsletter. With the addition of Dan Winegarden, we have enjoyed new energy and he has brought a different skill set appreciated by many of the businesses seeking our assistance with business problems and opportunities.

One additional thought I would like to call your attention to is an article from the Harvard Business Review which details the need to make sure a business idea is viable from a sales perspective. Many times we have enthusiastic "entrepreneurs" who are determined to build a business around an idea. Sometimes those ideas, while seemingly great, don't have a market for the product that is envisioned. We have found that one common denominator in failures of new businesses is the failure to meet their sales projection. While NIACC and the NIACC JPEC have developed and provide a strong sales training program (Ultimate Sales Academy), the general lack of skilled professional sales can submarine even good products. Take a look at the Harvard Business Review article at: [http://www.niacc.edu/pappajohn/files/PDF\\_Files/Harvard\\_Business\\_Review\\_article.pdf](http://www.niacc.edu/pappajohn/files/PDF_Files/Harvard_Business_Review_article.pdf). I think it offers a valuable perspective and one to keep in mind in running a company or starting one.



**Jamie T. Zanios**  
*NIACC Vice President  
& JPEC Director*





*Derek Lonneman, Cassandra Shober, Kayla Kerns, Regatta Olinger*

YEA! It's going to be great to watch these talented students over the next several years and see where their entrepreneurial mindsets take them."

Participants for the 2013 Youth Entrepreneurial Academy were:

Belmond/Klemme - Aaron and Marcus Nelson  
 Clear Lake – Samantha Craighton, Olivia Hanna-Marken, Kayla Kerns and Regatta Olinger  
 Forest City – Dakota Richardson  
 Garner/Hayfield/Ventura – Derek Lonneman

Hampton/Dumont – Peter Bollhagen and Duncan Wood  
 Mason City – Skyler Marshall, Angelica Post and Cassandra Shober  
 Osage – Jessie Gast  
 St. Ansgar – Jennifer Johnson  
 W-C-T – Shayla Banchs

On the last day of the academy, the students pitched their business ideas. The top eight out of the 14 business ideas were then presented to a panel of five judges: Angie Barber, Cabin Coffee Company; Katie Wold, Market 124; Brent Willet, Executive Director of the North Iowa Corridor EDC; Mike Bal, Social Media Consultant; and Dan Winegarden, JPEC Business Incubator and Accelerator Director. The judges then chose four companies as finalists and each won \$500 in seed money to assist in starting their business. The winners were Derek Lonneman – Derek's Mink Farm of Garner; Cassandra Shober – Kera Shu (online store for European Hair products) of Mason City; Kayla Kerns – Oh Well (100% aluminum window wells) of Clear Lake and Regatta Olinger – Tropical Sno of Clear Lake.

## 2013 Youth Entrepreneurial Academy

North Iowa Area Community College's John Pappajohn Entrepreneurial Center held a Youth Entrepreneurial Academy June 17-21. This annual academy is offered free to all high school students interested in entrepreneurship. Participants receive a \$500 NIACC scholarship sponsored by the John K. and Luise V. Hanson Foundation and John Pappajohn when they attend NIACC.

Sixteen area high school students completed the 2013 academy. In previous years, camp participants stayed in the NIACC dorms for the week. Due to construction on a new dormitory, this year's camp met from 9:00 a.m. to 4:00 p.m. each day. The students received gas cards to help pay for the daily travel from their homes to campus. A new curriculum, Lean Canvas, was also used for this year's academy.

Tim Putnam, Associate Director for the NIACC JPEC, said, "We asked the students to come to the academy with a business idea that they could start today and they did exactly that! Plus, we wanted to reward students who would be willing to 'start a business today'. There were a couple of students working on family businesses, a student who wanted to expand a hobby business and a student who started an on-line business just prior to coming to

### NIACC JPEC, SBDC, and Business Accelerator

#### July 2012-June 2013 Business Statistics

**Total Dollar Amount  
of Loans - \$2,246,100**



|  | July 2012<br>June 2013 | Since<br>1997 |
|--|------------------------|---------------|
| NEW BUSINESS STARTS                      | 19                     | 458           |
| NEW JOBS CREATED                         | 47.5                   | 1528          |
| ENTREPRENEURSHIP<br>PROGRAM PARTICIPANTS | 3836                   | 36161         |

# What Entrepreneurs Get Wrong

Commentary by Daniel Pitts Winegarden, NIACC Director of Incubation & Acceleration

**“Executive Summary.** Salesmanship is central to a start-up’s success, but many entrepreneurs ignore this simple fact. They may believe that their idea will sell itself or that there’s no point visiting a prospective customer without a finished product in hand. Those who search for sales advice mostly find tools and techniques for established companies.

In a study of 120 entrepreneurs in six countries, more than half fully developed their products before getting feedback from potential buyers. Looking back, most said that was a mistake. Those who did start selling early did not spend enough time listening to prospects’ reactions.

When they did go on sales calls, the entrepreneurs fielded tough questions about the efficacy of their products, their credibility and experience, the size of their companies, their prices, and the cost of switching to an unproven offering.

A sales model geared to entrepreneurs accounts for the fact that information gleaned during the sales process can be crucial in designing (or redesigning) the product itself. This model calls for meeting with prospects as soon as an idea is conceived to learn if it has broad appeal. The answer to that question then determines whether the entrepreneurs jettison the idea, return to the drawing board, or proceed to prototype development and further testing with potential customers.”

“What Entrepreneurs Get Wrong,” by Vincent Onyemah, Martha Rivera Pesquera, and Abdul Ali. May 2013 Harvard Business Review

Link to full article: <http://www.niacc.edu/pappajohn/resources/information/>

## NIACC JPEC Commentary

NIACC’s John Pappajohn Entrepreneurial Center believes in learning the easy way, from other peoples’ mistakes. It’s a much easier path to success than learning the hard way and making every mistake on the learning curve. Too many mistakes are fatal if you have to experience it to believe it. Research and networking with those who have been there and done that is a necessary part of planning.

This article validates the general approach advocated by Eric Ries in his book, *The Lean Startup*. The old model was build it and they will come. Entrepreneurs would fully develop a product or service, take it to market and see if it would fly. Many – too many – crashed and burned. The new, lean model instead advocates talking to customers as you develop your business. Listening to customers in parallel with development assures that you understand the customers’ pain points and build responsive solutions that have market appeal. At JPEC we like the lean startup model because it emphasizes getting the business model right before investing a lot of effort, time and money in the wrong business plan.

Here are our suggested solutions to the five common mistakes by entrepreneurs:

- 1. Talk to customers early and often.** Don’t build first and talk later. They are often willing to tell you what they need and how you are wrong (or right).
- 2. Open with Listening – Not the Hard Sell.** Entrepreneurs too often immediately try to persuade and fail to listen. Listen to understand. Set ego aside. Take feedback seriously and incorporate the lessons learned into development. Extract information about clients’ businesses and figure out how you can help them, even if it is a different answer than you originally envisioned.
- 3. Sell on Value – Not Discounts.** Early sales are precious, but often set unsustainable pricing precedents with early customers. Price based upon value to the customer and not your costs. Early generous discounts can destroy long-term pricing power. Try to sweeten the deal through means other than price discounts. At least make discounts temporary, and put it in writing.
- 4. Sell to Real Customers.** Don’t mistake family and friends as representative market feedback. They’re telling you what they think you want to hear. You need to sell to real customers to understand real market needs and real market potential.
- 5. Pick Strategic Customers.** In business, it’s not who you know. It’s who you get to know. Strategic customers have the potential to set the example for other customers, opening opportunities you cannot accomplish alone. Pick who you want as customers and pursue them. Reward strategic customers for the value they deliver.

Start-ups face a market skeptical of their size, stability and reliability. That requires a thorough, and expert, cost/benefit from the viewpoint of the customer. Just because you don’t address these points doesn’t mean

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## 2013 GEW Marketplace

Are you a budding entrepreneur? Do you have a business and make something others would enjoy? Come and sell your creations tax free at the 2013 NIACC Marketplace.

All NIACC students, alumni, faculty and staff are eligible to participate in a marketplace which will be held on Tuesday, November 12<sup>th</sup> to celebrate Global Entrepreneurship Week. The marketplace will be held in the Activity Center on the NIACC campus from 10:00 a.m. – 2:00 p.m. and is open to the public to purchase goods from the vendors. Over the past three years, vendors at the marketplace have sold nearly \$7,500 in merchandise.

Contact Mary at 641-422-4111 or spitzmar@niacc.edu for an application.



### What Entrepreneurs Get Wrong Continued From Page 4

customers won't. And often they won't tell you why the answer is no.

**1. Prove It.** Customers consistently doubt performance claims. Proofs of performance through beta or independent tests or customer experience are crucial. Prepare to prove it.

**2. Be Expert or Acquire Expertise.**

Lack of industry experience or credentials can be addressed through board or advisory board members. Prove you know the industry and the pain points in your marketing materials, interactions and solutions.

**3. Build Trust.** There's no easy answer to the "you're too small" problem. You do have to offer something distinctive – sustainable competitive advantage. But ultimately business gets done on the basis of trust. Whatever builds trust minimizes the objection of "you're too small."

### Conclusion

Share your "bright idea" with a select group of prospects earlier rather than later. Use this market feedback to refine the idea. For more on how to do this, consult *The Lean Startup* or better yet, call the NIACC John Pappajohn Entrepreneurial Center at 641-422-4111.

One final take-away from the HBR article. Entrepreneurs surveyed also found it was easier to get appointments with prospects to discuss client needs and future products than to get a sales appointment. "People are more willing to give advice than to listen to a sales pitch." This is not a new insight, but it's worth being reminded about what we know and don't always use.



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## **JPEC Launch & Grow Your Business**

### **NEW CLASS BEGINS SEPTEMBER 12<sup>TH</sup> IN CLEAR LAKE**

JPEC Launch and Grow Your Business is a course that assists the start-up and current entrepreneur in developing a business concept and evaluating it through each step of the business planning process. This course is designed to teach participants how to research, develop, and write detailed business plans. It covers all aspects of launching a business from licenses to bookkeeping to marketing to setting up shop. Participants work on their own business ideas or ventures throughout the course moving their ventures to reality or new levels of growth.

This course is for you if you have an idea for a business but don't know where to start. Or maybe you already have a business but need help knowing what to do to improve operations and marketing to grow your business.

**JPEC Launch and Grow Your Business will be held**

**Thursday evenings from 6:00-9:30 p.m.**

**from September 12 through November 14**

**at CL Tel in Clear Lake.**

**The cost for the course is \$199.**

**Call 641-422-4358 to register - Course #88816.**

Visit us! [www.niacc.edu/pappajohn](http://www.niacc.edu/pappajohn)