

# CORRIDOR Business Journal

www.corridorbiznews.com

\$1.50

CEDAR RAPIDS/IOWA CITY CORRIDOR'S INDEPENDENT, LOCALLY OWNED BUSINESS WEEKLY

Aug. 8 - 14, 2005

## FINANCE

# Local support of entrepreneurs is vital

I have recently read a few articles about how we need to support our entrepreneurs. After all, they are the ones who take the risk to go broke if things go bad, but they also get to reap the big rewards if things go well. Why is the support of them so critical? Jobs! Jobs! Jobs! Sustained Economic Growth!

Most people think they have no way to support entre-

preneurs, yet they could be wrong. First of all, the support by states and the federal government in policy making decisions can be critical to the environment in which entrepreneurs live. So, as a citizen, if you can play a role in how policies that encourage job creation are set, that helps.

States play a critical role. Fair laws and tax laws that support the growth of com-



**THOMAS  
BERTHEL**

panies in our society assist entrepreneurs in being competitive in all aspects of operations. These issues affect the decisions made by companies to manufacture and operate locally versus abroad. Environmental issues, benefits issues and labor laws also affect that decision process. Policies should be tailored to maintain a balance for employees and employers making it beneficial to operate in the area. Policies benefiting all sides of the equation make it possible for the entrepreneurs to look at starting in a certain local location. Solid, consistent policies also make it possible for them to stay in an area versus a one-time stimulus.

Why should we be concerned about how these issues affect us locally? Many new jobs are being created by

firms who start here and stay here; that is, where our growth comes from. Big, one-time incentives are not often the best answer to attracting and retaining companies, although sometimes it is what gets more press. Competition makes it difficult to get the big fish. Again, a balance of one-time incentives and long-term strategic policies will have the greatest influence.

Where does this all begin? It begins slowly and continues to work over a long period of time. As the economic environment in a region promotes its policies, and entrepreneurs settle in the area, many things begin to happen. Capital formation becomes part of the solution. It is also important to have all of the capital resources aligned to offer the entrepreneur alternatives in capital raising efforts. Other jobs are created by new employment, such as entertainment or other services, and perhaps other industries that support a

growing business. Money is made and then the big payoff comes to the area. Those who made money from the first venture often look at investing in another venture. This perpetuates the cycle, as starting businesses thrive in this type of environment. That is why in the venture capital business, you see trends similar to what occurred over the years in Silicon Valley in California.

There are no perfect answers to creating or growing this type of atmosphere. Knowing the competition helps to create the ideas that foster growth and industry development. It all takes time and a commitment to working together to get it right. Together, communities, alert to the needs of growth companies, will create the next technology centers or entrepreneur hotbeds.

*Thomas J. Berthel is CEO of Berthel Fisher & Co., registered representative of Berthel Fisher & Co. Financial Services, Inc., member NASD/SIPC*