A SERVICE-LEARNING APPROACH TO COMMUNITY ECONOMIC DEVELOPMENT: THE UNIVERSITY OF HARTFORD MICRO BUSINESS INCUBATOR

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Abstract

The Upper Albany Micro Business Incubator (MBI) is a service-learning program that brings together university faculty, students, inner city entrepreneurs, and community organizations to create an environment of mutual learning, respect, understanding, and collaboration with the aim of community revitalization and economic development. The MBI offers students the opportunity to experience a live case with tangible results. This paper describes a “road map” for launching and managing this type of initiative.

KEY WORDS: Service-Learning, economic development, business incubator, university-community partnership

INTRODUCTION: A SERVICE-LEARNING FOUNDATION

In this paper, a program that uses service-learning pedagogy to enhance student learning, university/community relations, economic development, and sustainable business practices is described. To effectively understand the program, its educational foundation, service-learning, must first be explained. The service-learning concept has a number of definitions and varied applications [DiPadova-Stocks, 2005]. One of the most commonly cited definitions of service-learning is, “a form of experiential education in which students engage in activities that address human and community needs together with structured opportunities intentionally designed to promote student learning and development; service-learning combines service objectives with learning objectives with the intent that the activity change both the recipient and the provider of the service” [Jacoby, 1996, p.5]. Service-learning provides a context for leveraging the benefits of both case-based education and experiential education. The differences between the two educational methods are aptly described by Kayes and Kayes [2003]:

- “case study approaches allow individuals to pace themselves in a social context... case studies enable students to understand that their personal experience may be insufficient to solve problems” [p.707-708].
• “experiential learning will enable group reflection on shared experience... shared experiences culminate in individuals seeing and appreciating differences in others and making connections between personal and social knowledge” [p.708].

To use the “live case” approach, where students are actively engaging in community-based learning designed to heighten their knowledge and understanding of classroom-based theories, the learning context must fit the learning goals [Loewensten & Thompson, 2000]. The learning goals for this program relate to entrepreneurship and sustainable business enterprise; as such, the community of interest consists of entrepreneurs and owners of small to medium sized businesses. As this program uses a service-learning foundation, and service-learning opportunities are created through partnerships, one of the central tenets of this program is reciprocity. For this program, the University is one of the partners and the other partners are local small businesses. To ensure program success, each partner organization must have highly committed members. In terms of small businesses, the committed partner is usually the business founder. In terms of this program, finding committed partners was as easy as looking over the walls of the University – local business owners who were once hidden neighbors are now committed partners.

This paper describes the Upper Albany Micro Business Incubator (MBI) program - its goals, structure, obstacles, and successes. The authors believe that this program has the potential to serve as an institutional-level case for others to discuss, analyze, and replicate. To fully understand this partnership program, and to present a thorough case for discussion, requires information about each of the involved constituents. The paper begins with a brief overview of the two partners for this project - the Upper Albany neighborhood community and the University of Hartford.

THE NEIGHBORHOOD AND THE UNIVERSITY

The Upper Albany neighborhood of North Hartford, Connecticut is typical of many low to moderate-income cities, with a troubled public school system, a significant high school dropout rate, and low employment skills among neighborhood residents. Demographically, the neighborhood is a multicultural mix of African-American, West-Indian and Hispanic residents. Geographically, the neighborhood is built around a road – Albany Avenue. Albany Avenue (Route 44) is almost always busy. Guaranteed traffic and high levels of activity have resulted in high demand for retail space on the Avenue. As a result of the road and its traffic, the Upper Albany neighborhood residents (many of whom are also local business owners) see themselves as part of an emerging entrepreneurial community.

Although traffic is good and the residents and business owners are hopeful, at the time of the program’s inception, there had been a rash of negative publicity about the community. Local media were publicizing the sub-standard state of the neighborhood’s municipal services. There had also been numerous business failures due to the insufficient operational, managerial, and strategic skills of local business owners. Attempts at economic revitalization from outside of the neighborhood community had been largely unsuccessful. This was due to the fragmentation of neighborhood financial and human resources and power struggles among numerous community organizations. Public and private dollars had been invested with little, if any, tangible results. In short, before this program began, the neighborhood needed help.

The other partner in this program is The University of Hartford. The University was built next to the Upper Albany neighborhood. The University is a relatively young (established in 1957), private, tuition-driven institution. Part of the University’s mission is active citizenship. As such, a few years ago, faculty at the University were asked to actively seek out opportunities for civic engagement – opportunities not only for faculty, but also for students. Faculty were encouraged to look for low-cost opportunities, namely those where the primary resource used was intellectual capital rather than money. Several important programs grew out of this University initiative, including Educational Main Street (sending students to all of the local public schools as tutors to elementary and secondary school students); the Hartford Half Tuition Program (offering scholarships to Hartford’s public high school graduates who qualify, under the University’s admission standards for University admission); and the Center for Integrated Design (engaging faculty and students in local architecture, engineering, and marketing business projects). An important program that emerged as part of this University initiative is the one described in this paper – The Upper Albany Micro Business Incubator Program (MBI). Today, the MBI is ranked as one of the
University of Hartford’s most successful and nationally recognized community outreach programs (see Appendix 1).

THE MBI DEFINED: PROGRAM DESCRIPTIONS AND GETTING STARTED

PROGRAM FOUNDATION

As the University’s efforts on behalf of the community became more public, business owners from the Upper Albany area came to the University asking for help. To move the initiative forward, The President of the University asked a Marketing faculty member to conduct focus groups with Albany Avenue business owners to gain a better understanding of how the university could help them. Several important findings from this research would later serve as the foundation for the program’s design:

1. The business owners, while under-skilled, were savvy. They recognized the fact that they needed to improve their business acumen, as many had little or no formal training. Many of the business owners were immigrants. They were running their businesses in the only way they knew how – following the rules of their home country.

2. Traditional business training methods would not work. Most of the retail and service businesses in the neighborhood were owned and operated by one or two individuals. Trying to balance work and family obligations make it nearly impossible for them to attend formal training sessions. Culturally, there were also issues related to pride and fear of failure, further reducing the feasibility of group training experiences. One additional barrier to training was language. Several business owners could neither speak nor read English.

3. Program initiatives had to be at the neighborhoood, not the individual, level. The business owners realized that one of the best ways to help themselves was to strengthen economic development for the entire neighborhood. However, because past initiatives had failed, the owners were initially reluctant to trust their University partners. As with most relationships, trust was developed over time through success and perseverance.

THE UNIVERSITY’S SERVICE-LEARNING APPROACH

Following the creation of the focus groups, the next steps for the University’s Strategic Planning Committee were to assess the focus groups’ findings, consult with community leaders, and decide on a University-wide approach to improving economic development in the Albany Avenue area. The approach they selected is based on the Chinese saying “give a man a fish and he’ll eat for a day, but teach a man to fish and he’ll eat for a lifetime.” Realizing that this same approach was important for students, it became evident that there was a real opportunity to service both constituencies at the same time. For students, most of their classroom experiences are typically consisted of lectures based on theories from books. Students rarely have real experiences in real world settings and even more rarely are asked to be the creators of knowledge and learning [Rhee, 2003]. Many students attending the University of Hartford want to own their own businesses eventually, or assume managerial positions in a family business. To do either successfully, requires a high level of applied understanding and experience. Service-learning provides such opportunities [Waddock and Post, 2000]. Thus, the Upper Albany Micro Business Incubator (MBI) was born out of a service-learning approach.

The MBI is a program that matches students with business owners to work together on issues of financial literacy, technology and business planning. Matches are made based on students’ skills and knowledge and their interest in particular business foci (e.g., service, product) and industries. Through the MBI program, students serve as mentors, trainers, consultants and volunteers to the business owners.

THE MBI: A VIRTUAL BUSINESS INCUBATOR

Traditional business incubators are often housed in an off-campus location, e.g., an abandoned warehouse, an office or other leased space. The businesses receiving assistance meet in one location – the incubator space. The MBI approach is different. The incubator goes to the businesses. The services of the MBI are delivered on-site at the participants’ places of business in the neighborhood. This enables students to experience real business problems, observe the business owners as they interact with their
customers and employees, and train the business owners using their own equipment. Students deliver and install computers and software, and set up business systems to establish business records and operational tools. They work on individualized services and solutions on a weekly basis, and engage in mutual learning experiences. The students gain hands-on, real-world applied learning and the business owners gain business-specific skills and training.

Program Organization and Logistics

The program is run over the course of two semesters every year. Students may elect to participate for either one or two semesters and they may receive up to 6 academic credits for their participation. Each year, the program begins with a “kickoff” event involving representatives of key funding organizations, politicians, local officials, University and community supporters of the program (including students, faculty, and staff), and a community police officer (to discuss safety in an urban environment).

During the Fall semester, students are not assigned to a specific business, instead, they work on recruiting new businesses to the program. Students also conduct custom designed needs assessments for interested business owners.

During the Spring semester, each student is matched with one or two specific businesses. For businesses new to the program, students review the needs assessment created during the fall semester. For already participating businesses, students review all prior records about the business and business owner. For both types of businesses, students develop individualized plans for working with the business owners during the upcoming semester.

Throughout the spring semester, program advisors use a “train the trainers” approach to prepare students for their roles as consultants. Students attend weekly seminars to learn about specific topics identified as training and business development needs for the entire community. The students then take what they have learned and adapt it to the specific needs of their assigned business owner(s). Training topics include:

- Loan applications
- State and City business regulations
- Insurance
- Business planning
- On-line banking
- Taxes
- Doing business on the internet
- Marketing
- Customer service

In addition to the training program, the University also provides an extensive resource library of business books for the students and business owners. Students often use these materials to find references or examples that clarify or demonstrate business concepts for the business owners.

Business and non-business students find this program an attractive way to hone their skills. Participating students include entrepreneurship majors, other business majors (e.g., Human Resource Management, Finance), and students from outside of the business school (e.g., Design, Communication, and Architectural students). Many of the non-business majors participate in the program through club- and organization-based projects. With program faculty serving as mentors for club and organization-based projects, students lend their expertise to business owners while gaining valuable and applied business experience. Through the inter-disciplinary skills and the extra-curricular engagement that they bring to the program, students have greatly contributed to the success of the MBI. Specific examples include:

- Students from the Management Information Systems Society evaluates and upgraded the Upper Albany Main Street (UAMS) web site. They developed a virtual mall that was attached to the UAMS Web site. They provided individualized computer training to select business owners on Albany Avenue.
- Communication students created newspaper insert to promote the neighborhood.
- Information Technology students designed and developed databases for some of the businesses.
Combining tangible University resources with intangible skills application, the University has begun refurbishing computers that it now loans out to small start-up businesses, providing business owners with tools to forecast, plan, track performance, and evaluate results. Students also provide one-on-one training in basic computer skills (e.g., Microsoft Word & Excel) and basic concepts related to the world wide web. Through each of the sample activities described, students develop life and business skills that will benefit them in their future careers.

**Documenting The Project**

Students are given disposable cameras to use as a tool for documenting their work. Students also report their activities, frustrations, and questions on the program’s Blackboard site. Supervising Faculty and program staff as well as other participants review the postings daily and reply with comments and suggestions. Students also prepare portfolios of their work. At the end of each semester, a wrap-up celebration session is attended by all students and business owners. During this celebration, samples of marketing tools, business plans, and other work are shared; future plans are discussed; and plans for next year are outlined.

Before a business owner “graduates” from the program, his or her student prepares a portfolio of information for continued business growth. These portfolios document all of the interactions that have taken place between the student and business owner. Often, they include manuals on how to use computer programs, business plan implementation guidelines, and key pointers for continuing to monitor the external environment. The portfolios are a form of insurance, aimed at increasing the likelihood that business owners will be able to continue to apply new knowledge and lessons learned.

The program’s success has attracted extensive media attention. The same local press that in the past reported only negative aspects of the neighborhood, now describes the program and the resulting changes in the neighborhood, as laudatory. At the national level, Bank of America has recognized the accomplishments of the program through one of its first *Neighborhood Excellence Awards*. The program was also featured in *Business Week* publication *Small Biz*.

**Success Factors**

The success of a program such as the MBI, is based on careful planning and understanding of the community. Before any training or developmental work can be undertaken, relationships with key community leaders and active business owners need to be cultivated. This typically includes several meetings during which the primary task for the University program facilitators is to listen. The overall objective of these early meetings is not only to understand the issues and challenges facing business owners, but also, more importantly, to build rapport and create trust between the partners of the project: business owners, students, faculty and staff. An unexpected outcome of this activity has been a greater appreciation of diversity among the partners. Most of the business owners are of African-American, Caribbean, or Hispanic heritage, while most of the students are from white middle class families. Through the relationships that develop in this program, greater cultural understanding and business knowledge are outcomes for participants on both sides of the University’s walls. Students gain practical business experience about how to run a micro-enterprise. They employ the problem-solving and decision-making skills learned in their business classes and they apply textbook knowledge to real world situations. They also gain an understanding of the real challenges faced by people who are from different cultural or socio-economic environments. The business owners learn practical skills tailored to their individual businesses. And those business owners who had been involved in earlier failed attempts at revitalization also report feelings of renewed trust and confidence in others. This program illustrates one of the central tenets of service-learning, the idea that each of the involved parties (typically referred to as “the servers” and “the served” in service-learning settings) should be seen as equal contributors, or partners, to an ongoing process of reciprocal learning [DiPadova-Stocks, 2005].

**EXPERIENTIAL ‘REAL-WORLD’ LEARNING IN ACTION**

Grounded in experience, service-learning projects allow reflection to become an essential component of learning for all involved in the MBI. The work of Kolb [1984], which remains the most influential theory of management learning to date, can be used to explain the effectiveness of service-learning pedagogy on economic development projects involving students and business owners. Kolb’s work centers on “a
simple description of the learning cycle – of how experience is translated into concepts, which in turn, are used as guides in the choice of new experience” [Kolb, 1981, p.235]. Drawing on the works of John Dewey, Kurt Lewin, and Jean Piaget, Kolb’s Experiential Learning Cycle (ELC) describes the role of experience as lying at the core of the learning process. The four modes of learning in the ELC are concrete experience, reflective observation, abstract conceptualization, and active experimentation, roughly translated into a cycle of experience, reflect, think, and act (Kolb & Kolb, 2005).

In terms of service-learning, one of the defining strengths of this pedagogy is its separation from pure volunteerism. With service-learning, using ELC as its foundation, students are required to not only experience something, but also to embark on a period of reflective exploration, tying theoretical concepts together with reality. This model lends itself to challenging students to engage in synthesis and evaluation, two of the highest forms of learning according to Bloom [1956]. Relating this to the MBI program resulted in a visual representation of the program goals. Figure 1 shows how the university’s virtual business incubator works in tandem with Kolb’s model to support the learning of both the students and businesses involved in the program.

**Figure 1**

**Service-Learning through Community-Based Real-Life Projects:**

*Experiential Learning and Economic Development*

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**Community catalysts: reciprocal relationships and empowerment**

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**Curriculum**
- Small Business Management (Needs assessment)
- Small Business Consulting (Program design and implementation)

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**Service Contribution**
- Computer technology education
- Web site assessment and evaluation
- Database development
- Virtual mall creation
- Neighborhood promotion

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**Technology Implementation**
- Refurbish university computers
- Implement technology in businesses
- Maintain technology

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McEwen [1996] noted that the learning cycle applies to either individuals, teams of individuals or organizations as a whole. It can also be extended to inner cities or sections of a city. A key element of both the ELC and all service-learning initiatives is that all participants benefit from the experience [Roschelle, Turpin, & Elias, 2000]. Throughout the semester, students and business owners are asked to document their feelings and thoughts about the program. Students are required to keep a journal of their experience to document learning and personal growth as the projects progress. Students are required to write an end-of-semester five-page reflection paper about the course as a whole. This reflective exercise specifically includes reviewing accomplishments and experiences, describing photographs taken and why
they were taken, and providing samples of the work from the micro-business incubator program. As part of the learning and quality assurance processes, business owners are visited regularly by faculty members and the program coordinator. They are also asked to document their experiences in the form of evaluations. Sample quotes from student journals as well as communications with business owners included below demonstrate the benefits all participants obtained from their participation in the MBI.

Concrete Experiences.
In the MBI program, the first stage of the learning cycle involves gaining concrete experience. The individual, the group, or the organization becomes actively engaged. As illustrated by the MBI, students, businesses and community partners must all be committed to making the relationship work. Students are asked to “walk the Avenue” in an effort to better understand the needs of the businesses and the challenges and opportunities of the community. Business owners are encouraged to confide in and trust perfect strangers with their challenges and problems in an effort to help define the needs of their respective businesses. For example, a senior marketing student wrote about the fact that he actually had an applied experience; he reported “most importantly I was able to make practical application of classroom instructions,” while a contractor reported that his experience “opened up a new world” for him “especially in the area of technology”.

Reflection on the Experience.
In the second stage of the ELC, the partners analyze their experiences and reflect on them. They do this while observing positive changes in themselves. During this stage participants usually experience a deeper understanding of business processes and develop a better appreciation of the needs of other people.

During the first two years of the program, all, but one, of the 26 businesses participating in the MBI, were owned by a person of West Indian or African-American descent. During the same time period, only a small number of participating students were of either African-American, Hispanic or Asian heritage. Students reported in their journals the difficulties and rewards of experiencing different cultures. For example, a senior’s (majoring in the Media Arts) journal entry read: “Not only did I get good practice applying my personal skills, I was able to form friendships with people I normally wouldn’t; their perspective on life will always be remembered.” The beauty school owner with whom this student had worked, reported that she was able to establish “good communication and comfort level” with her student.

Synthesis and Abstract Conceptualization.
The third stage of the ELC involves interpreting the events by examining how they are interrelated. In this stage, students and business owners are engaged in a cultural dialogue as part of their immersion in the project. Students not only learn about the needs of their assigned business, but also express a desire to learn more about the culture of their partners. A great deal of personal learning takes place at this stage. A student majoring in Management reported “I was able to learn a lot about myself and what I can offer a business…great hands-on experience and great community service.” A business owner summarized his experience by stating “Computer literacy, definitely, I feel more comfortable with the computer.”

Active Experimentation.
During the last stage, the learning centers on the lessons regarding how the experience of the students and the entrepreneurs helped them grow and prepare for the future. As a result of their participation in the MBI, business owners have become advocates and active recruiters for the program. The majority of the businesses participating in the first year chose to participate again during the following year. This continued interest in the program is a testimony to business owners’ perceptions of the program’s value and the benefits of their interaction with students. This continued interest in the program shows that business owners value the assistance they receive through the interaction with University of Hartford students.

Students report feeling better equipped to deal with challenges in the workplace after having acquired skills in the functional areas of business. They also value their improved analytical skills and the experience of negotiating with other people from diverse backgrounds. A recent graduate commented on how her experience helped to prepare her for her first job: “Strategic planning, creating newsletters,
handling special projects and working to implement certain processes are just a few of my daily roles at my job. Don't all of those tasks sound familiar? My involvement and my public speaking abilities have really come in handy here.” The owner of a salon and day spa concluded after the first year in the program that “most businesses follow poor management”, and praised the MBI program for helping her learn better business skills.

**CONCLUSION: RESULTS THAT SPEAK FOR THEMSELVES**

Through the MBI program’s partnership with Albany Avenue, some 35 businesses have been assisted over the past four years. As a result of the positive attention brought to the Upper Albany neighborhood, there has been a marked rebirth of the avenue. Holiday lights and spring and fall planting now line the streets, enlivening a once dull and dreary environment. The City of Hartford has also committed substantial dollars to streetscape design and improvements. Three million dollars were invested in new business development, and 30 new businesses have opened in the past twelve months. In total, over the course of the past three years $9.1 million in private funds were committed to improve the area. This is at least partially, due to the improvements brought about through the MBI.

The MBI program was designed as a model addressing the needs of two intertwined communities – the entrepreneurs who own businesses in the Upper Albany community, and the aspiring entrepreneurs at the University of Hartford. The authors believe that this model has demonstrated consistent, quantifiable positive results and that the model can be adapted to address the needs of other urban communities.

Faculty members and institutions interested in this model should follow the marketing phrase so successfully used by Nike, “Just Do It.” Getting students out into the world to learn as members of complex and constantly changing communities has proven to be a very rewarding form of case-based learning. Learning is a fluid experience [Kolb & Kolb, 2005]. Oftentimes, it is useful for faculty members to look outside the classroom walls for reciprocal experiences (e.g., faculty members, students, administrators, and community partners). These experiences allow individuals to look inside themselves for genuine learning. Service-learning through “live cases” provides an opportunity for self-reflection and learning. Sometimes you have to look out to look in.

**REFERENCES**


**APPENDIX I**

**MBI PROGRAM OUTCOMES**

**Funds**
- 2003 $75,000- CDBG (comm. dev. block grant)
- 2003 $20,000- Fleet Comm. Bank
- 2003 some of $75,000- Hartford Foundation for Public Giving ($25,000)
- 2004 some of $140,000- CDBG
- 2004 some of $100,000- Bank of America Neighborhood Builders Award (giving to UAMS)
- 2004- $25,000- Traveler's Foundation

**Financial outcomes (starting September 2002)**
- 35 New/opened businesses on Albany Avenue
- $2.8 Million of re-investment
- $3.2 Million of new investment
- $300,000 worth of loans closed

**Invited Presentations**
- 2004 Yale School of Management Community Development Conference
- 2004 National Main Street Center National Conference

**In the news**
- Hartford Business Journal (Cover page article)
- Hartford Courant
- Norwich Bulletin
- CONNtact
- West Indian American
- National Main Street News featured article
- University of Hartford Informer
- soon to be featured in SmallBiz, a publication of BusinessWeek

**Crime**
According to the Hartford Police Department, a slight decline in violent crime throughout the neighborhood as well as an increase in narcotics arrests, and no rise in homicides.

**Student Involvement**
- Over 4200 volunteer/training hours
- 185 students involved