

Our research concluded that Marathon County entrepreneurial resources are not fully developed and lack strategic alignment to adequately support an ecosystem of entrepreneurship and innovation for the 21st century. Examples of this misalignment include the following:

- Currently there is no unifying vision or plan to support current and future high growth/high wage entrepreneurship and innovation
- Currently there are no established networks for aspiring entrepreneurs, small/medium enterprises, or influential business executives
- There is a lack of consensus on the definitions of the following terms: entrepreneurship, self-employment, small/medium enterprise (SME), and innovation

Like any other economic development initiative, community stakeholders should be responsible for the promotion and success of an entrepreneurial and innovation initiative. The structure of the Wausau Group allowed for the financing of more ventures, while reducing the risk faced by individual shareholders. Over time, the Wausau Group also grew their sphere of influence, and ability to shape the community atmosphere. Much like our forefathers, a network of stakeholders promoting regional entrepreneurship and innovation can achieve more than one organization ever could (emphasis on opportunities). Additionally, this group would share the responsibility for the initiatives success, and more quickly raise community awareness.

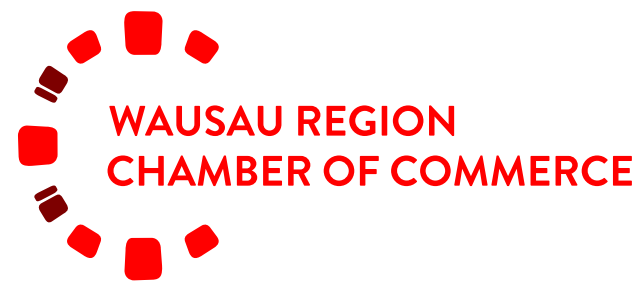
Today's stakeholders should assemble and develop a collective vision of high growth/high wage entrepreneurship. This is important because entrepreneurship is often misunderstood as simply self-employment. Small business development (self-employment) is incredibly valuable and critical. The success of high growth/high wage entrepreneurship and innovation, as seen by the investments of the Wausau Group, can add to the region's economic vitality for decades to come. Once a target is set by stakeholders, decisions must be made on where to invest and realign community resources.

In his book, *Worthless, Impossible, and Stupid: How contrarian entrepreneurs create and capture extraordinary value*, Daniel Isenberg explains why the terms entrepreneurship and innovation are often confused. Entrepreneurship is the practice of value creation through a business enterprise; however, the value does not need to be novel. Innovation is the ability to provide a good or service in a novel way.

Imagine that a heat treatment facility for metal products recently opened in the region. Because this business would be considered unique to Marathon County's current economy, it is considered an entrepreneurial endeavor. If over time this heat treatment facility pioneers disruptive technology to provide services at a higher quality and lower cost, this would qualify as innovation. Understanding the clarification between the terms entrepreneurship and innovation can enable stakeholders to pursue strategic growth opportunities in current industry sectors.

Upscaling business ventures requires networks of subject matter experts and programs that support a thriving entrepreneurship and innovation ecosystem for the 21st century. Currently, there is no regionally formalized network of service providers offering current businesses and entrepreneurs the know-how to test new products, obtain consumer feedback, or garner business intelligence that will allow them to innovate processes, products, and markets to enhance competitiveness.

Through a comprehensive economic development plan process, stakeholders will be able to identify the next steps in unifying currently fragmented entrepreneurial and innovation initiatives to better serve our region. Additionally, this process will reveal opportunities for new partnerships that simultaneously support up-and-coming ventures and the institutional ventures that have contributed to the region's economic vitality for decades. The first president of Wausau Insurance Companies', H.J. Hagge, had a constant goal: "To make the company, not the biggest, but the best!" This message rings clear as our region plans to take on the challenge of developing an entrepreneurship and innovation ecosystem for the 21st century. The Wausau Group simply wanted the region to be the best it could be. Regional stakeholders will honor their memory by striving to do the same.



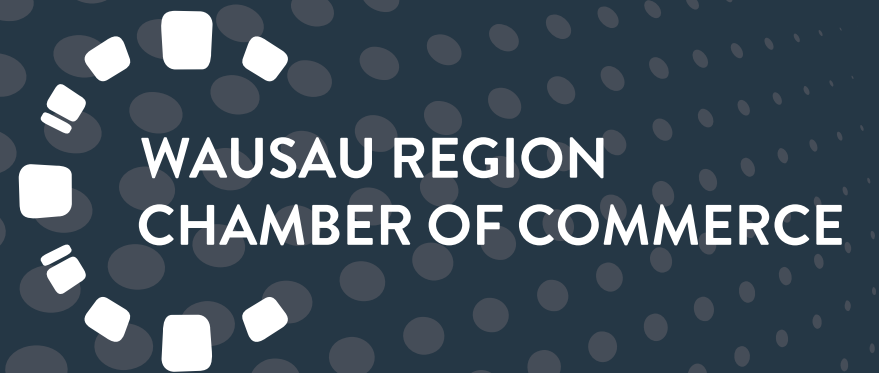
### Our Mission

*To strengthen our member businesses and enhance our community by building business success.*



# A Legacy Continued

An Analysis of Entrepreneurship and Innovation in Marathon County



Ciana M. Rose

## Background

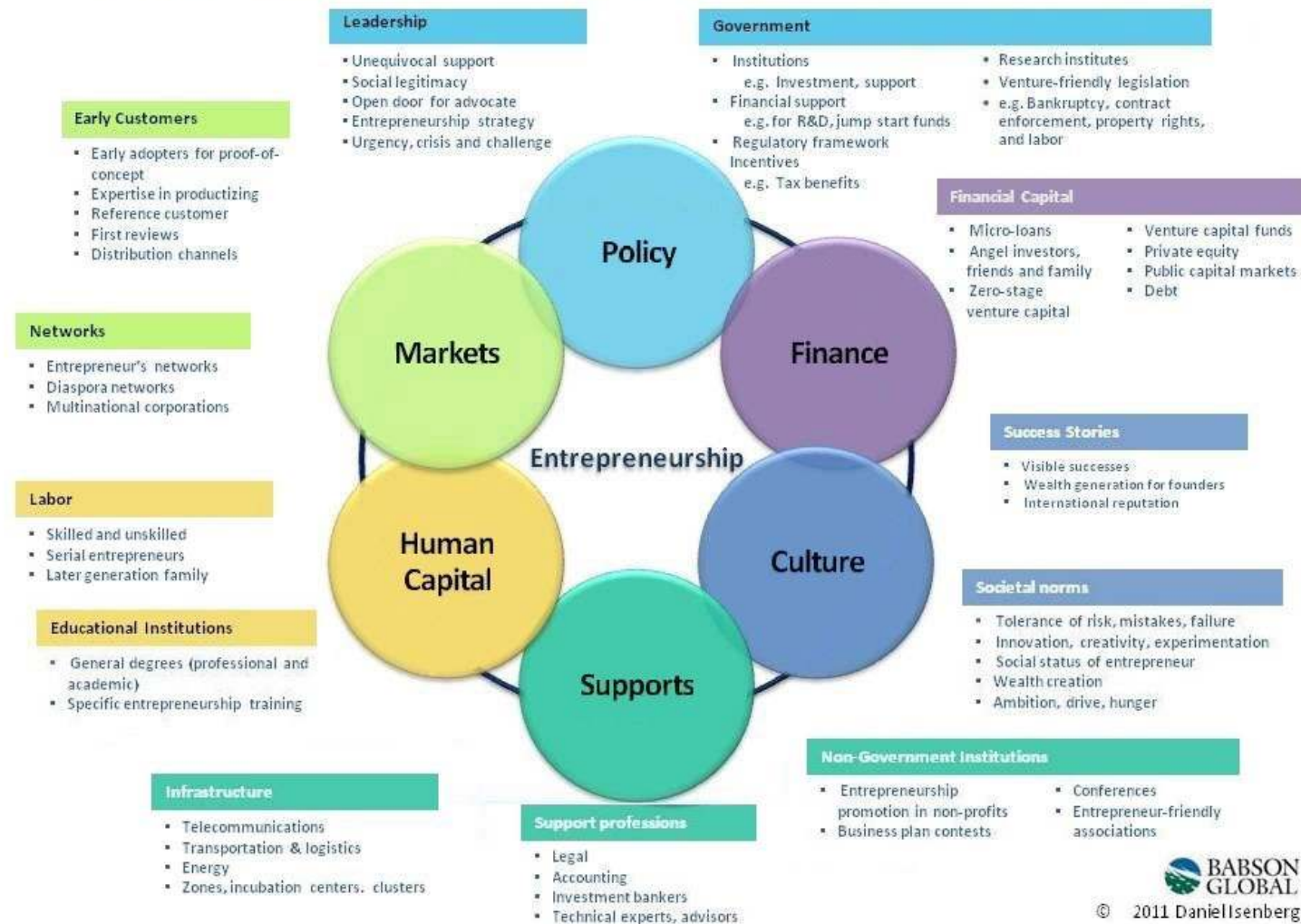
Up until the 1890's business leaders of the Marathon County region had made their fortunes in lumbering the white pine forests. The turn of the 20th century revealed that this line of business could not support the communities it created much longer. Instead of sparking fear, this situation inspired change, and led to investment in dozens of new business ventures and the formation of the Wausau Group. For decades after, this group of businessmen united their resources to reinvest in the economic diversity of the Wausau area.

The Wausau Group was successful for several reasons. An investor group increased access to capital, decreased individual risk, and offered numerous perspectives. Investors like Walter Alexander relied on the managerial talents of David Clark Everest and the legal knowledge of A.P. Woodson. The group also aligned new opportunities with current ventures. Business leader, Neal Brown, suggested the group establish an insurance company to protect their lumber and paper mill operations. The day the State of Wisconsin approved

the Workmen's Compensation Act, the Group opened Employers Mutual Liability Company, which evolved into Wausau Insurance. Investments like these contributed to a century of economic growth, but it is time to reevaluate how the region will continue this tradition of vitality.

Business leaders have noted diminishing levels of regional high growth/high wage entrepreneurship and innovation. Data from UW-Extension affirms this; in 1997, 35% of the region's jobs focused on external trade (goods and services purchased by out-of-county customers) but declined to 21% in 2017. To counteract this deterioration in economic diversity, the Wausau Chamber of Commerce employed an entrepreneurial ecosystem model developed by Dr. Daniel Isenberg, leading entrepreneurship researcher at Babson College (see Figure 1, below). Isenberg's model identifies community assets that foster entrepreneurial or innovative ventures when properly aligned. Note that the model is grouped into six topics with 12 individual sectors. Descriptions of these sections are found on the next page.

**Figure 1: Domains of an Entrepreneurship Ecosystem**



**Policy** – measures the support and promotion of entrepreneurial endeavors through programs established by government bodies. These can include venture friendly legislation, regulatory and tax incentives, institutional investments, financial support for R&D, and jump start funds.

**Financial Capital** – lists information on local financing options. This includes general business loans, micro-loans, venture capital funds, private equity, and public capital markets.

**Culture** – includes success stories of local entrepreneurs, noticeable wealth generation for founders, international brand reputation, and regional viewpoints on the following topics: risk, experimentation, wealth creation, ambition and drive, and the social status of an entrepreneur.

**Supports** – lists institutions that offer services that contribute to the success of entrepreneurial ventures. These supports include entrepreneur-friendly associations, support professions (legal, accounting, investment, and technical support systems), and infrastructure like broadband services.

**Human Capital** – lists availability of academic and technical degrees, specific entrepreneurship training, and information on the local labor population (skilled and unskilled workers, serial entrepreneurs, and later generation family businesses).

**Markets** – includes information on groups willing to test new products or provide consumer feedback to entrepreneurs. Also lists entrepreneur networks, diaspora networks, and information on multinational corporations.

Isenberg's model was applied to the entrepreneurial assets available to the Marathon County region, with the cursory results summarized below:

**Figure 2: Entrepreneurial assets available to the Marathon County region**

