As the economy went from bad to worse in 2008, it cast a new spotlight on entrepreneurship. “Last year we saw increased demand for our programs, which demonstrates greater recognition for the role entrepreneurs play in job creation,” says Darlene Lowe, chairman of the Edward Lowe Foundation. “Growth-oriented entrepreneurs have led us out of past recessions, and they are essential to this economic recovery.”

A few years ago the foundation began to focus on second-stage entrepreneurs (companies that have survived startup mode and are transitioning from small to large).

“The recession has also reinforced that we’re in the right spot with second-stage companies, and we’ll continue to build programs and resources to help communities serve this important group,” says Dan Wyant, president and COO.

Entrepreneurship is typically associated with small business, but it’s actually a broad spectrum where participants fall into different categories.

Take lifestyle entrepreneurs, who are self-employed because they like being their own boss, however, job creation isn’t a primary objective. And though small businesses may provide jobs in a community, their growth is somewhat restricted by the local trading area they serve.

“In contrast, second-stage entrepreneurs have both the intent and capability for significant, steady growth and job creation,” explains Mark Lange, the foundation’s executive director. “And because they serve a larger, more scalable trading area, they bring outside dollars into the community.”

Although funding and resources exist for small businesses and startups, it’s important to recognize that second-stage entrepreneurs have different needs when it comes to supporting their growth.

“Communities currently nurture their economies through economic development, workforce development and small business development, but there is a fourth dimension we need to add,” Lange says. “Growth-company development is the missing piece.”

One of the tools the foundation has developed to help communities better understand and grow their economies is YourEconomy.org (www.youreconomy.org). Launched in May 2008, the free Web site tracks business activity and job growth at the national, state, MSA and county levels.

“YourEconomy.org enables many economic developers to access detailed information at the community level for the first time, giving them a more localized view,” says Lange. YourEconomy.org’s composition section looks at what types of employers exist in a region and their share of establishments and jobs. The Web site’s growth section follows opening, expanding and relocating companies — showing how this activity affects the number of establishments and net new jobs.

In addition, the Web site uses new metrics to provide insights. In both sections, statistics are first sorted into three sectors of establishments: noncommercial, nonresident and resident. Then, the resident sector is divided into four growth stages, reflecting different issues companies face as they evolve from startups to mature businesses.

“YourEconomy.org is one of the best tools available for measuring the entrepreneurial economy,” says Brian Kelsey, director of community and economic development at the Foundation Overview
Capital Area Council of Governments in Austin, Texas. “When it comes to looking at the impact of entrepreneurs on economic growth, there’s a real dearth of free, public data sources. YourEconomy.org is the first one I know of where you’re not only getting several different ways to look at information, but also a fairly long time series.”

Refining retreats
Leader retreats for second-stage entrepreneurs and leaders of entrepreneur support organizations continue to be a cornerstone of the foundation’s offerings. Held at Big Rock Valley (BRV), the foundation’s 2,600-acre property in southwest Michigan, these retreats help CEOs think differently about their organizations.

“Like the entrepreneurs we serve, the foundation has the ability to shift gears quickly, so we’re constantly adapting our curriculum to meet customers’ needs,” says Dino Signore, manager of program development.

“For example, last year we began to hear a lot of questions related to the recession, such as ‘How do I lead my people when I myself am nervous?’ so we added content about leading during turbulent times.”

Other recent enhancements included a behavior-focused approach to decision making and GPS-based geocaching.

“The geocaching exercises are fun because they give participants an opportunity to explore parts of our property they normally wouldn’t see,” says Shannon Jennings, program services manager. “But the real point is to gain new insights into strategy and teamwork.”

Indeed, the geocaching exercise was an eye-opener for Nancy Fisher, president of Data Distributing LLC in Santa Cruz, Calif., who attended a retreat with her Women Presidents’ Organization chapter.

“Besides helping our group bond, the exercise also helped us remember what it’s like to be in the trenches,” says Fisher. “As a leader, you must be able to model collaboration. It’s not always about having the last word; leadership is about cultivating people and letting other people shine.”

ESO², economic gardening
In 2007 the foundation launched ESO², a national forum for leaders of entrepreneur support organizations (ESOs). The goal is to help ESOs increase their ability to serve second-stage entrepreneurs.

The foundation expanded this program in 2008, holding retreats for ESOs and introducing an alumni retreat format for returning organizations. An ESO² advisory council was also created, along with a social networking platform so members could continue to exchange ideas and best practices.

The ESO² network is an important sounding board, points out Penny Lewandowski, the foundation’s director of entrepreneurship development. “Because ESO² participants work directly with entrepreneurs on a daily basis, they provide feedback for the foundation as we search for new ways to strengthen regional economies,” she explains.

The Edward Lowe Foundation also supports economic gardening, viewing it as an extension of entrepreneur development. Sometimes referred to as a “homegrown” or “inside-out” approach to job creation, economic gardening focuses on helping existing growth-oriented firms become larger.

In 2008 the foundation began a series of economic-gardening workshops led by Chris Gibbons, director of business and industry affairs.
for Littleton, Colo., who pioneered the concept of economic gardening in the late 1980s. These workshops introduced economic-growth professionals to the principles, tools and techniques of economic gardening.

“Besides drawing attention to the practice, we’re trying to create a national standard to help communities understand how to apply it successfully in their regions,” Lange says.

**Beyond BRV**

In addition to retreats, the foundation has been expanding many of its outreach programs.

For example, the PeerSpectives Roundtable System was originally distributed through exclusive statewide licenses. In late 2007, however, the foundation created nonexclusive licenses that enabled more people to take advantage of this unique CEO roundtable methodology. In 2008 PeerSpectives continued to gain momentum as licensees from California, Mississippi, Georgia, Missouri and Tennessee signed on.

One requirement of PeerSpectives is that participants share experiences rather than give advice. “When facilitators come to Big Rock Valley for training, you can see that they’re initially resistant to a formal protocol,” explains Jessica Nelson, programs coordinator. “But once they see it in action, they’re completely convinced.”

Another program experiencing significant growth is Companies to Watch, an awards program for second-stage entrepreneurs.

Indiana held its inaugural event in 2008, while Michigan and Arizona held fourth and third annual events respectively. What’s more, groups in Colorado, Mississippi and Florida began discussions to start the program.

“In today’s challenging economy, Companies to Watch has become a platform to showcase those companies that are growing despite market changes,” says Lewandowski. “People are hungry for good news, and Companies to Watch completely changes the conversation.”

“Individually, these companies have interesting stories — and together, they blow your socks off,” says Cindy Douglas, vice president of business development for the Michigan Economic Development Corp. “These are companies you can expect great things from.”

Many entrepreneur support organizations are searching for ways to work with more second-stage businesses. Through its application and nomination process, Companies to Watch helps organizations find these businesses and identify their unique needs, points out Joy Kitamori, the foundation’s manager of program production and Web services.

“It also inspires organizations to bring their best game forward,” Kitamori adds. “If not for Companies to Watch, these groups might not collaborate or achieve their goals as successfully.”

Ed Lowe invented Kitty Litter in 1947. A cleaner and more efficient alternative to the ashes and sand previously used in litter boxes, clay-based Kitty Litter led to the creation of an entirely new industry — one that now generates more than $1 billion in annual global sales. Also a successful entrepreneur, Darlene Lowe launched and ran Haymarket Antiques & Designs Inc.

In 1985 the couple created the Edward Lowe Foundation to provide greater support and resources for entrepreneurs. Upon Ed’s death in 1995, Darlene assumed leadership of the foundation as its chairman and CEO.

Although the majority of U.S. foundations are grantmaking entities (giving money to individuals and other charitable organizations), the Edward Lowe Foundation is an operating foundation and channels its funds to sustain its programs.

“This structure appealed to Ed and Darlene because they wanted to create an organization that could interact directly with other groups,” explains Don Bauters, the foundation’s director of finance and treasurer. “In addition, Ed had a strong desire to see Big Rock Valley used in our programs, which an operating structure allows us to do.”

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**Financial snapshot**

<table>
<thead>
<tr>
<th>Expenditures by program classification</th>
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<td>Educational activities</td>
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<td>Administration</td>
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**Our founders**

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For more information about the foundation, visit us online at www.edwardlowe.org or call 1-800-232-5693.
Maintaining biodiversity is a priority at Big Rock Valley

Reflecting Ed Lowe’s great love and respect for the land, the foundation has a secondary mission of land stewardship.

Big Rock Valley (BRV), the foundation’s headquarters, comprises 2,600 acres of woodland, prairie and wetland. Due to its diverse landscapes and ecosystems, the property has a wide variety of plants, animals and insects — with many species listed as special concern, threatened or endangered.

To maintain this biodiversity, the foundation conducts a variety of innovative land-management practices, such as managing for old-growth forests.

A disappearing ecosystem, old-growth forests have numerous large, mature trees that stand 130 feet or higher. Other characteristics include: a multilayered canopy, open areas due to trees that either have died or been blown over by wind, large craters resulting from these fallen trees, and lots of large, decaying logs.

Due to its unique characteristics, old growth is a haven for many rare plants and animals. This ecosystem is also thought to have a positive impact on climate change due to the amount of carbon dioxide absorbed by trees.

“There are some universities and state lands with old-growth stands, but these are generally managed in a hands-off manner with little human intervention,” explains Mike McCuistion, director of physical resources. “In contrast, we’re taking a proactive approach.”

About 100 of the 750 acres of woodland at BRV are now managed for old growth. In these areas, selected thinning is done to remove trees competing with larger, healthy ones. The felled trees are left on the ground to contribute to down woody material, an important component of old growth that keeps soil moist in dry periods.

“Essentially, we’re trying to jump-start old growth,” explains Jay Suseland, superintendent of grounds maintenance. “We’re taking the thought process of what this habitat should look like and setting the stage accordingly.”

The foundation is also reintroducing prairies and savannas, which were once widespread in southern Michigan.

Experimental patches of prairie grass were planted in 1994, and today BRV is home to more than 150 acres of prairie with 70 different species of grass or forbs. Reintroducing savannas (a mosaic of open grassland and scattered trees) has been a more recent undertaking, begun in 2006.

“Both prairies and savannas provide important food and cover for wildlife, including many grassland bird species,” Suseland says.

Another aspect of its land stewardship mission, the foundation makes BRV available to academic researchers. Among 2008 projects were:

• Jeff Evans, a graduate student at Michigan State University, continued a multiyear study on garlic mustard, an invasive plant.

• Heather Rueth, assistant professor at Grand Valley State University, began research on leaf decomposition.

• Matt Cross, a Central Michigan University grad student, completed a two-year project to see how prescribed burning affects the eastern massasauga rattlesnake, a species of special concern in Michigan.

The foundation also forged a partnership with 15 zoos that form the Eastern Massasauga Rattlesnake Species Survival Plan, a group that strives to enhance the snake population in its zoos and promote conservation of massasaugas in the wild. As part of the partnership, the foundation is hosting a five-year study for this group at BRV.

“Massasaugas play an important role in biodiversity,” says McCuistion. “For biodiversity to thrive you want as many native species as practical. If one plant or animal begins to decline, it can disrupt the balance of an entire ecosystem.”

More elbow room

To accommodate its burgeoning retreat program, the foundation broke ground for a new conference center in August 2008. When completed, the two-story building will total 10,600 square feet, enabling the foundation to host larger groups.

Building design and construction follows Leadership in Energy and Environmental Design (LEED) guidelines, which encourage good environmental and energy conservation practices.

Among its hallmarks, the new conference center will feature a geothermal heating and air-conditioning system. Recycled materials are being used throughout the building, and stone and wood have been harvested from the foundation’s property for use in the center.

“We’ve also tried to keep the construction footprint as small as possible to minimize the environmental impact,” says Jon VanSchoick, building maintenance supervisor.