

THE LEADER IN GLOBAL EDUCATION



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### **GREEN VENTURES COLLABORATIVE**

Sustainable Vision Grant Proposal  
Monday, October 20, 2008  
Jonathan Cloud, Principal Investigator

#### **SUMMARY**

The aim of this project is to develop, launch, sustain, and evaluate several "green incubators" to provide a model for assisting self-organizing community economic development in rural and urban areas and developing nations. The design of the project will be based on my work developing the Sustainable Business Incubator program at Fairleigh Dickinson University over the past two years, and on an upcoming workshop in Hohenwald, Tennessee on "Financial Permaculture" that is designed to lay a foundation for fostering a regenerative business community. The course will "explore creating forward looking sustainable businesses, money cycling, local investments, and optimizing the local natural and human resources to implement models of regenerative business and local sustainability." This project will build on these principles and expand them to apply to other communities in the U.S. and in developing countries. It will involve students from FDU's Silberman College of Business (whose Rothman Institute is rated as one of the top entrepreneurship programs in the country) as well as faculty and associates from the University's Institute for Sustainable Enterprise. The University has a long-standing commitment to global education and has a global faculty with contacts in many developing nations.

The ultimate goal of the project will be to establish self-sustaining green business support structures in each of several chosen pilot communities, to document the process, evaluate the strengths and weaknesses of the model, and provide information for subsequent self-organizing initiatives.

**BACKGROUND**

A number of groups and organizations are focused on building local sustainable economies. A consortium of such groups is holding a five-day workshop in rural Tennessee on October 24-28 to explore the idea of creating a “financial permaculture,” by developing a set of green businesses that can operate successfully in a rural community where the median household income is approximately \$30,000. When members of the community were polled as to the businesses they were interested in creating, the top areas of interest were:

- Green Incubation
- Small-scale Ethanol Production
- Green Builders/Designer/Association/Supply
- Farmers Cooperative

The author is leading the Green Incubation initiative, which is designed to assist other businesses with planning, organizing, managing, and funding sustainable enterprises. The basis for this is my work over the past two years with the Institute for Sustainable Enterprise at Fairleigh Dickinson University, developing the Sustainable Business Incubator.

The Incubator provides the following services:

- Access to university/college resources including research collaboration opportunities, student interns, MBA student support teams, etc.
- Business planning and milestone tracking
- Product, marketing and manufacturing strategy support
- Prototyping, software, web development
- Strategic partnerships and licensing opportunities
- Sales strategy and business development
- Legal advice on governance, IP, licensing, corporate law, deal structuring
- Finance and accounting support
- Government agency navigation and grant support
- Networking opportunities with angel investors, venture capitalists, and other emerging businesses
- Linking large corporations and Incubator participants around sustainable business practices
- Sponsorship of competitions for business plans, specifically focused on social, economic, and ecological sustainability
- Mentoring and learning opportunities from FDU and ISE
- Seed funds for milestone specific projects

and targets the following kinds of enterprises:

**Technology Businesses:**

- Alternative energy companies, dealing with solar, wind, hydro, biomass, geothermal, co-generation, etc. and related technologies, including batteries and fuel cells
- Conservation-oriented companies
- Alternative fuels companies
- Recycling and reuse businesses
- Waste Treatment, wastewater
- Carbon sequestration and reuse
- Measurement and metrics related to sustainability
- Hydroponics, greenhouses, and urban agriculture
- Other environmental initiatives

- Nanotechnologies that relate to sustainability
- Green manufacturing companies
- Green building companies

**Non-Technology Businesses:**

- Financial and market mechanisms related to sustainability
- Technology transfer processes
- Consulting and service companies supporting sustainability initiatives
- Educational initiatives
- Nonprofits

The emerging field of green businesses, dealing with renewable energy, resource conservation, urban agriculture, and other related activities and technologies, is currently seen as a major domestic growth opportunity in virtually every region of the globe over the next several decades.

Of course, the specific enterprises that are targeted are going to be different in different locations, but the process of fostering them is much the same as for other kinds of startup ventures, and there is now nearly sixty years of experience in the field of business incubation that can be applied to this economic development challenge. And to expand enterprise creation, one of the things we need to do is to expand the services and the support infrastructure available to them in their own local areas. Achieving sustainability is in many ways a local and regional economic development issue, including the development of renewable and distributed power generation, the reduction and eventual elimination of waste, and the fostering of greater self-sufficiency on the part of communities, institutions, and individuals throughout society.

In this context sustainability is broadly described to include an array of businesses in energy, retail, construction and service industries that are committed to the "triple bottom line." This concept evaluates business performance in terms of its measurable contributions to "people, planet, and profit" – in other words, the definition of "business success" includes both a quantitative and a qualitative review of the extent to which the enterprise operates in its social, environmental, and economic contexts. These businesses are currently seen as a response to both the climate challenge and the economic and environmental disparities that are now constraining sustainable development on the planet.

In addition, the small hydro technology we are currently supporting, along with initiatives in local agriculture, construction, conservation, and education, can form the core of the program, while still allowing for local variations in needs and resources.

**GOALS OF THE PROJECT**

The specific goals of this project are:

- To evaluate the enduring impact of the type of action learning embodied in the Financial Permaculture workshop and similar initiatives, especially as they support the development and acceptance of incubators, community development corporations, autonomous local financial structures, and other structures for supporting green enterprises
- To develop a model process for launching a local green incubation program and establishing support for it
- To undertake a pilot program in several locations to establish incubator initiatives, utilizing a combination of Fairleigh Dickinson University and other Central Jersey students and faculty along with local resources, and drawing on a range of transferable technologies, skills, and knowledge

The final goal will be to establish ongoing leadership of the initiative from the target populations chosen.

**PHASES OF THE PROJECT**

- Completion of project design and planning
- Site selection
- Establishing preliminary contacts and connections
- Identification of primary opportunities
- Development of training materials, workshop schedules, etc.
- Workshop delivery
- Follow up

As noted in the budget commentary, the project will involve traveling to several locations and holding organizing and training sessions for green entrepreneurs and supporting professionals and organizations. It is anticipated that 3-4 communities will be selected, based on several criteria (including budget limitations).

- Equipment needed will include samples of energy-generating technologies, green cleaning products, etc. that can be used as the basis for startup ventures
- Materials and supplies, including handouts and instructional materials
- Publications and communications to document the project and support press releases and publications in the various localities
- The project budget includes "other stipends" for outside consultants to assist in site selection and preparation and for local organizers expected to carry on the work
- Travel expenses will include both the initial and follow-up visits to each location
- The amount proposed for "prototyping" will provide initial seed funding for local initiatives (to be supplemented by other funds assembled through the project implementation).

**ENTREPRENEURSHIP TRAINING**

The elements of a successful entrepreneurial development program include the following:

- Pre-Screen of potential candidates
- Basic classroom / seminar instruction
- Follow on individualized technical assistance & mentoring/coaching (in person or on line)
- Establishment of peer networks for support (in person and through on line forums)
- Access to capital /funding sources (micro loans, grants, angel, VC financing, business plan competitions)
- Marketing/procurement support via business fairs/expos

In addition, too many projects fail because the participants do not have a tangible, hands-on, experience of teamwork devoted to the accomplishment of a concrete and meaningful goal, which serves to establish the basis for providing ongoing support for the project to be expanded to a wider population. Certain programs are inherently self-reproducing, while others are inherently self-limiting. The ultimate goal of the entrepreneur is to establish a self-sustaining, growth-oriented, and self-managing organization that perpetuates the product or service being provided.

These components, including the real-world project management experience, form the basis of an entrepreneurial eco-system that enables individual entrepreneurs to grow and prosper.

Local mentors will be recruited for follow on individualized coaching. Local service providers that deal with the entrepreneurial community should be approached to serve in this capacity. Some service providers (e.g. attorneys) may be able to contribute efforts on a pro-bono basis. A guide for both the mentee and mentor needs to be developed outlining roles and responsibilities and they should participate in a joint training session.

As the entrepreneur establishes their business they may also need specialized technical assistance with specific tasks in areas such as legal structure, accounting, financial planning, export / import information, cost analysis, government procurement and marketing. This assistance is what the incubator along with other organizations is designed to provide.

In addition to the initial group classroom instruction and individualized mentoring, the entrepreneurs should participate in peer network meetings. These monthly sessions give the entrepreneurs the opportunity to discuss and exchange ideas, goals, and challenges providing important insights about establishing, managing and growing a small business. The group sessions are also an opportunity to hear formal presentations in addition to the networking.

A key feature of the pilot program will be to link and leverage existing public and private resources that already provide support and resources to the entrepreneurial community.

A Local Advisory Council will be established to help guide the program implementation, recruit mentors and host businesses, and assist in future fundraising for continued program development beyond the pilot stage. Organizations representing public, private, workforce, educational, financial, faith/community based and foundation interests will be invited to participate in the Council.

### **SUSTAINABLE ECONOMIC DEVELOPMENT**

At the core of the project is the idea of sustainable development, the classic definition of which is economic activity that meets the needs of the present without compromising the ability of future generations to meet their needs also. Within this broad statement, however, each generation needs to design models, systems, and processes that seek to achieve this goal. One goal of this project will be to identify and compare models of sustainable development and assess their applicability in different economic and cultural contexts.

One such concept that has recently been suggested is that of "financial permaculture." It is deliberately provocative; the notion of permaculture itself derives from the idea of permanent (i.e., sustainable) agriculture. Here is one description of this idea, taken from Solari.com:

Here's a business model for financial permaculture:

#### **Permaculture Community Investment Bank**

The following is an idea for setting up a local Investment Bank that would finance small business start-ups under a Brand such as "Permaculture Enterprise Network." This Bank would provide training and mentoring for its borrowers, as well as an ethical basis for its businesses: "Earth care, people care, fair share," from Bill Mollison's "Permaculture, A Designer's Manual"(1988). Permaculture is a way of designing place-based ecological economies. It is capable of providing sustainable water, soil, food, fuel, and shelter while generating community along the way. Permaculture is intelligence-dense and capital-light. It is a whole systems approach to designing environmentally regenerative support structures for human nurturance.

Under the Bank's auspices, business plans would be written by prospective owners for specialties such as rainwater harvesting, edible landscaping, firesafing, alternative energy, fertility and energy crops from marginal lands, water sequestration using earthworks for ponds, swales and keylining, aquaculture, natural building, sustainable forestry, constructed wetlands for wastewater treatment, small scale dairies, food processing and preservation, among other things. These are basic capacities that make a place prosperous -capacities that add up to real productivity and local security.

There are many proven techniques, not difficult to master, that young people willing to work, could pick up and get good at. The Bank would sponsor the basic permaculture design

certification course, an established 72-hour curriculum with a hands-on design project pass-fail requirement, which would be a prerequisite for a basic business management course in which students would learn to write, with expert coaching, the well-thought-out, customized-to-place business plan most appropriate to their abilities. The Bank would retain majority ownership and provide ongoing mentoring for enterprises selected for support until the business passed a financial assessment proving viability, whereupon, with ample cash flow, the owner could realistically buy out and become fully independent. Maintenance contracts for installed systems, since many of the techniques are new, would be a common feature offered, providing ongoing employment and developing experience until systems maintenance for these new approaches has become as familiar and mainstream as maintenance of private autos, septic systems, lawns, homes, and major appliances are today.

The Bank, in its function as small business incubator, would provide bookkeeping and marketing services for its start-ups. These are the tasks business-owners starting out have the hardest time with. The Bank would provide training, loans for equipment (each start-up not very capital-intensive), mentoring, legal services, accounting, as well as customers for each new business. The moral support supplied by such an arrangement would be a powerful insulator against the high failure rate common to small business starts in the mainstream economy.

The Bank, in its function as promoter of permaculture solutions, would lobby local government to remove regulatory obstacles. It would set up specially permitted model projects to demonstrate quality standards. It would obtain economies of scale in purchasing materials and equipment. It would coordinate flows, one enterprise's waste becoming fuel for another's production. It would also help with allocating labor between enterprises seasonally as needed. The different specialties once launched, might form their own associations, interact with experts in their fields, sponsor research, and nurture ongoing innovation in their area of expertise. Competencies would be developed and best practices established.

The Bank would be a conduit for philanthropy as well as a source of information about available subsidies and tax credits. In its function as an investment vehicle, The Bank would provide a secure home for local investors to place their money into shares of locally productive, visible hard assets generating income streams. In its function as holder of an ethical mission, The Bank would assure the customers of its protégés monitored, high quality services. As a part of its ethical mission, The Bank would demonstrate financial transparency, for the purpose of building trust.

An apprenticeship program would develop ongoing expertise. It would provide a sense of belonging to a challenging and meaningful mission as well as a structure to stimulate inventiveness among the young. People care services could be integrated with these activities, such as child care, allowing adults in their most productive years maximum convenience and peace of mind as they work.

In the current economy people are losing their jobs, just as a great deal of work needs to be done to get alternative support systems in place. The time for this is ripe. Due to the hole made in the mainstream economy by a falling house of cards, state and local governments, pension funds, financial institutions, even the federal government, are rapidly becoming insolvent and are already being forced to cut services. It looks like communities are going to be left on their own. Investment vehicles that only a year or two ago were fine, now seem uncertain: stocks and bonds, real estate, even bank accounts no longer seem as secure as they once were. Investment in real-world productivity, building local skills and basic self-reliance using the best knowledge available, would leverage investors' assets into practical systems for maximum community-based long term security.

The organization described here could start with where we are today, doing those projects which are legal, productive, and financially viable now, while remaining observant, adaptable, and open to evolutions as conditions change. It could safeguard an ethical basis for ecological human

nurturance. Permaculture's whole systems perspective is capable of revealing efficiencies which can then be designed in to highly effective systems for prosperity in a given place. The Bank would also be an appropriate venue for the creation of a LETS –Local Energy Trading System: an alternative currency. Once a community of small businesses got production for local needs up and running, a local currency could protect an area from inflation, deflation, supply disruptions, and failures in the existing financial system. In prosperous areas, the network of businesses would be integrated with the regular cash economy, and evolve as needed. In low income areas with high unemployment, it could operate under work-trade or other types of barter arrangements.

This is an idea that is not very hard to do, not very expensive, can start small and grow, and can end up with local prosperity capably building up in a climate of trust and cooperation, with a fair and understandable moral foundation.

Susan Butler

Another advocate of financial permaculture, Greg Landau, describes the idea of ecovillage as both a community and an enterprise:

To most new communitarians, who are idealistically joining or forming a community, business is the enemy, the driving force behind the destruction of culture and ecosystems across the globe...

But as it turns out, business is an essential tool for forming a sustainable community.

Diana Leafe Christian, our exuberant teacher and the author of several books on communities and a new news letter called the Ecovillages Newsletter, told us that her experience studying the success and failure of ecovillages all over the world has shown that three of the most important roles to be filled in a community are accounting, entrepreneurial ability and organization. Oddly enough these are the very same abilities needed to start a successful business.

In our ecovillage design course here at the Ecovillage Training Center we have reached a surprising conclusion: Community is business.

The subtle shift from being a community of business, to learning the business of community will be essential to create the future we want to see.

To run any enterprise, be it an ecovillage or a large transnational corporation, organization is important, but how that power of human imagination and action is being used is the largest question.

In the case of an ecovillage the intention of the people is to create a safe and healthy space that allows for the growth of the human spirit and fosters cultures grounded in sustainable practices. In the case of the transnational corporations the intention is to make profit...

So, whether crafting a culture of justice and sustainability, or making massive amounts of money...there are similarities: Organize! EDUCATE!

~ Greg Landua, program coordinator at the Ecovillage Training Center (ETC) located on The Farm, a Community in Middle Tennessee.

<http://www.gaiaemerging.com/2008/07/business-of-community.html>

**PROJECTED OUTCOMES**

The project is intended to result in the development of several ongoing "organic enterprise development centers," which derive their models from nature (a process called "biomimetics" or "biomimicry") and practice the principles of sustainability. Ultimately, a sustainable enterprise is not merely one that operates without causing harm to people or to the environment, but is indeed one whose goal is to restore, to enhance, and to evolve the ecological structure on which it is based.

Replicating incubators is one of the most effective ways of growing a significant number of successful ventures. Focusing on sustainable ventures is about restoring a viable economy operating within a viable environment, and serving society as well as simply the individuals operating it. The project will seek to develop and demonstrate successful models, to document them, and leave them in place operating as enterprise factories for the future.

**APPLICATION APPENDICES**

Budget  
Principal Investigator's Résumé  
Letters of support (to follow)

Other Documents to be provided on request