



**Request for Grant Proposals  
2021-2023 Rural Opportunity Initiative (ROI)  
Grant Program**

**Proposals are due by 11:59 pm PST on Monday, September 20, 2021**

## Table of Contents

1.0	Introduction to the Rural Opportunity Initiative .....	3
1.1	Entrepreneurial Ecosystems.....	3
1.2	Changes to the ROI program .....	5
2.0	Proposal Information and Requirements.....	10
2.1	Eligibility Criteria.....	10
2.2	Application Components and Submission Instructions.....	10
2.3	Application Questions.....	11
3.0	Proposal Evaluation and Reporting Requirements .....	12
3.1	Reporting Requirements.....	13
3.2	Data Collection.....	15

## **Rural Opportunity Initiative (ROI) 2021-2023 Request for Grant Proposals (RFGP)**

Business Oregon is pleased to announce a Request for Grant Proposals for the 2021-2023 Rural Opportunity Initiative (ROI) grant program. The Oregon Legislature has allocated \$2 million to the program for the current biennium, an increase over prior cycles, which has led to the program revisions outlined below.

This RFGP will be released on August 9, 2021, and close on September 20, 2021. An evaluation committee comprised of internal and external stakeholders will review proposals to determine awards, with an announcement expected by mid-October 2021.

### **1.0 Introduction to the Rural Opportunity Initiative (ROI)**

The Rural Opportunity Initiative is Business Oregon's strategic effort to empower rural communities to support entrepreneurs and small business growth. Through financial support, innovative partnerships, network expansion, capacity support and access to business development resources, ROI strengthens entrepreneurial ecosystems within and across Oregon's rural communities, with a particular emphasis on diverse populations and low-income households.

At its core, ROI is designed to create an economy that works for all Oregonians. It is inclusive and community-driven, empowering local leaders to define and implement collaborative strategies that elevate the role of entrepreneurship in rural economic development, enabling entrepreneurs to create place-based enterprises that buoy local economies. In lieu of a 'one size fits all' approach, ROI reflects community priorities and acknowledges that the best people to determine the right approach for a community are the residents themselves.

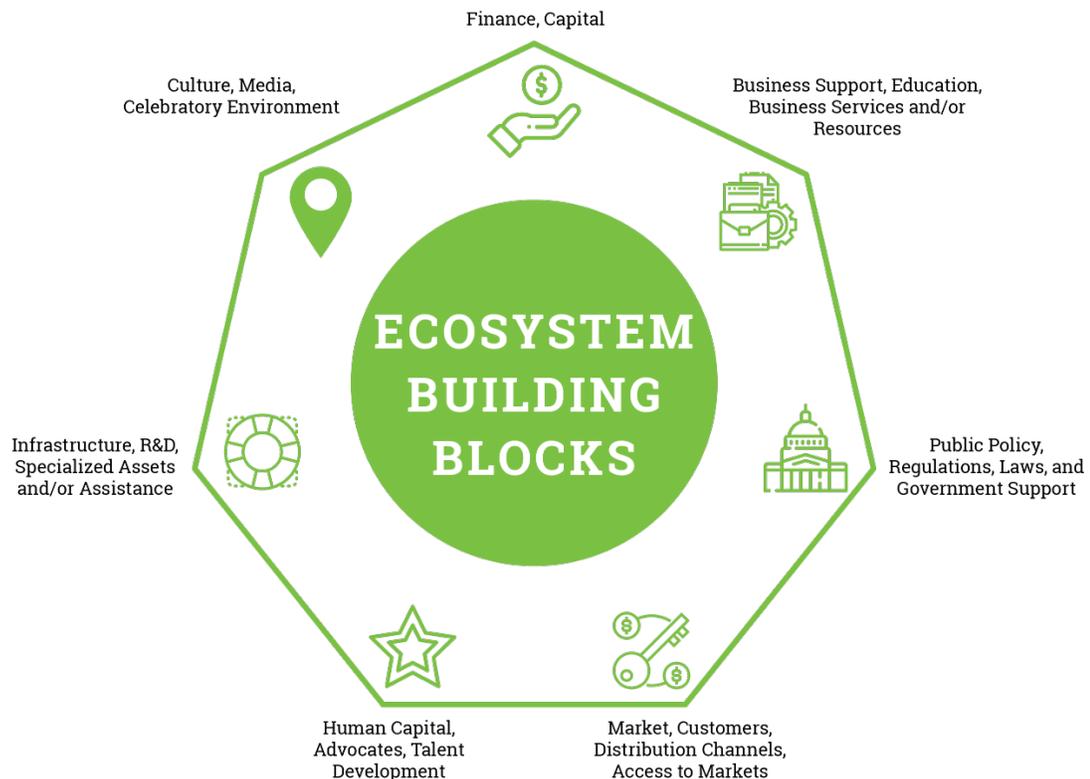
Small businesses and entrepreneurs drive rural economies, and are a major source of opportunity as well as resiliency. ROI's emphasis on cultivating a healthy and complete ecosystem creates integrated resources and encourages collaboration. This "whole community" approach helps entrepreneurs thrive in the good times and recover faster and more fully following disruptions.

ROI is an investment in the vision and aptitude of rural communities and aligns with Business Oregon's strategic plan to innovate, grow local businesses, cultivate rural economic stability, and champion opportunity for underrepresented people.

## 1.1 Entrepreneurial ecosystems

A growing body of evidence—both academic and anecdotal—demonstrates the importance of a robust and dynamic entrepreneurial “ecosystem” to entrepreneurship and small business growth. Business Oregon’s ROI program was an earlier adopter of this approach and has been supporting rural ecosystems for several years. With nearly all net new job creation in the U.S. attributable to new and young companies (less than 5 years old), the case for entrepreneurship as economic development is well-established.

An entrepreneurial ecosystem is the network of individual actors, organizations, institutions, and processes that formally and informally interact to connect, mediate, and govern performance within a given entrepreneurial environment (OECD, 2014). Commonly recognized components of an entrepreneurial ecosystem include finance, business support, public policy, markets, human capital, infrastructure, R & D, and culture –but it is their strength as an interconnected whole that determines the health of an ecosystem and its capacity to support entrepreneurs. Visually, an ecosystem can be represented by the following image:



ROI supports projects demonstrating both a vision and a plan to address identified gaps and inefficiencies in their local ecosystem. ROI prioritizes projects that strengthen the individual components of the ecosystem and their integration with one another in order to support entrepreneurs and their

businesses. Communities with more robust entrepreneurial ecosystems tend to have more economic diversification, greater local control, less dependency on outside forces, and better retention of profits generated within the community—all of which contributes to more vibrant places with higher levels of self-determination and resiliency.

## 1.2 2021-2023 ROI Program Changes

The COVID pandemic and resulting infusion of government funds into all manner of programs, including broadband, access to capital, and small business technical assistance, plus the transition to remote work where employees can exercise more control over where they want to live based on cost of living and quality of life has created new opportunities for rural entrepreneurs and the ecosystems that support them.

However, the creation of an entrepreneurial ecosystem doesn't occur in a vacuum. It requires the informed, deliberate, self-conscious, coordinated, and inclusive efforts of many stakeholders—grounded by the experiences of entrepreneurs themselves.

Business Oregon recognizes that entrepreneurial ecosystem building occurs over time and stages and communities are at varying points along this spectrum. Some may have just encountered the entrepreneurial ecosystem approach as an economic development tool while others are fine-tuning their ecosystems after many years of work. The emphasis on a continuum helps the program tailor financial and capacity support to individual community needs at any given stage along their journey—from entry to exit from ROI.

In addition to the ROI programs, over the next couple years, following the recommendations outlined in the agency's [10 Year Innovation Plan](#), Business Oregon will be supporting the development of Regional Innovation Hubs to propel region-specific innovation and entrepreneurship. The Hubs will be focused on supporting traded sector, innovation-based, early stage companies within a regional ecosystem, and will complement ROI by enhancing access to resources and technical expertise as well as provide a gateway to other state funded programs.

### ROI Stages

ROI initially designated the three major stages along the ecosystem-building continuum as **concept, launch, and scale**. After a reduced emphasis on this approach last biennium, 2021-2023 ROI applicants will again submit applications based on their self-assessed stage. This staged approach is intended to more explicitly formalize the ecosystem-building continuum while maintaining flexibility to fund place-based projects supporting entrepreneurship. It acknowledges communities within the same stages tend to share similar

characteristics, needs, resources, opportunities, and constraints. And it institutes benchmarks or identifiable steps along the route that demonstrate progression and indicate when a community has 'transitioned' from one stage to another and therefore requires, in general, a progressed set of supports to continue their trajectory. Lastly, this framework constitutes an effort to identify when a community has built a dynamic, cohesive, functioning ecosystem that can be sustained without ongoing support from ROI. As ROI was not intended to provide indefinite support, this framework provides a clearer "off ramp" to help ROI communities more successfully transition off of regular ROI funding.

Business Oregon is introducing a few minor changes to the program, outlined below:

- Stages—applicants will apply to ROI according to their self-identified stage in the entrepreneurial ecosystem building spectrum.
- Award sizes—concept, launch, and scale communities will have different ranges of award sizes that reflect commonalities in terms of needs, opportunities, and resources.
- Capacity—all awardees will receive support in the form of resources for capacity building, either through funding of additional FTE, the program's consultant(s), or both.
- Progression—it is expected communities will make and demonstrate progress from one stage to another on the eventual path towards a sustainable entrepreneurial ecosystem.
- Number of awards—will be dictated by quality and quantity of applicants but the program will target a blend of an equal number of awardees per stage—ideally 4-6 per.

**Concept** (award range \$30,000-\$60,000)

- **About**—Concept communities are in the early stages of identifying entrepreneurship as a viable long-term solution to the economic and social health of their community and want to be intentional about building an ecosystem to support it. Communities in the Concept stage have a few key leaders who are interested in this model but they need broader community support and additional partners. Roles within the ecosystem are emerging but a lack of coordination and cohesiveness in Concept communities often results in gaps or redundancy among resources and/or providers. Concept communities are eager to assess their ecosystem to gather actionable information (data) to inform their work—identifying strengths, weaknesses, and local assets. Although there may not be a strong entrepreneurial culture, influential people are committed to changing that. Entrepreneurial resources exist but are disjointed or in competition, making access cumbersome and time consuming for entrepreneurs, who may lack a

network of like-minded people. Concept communities are starting small but thinking big—about what they can do and how they’ll do it.

- **Duration**—Awardees should advance through the Concept stage in one to two grant cycles. The work undertaken in the concept stage is tantamount to creating the human infrastructure at the heart of ecosystem building. It takes time, relationship building, and community self-assessment.
- **Non-financial support**—Concept communities will receive support from the ROI consultant(s) and ecosystem pillar organizations in the form of additional capacity, ecosystem assessments, strategic planning, fundraising, and project branding to expand and broaden support from partners and the community.

**Launch** (award range \$40,000–\$100,000)

- **About**—Launch communities have established the basic human infrastructure necessary to support the ecosystem. They are ready to grow in all respects —visibility, cohesiveness, impact on entrepreneurs —and many partners agree on a “next step” direction or project that would benefit their overall ecosystem or fill a gap. Their ecosystem building efforts are informed by data (qualitative and quantitative) and assessments and correspond to the community’s identity, existing assets, and entrepreneurial needs. Stakeholders are well defined and the group has grown in number and influence as well as become more proactively inclusive. Launch communities have generated buzz and attracted the attention of local political leaders who can drive systemic change and will be key in sustaining the work long term. A culture of entrepreneurship is emerging and entrepreneurs themselves are typically able to find the resources they need, although silos and gaps may persist. Launch communities are poised to solidify functioning ecosystems and are capable of undertaking a sophisticated project to support entrepreneurship.
- **Duration**—Awardees should proceed through the launch stage in no more than two grant cycles. Individual ‘projects’ will vary widely based on local conditions and entrepreneurial needs but could include establishment of a commercial kitchen, development of a new program, efforts to integrate with other ecosystems, capacity to fill an identified gap or barrier, construction of a multi-resource hub, etc. At the launch stage, an ROI community has identified a well-defined solution for their ecosystem and is implementing it.

- **Non-financial support**—Launch communities will receive support from the ROI consultant(s) and ecosystem pillar organizations in the form of additional capacity, strategic planning and organizational development, fundraising and resource identification, project branding and marketing, reporting and analysis, professional training, access to capital support, and more.

**Scale** (award range \$80,000–\$150,000)

- **About**—Scale communities have significant, measurable momentum and are ready to maximize their potential. They have a history of successful, collaborative, and visible work and a major investment would solidify the foundation of their ecosystem and propel them towards sustainability. Scale communities have increased and integrated entrepreneur support services and developed thriving networks. They have generated support from local policy makers, developed a culture favorable to entrepreneurship, and built an organizational structure that is improvement driven, adaptable, and capable of withstanding staff changes. Connections with the K-12 system, local colleges, and workforce development are active and contributing to a pipeline of future entrepreneurs. Local industries have taken notice and are engaging in the promotion and sustainability of the ecosystem. Entrepreneurs have increased access to capital, talent, and resources; they are seen as an asset to the economy and culture of the community and able to wield their influence to support public policies that favor further small business growth. Scale communities have diverse funding streams, a clear place-based identity and are proposing to undertake a growth project that reflects a broad consensus.
- **Duration**—Awardees should proceed through the scale stage in a single grant cycle, possibly two if circumstances warrant. As with other stages, scale projects will be determined by local conditions and entrepreneurial needs. Examples of scale projects could include a significant infrastructure investment that enhances opportunities for entrepreneurship, expanding or integrating programs on a regional basis, implementing a long-term sustainability plan, cultivating capital access and deal-flow among investors, enhancing industry partnerships that strengthen the ecosystem, and more. Scale communities are undertaking growth projects that better prepare them for long term viability.
- **Non-financial support**—Scale communities will receive support from the ROI consultant (s) and ecosystem pillar organizations in the form of additional capacity, strategic planning and organizational development, fundraising and resource identification, project branding and marketing, reporting and analysis, professional training, access to capital support, and more.

### **Sustain or Transition** (award range \$15,000–\$40,000)

- **About**—Sustain awards are for Scale communities who are transitioning off of ROI support and for which a modest award will help leverage other financial resources or contribute to the overall sustainability of their efforts. These are communities who fit the SCALE characteristics but may not have a SCALE-level project for which to apply or who may have recently completed a SCALE-level project. Not every Scale community will receive this additional support. Grantees in this stage will demonstrate how this transitional award would contribute to their long-term maintenance and success of their entrepreneurial ecosystem. Transition communities have been funded under ROI for several cycles and are either preparing to exit or need to regroup in order to refocus their efforts. Business Oregon will use this funding with a high degree of discretion in order to bridge an exit from ROI or maintain existing progress as a community works through a clearly defined obstacle.
- **Duration**—This transitional support is available for only one cycle.
- **Non-financial support**—Sustain communities will also receive additional capacity support specific to long-term financial and operational sustainability.

ROI is not intended to be prescriptive and the examples of eligible projects or activities above are not all encompassing. Although the expectation of ROI is that communities will progress between stages there is no guarantee of renewed or recurring funding. Each biennium will trigger a new RFGP and allow an evaluation committee to assess projects based on past performance, current progress, and future promise. There are always more requests for funding than the program can support and not all applicants are awarded funding.

## **2.0 Proposal Information and Requirements**

### **2.1 Eligibility requirements**

1. This is a fund to support collaborative work. Applicants must be applying on behalf of three or more total partners, including the applicant.
2. Applications must designate a 'lead applicant,' who will be responsible for receiving, managing, and reporting on grant-funded activities and expenditures.
3. The lead applicant must be based in a rural area and proposed activities must benefit that rural area, but may also benefit adjacent rural areas. Business Oregon defines rural as it is defined by ORS 285A.010 (14), which states, "Rural area means an area located entirely outside of the acknowledged Portland Metropolitan Area Regional Urban Growth Boundary and the acknowledged growth boundaries of cities with populations of 30,000 or more."

4. In addition to collaborating with other partners, eligible applicants must be proposing to work on improving the entrepreneurial ecosystem in support of entrepreneurs, small businesses, and the organizations that serve them.
5. The lead applicant must be a legal entity of Oregon. This includes nonprofit entities registered to do business in Oregon and political sub-units. Examples of eligible lead applicant entities include tribal governments, 501(c) (3) nonprofit entities, and government agencies, including educational institutions. For-profit businesses are not eligible to be lead applicants.

## **2.2 Application components and submission instructions**

To request an award for funding under this announcement, applicants must complete the application form and attach it to the front of their application. The narrative portion of the application should address each of the six components / questions as sub headers within the document, followed by the applicant's response to each. For optimal consideration, please address all parts of each question.

Office hours to answer applicant's questions will be held at the following dates and times. Please email [brian.plinski@oregon.gov](mailto:brian.plinski@oregon.gov) using the subject line Rural Opportunity Initiative to request a time slot:

- Wednesday, August 18 from 10:00 AM–2:00 PM
- Thursday, August 19 from 12:00 PM–4:00 PM
- Tuesday, August 24 from 10:00 AM–2:00 PM

Responses to the narrative questions should not exceed 6 single-sided pages with at least 11-point font and 1" margins. In addition to the narrative, a complete application will include:

1. Signed application form (form provided)
2. Work plan that identifies project outputs and outcomes that will guide project activities (form provided)
3. Project budget that outlines anticipated expenses and other sources of revenue (form provided)
4. Demographic questionnaire about the lead applicant's organization (form provided)

Submit completed applications to [brian.plinski@oregon.gov](mailto:brian.plinski@oregon.gov) by 11:59 pm on September 20, 2021. The email subject line should read Rural Opportunity Initiative grant application–Proposer Name. Each component of the application should be submitted in the same file format (Word, Excel) as provided. Late applications will not be accepted. Applicants will receive acknowledgement from Business Oregon staff within 48 hours of submission.

### **2.3 Application questions**

Please limit the narrative section to 6 pages, not including coversheet, work plan, and budget. Restate the title of each section before providing your answer.

#### **Project Summary**

- Please provide a three to four sentence summary of your project that includes the concept/launch/scale stage you are applying for as well as the amount you are requesting.

#### **Organizational Information (Up to 15 points)**

- Describe your organization, including major programs and initiatives that relate to the work you are proposing to undertake.
- List 2-3 recent relevant organizational achievements.
- Explain why your organization is best positioned to lead this work.
- Describe your community, including the people and sectors that most benefit from your work.

**Demonstrated Need (Up to 20 points)**

- Describe the problem, challenge or need in your community related to entrepreneurship.
- Describe the opportunities in your community related to entrepreneurship.
- Describe your community's efforts to solicit and include a wide range of viewpoints related to this project, including from historically underrepresented groups.

**Project Description (Up to 30 points)**

- Describe the project or initiative.
- Please identify the overall goal(s) of the project and explain how it will strengthen opportunities for entrepreneurs. What will change in your entrepreneurial ecosystem as a result of the project?
- What makes this project the most effective solution to the challenges and / or opportunities outlined above?
- How was the community you intend to serve included identifying the need and / or shaping the proposed solution?

**Implementation Plan (Up to 25 points)**

- What would ROI funding allow you to achieve that you would not otherwise?
- Describe your capacity to complete this project. Do you have the staff, systems, partners, and funding to complete your goals?
- Outline the major partners who will undertake this work and describe their roles in ensuring success.

**Budget–Income and Expenses (Up to 10 points)**

- How much will it cost to achieve the proposed project?
- How much are you requesting from ROI and how will the grant funds be used?
- Describe if and how you will sustain the project after the grant period (especially launch and scale applicants).

Please use the attached forms to detail on how you intend to allocate ROI funds awarded (budget) as well as prioritize the work that will guide your project activities and expectations (work plan). Successful applicants will work with Business Oregon staff and a professional consultant during the preliminary stages of the project to refine their work plans to maximize project success.

As part of the review process, Business Oregon may seek written clarification of some aspects of the proposals.

Proposals may not be selected to receive an award for any of the following reasons:

- do not fit the eligibility guidelines
- deemed by staff and the committee to not be aligned with the overall goals of the program
- determined by staff or the committee to be incomplete or insufficiently robust

### **3.0 Proposal Evaluation and Reporting Requirements**

**Review and Scoring by Evaluation Committee**—Proposals will be scored against a matrix allowing for a total maximum of points for each major component of the application. Each narrative question (excluding the Project Summary) and the budget have assigned maximum point values. This includes a total maximum point value of 100 points. While the demographics chart is required, it will not be scored.

The scoring matrix will account for a variety of factors specific to each section and to the initiative overall including: applicant’s ability to demonstrate alignment with ROI objectives, familiarity with the principles of entrepreneurial ecosystem building, an understanding of the challenges and opportunities within their ecosystem, evidence of wide-ranging stakeholder support, and an applicant’s capacity to deliver on stated goals.

**Evaluation Committee Funding Recommendations**—Each application will be reviewed and scored by a multi-member Evaluation Committee. Scores will be compiled by Business Oregon staff and submitted to the Committee prior to convening for final decisions. In addition to the highest scoring applicants, the Committee will have an opportunity to review applications that were eliminated by lower scores and vote to reinstate them for consideration, if it chooses, to achieve geographic, demographic, project, and sector diversity.

#### **3.1 Reporting Requirements**

There are many ways Business Oregon measures the impact of ROI funding. Some of these measures assess progress within the recognized determinants comprising the entrepreneurial ecosystem, and some measure how these components function together. Additionally, they help to identify impact within the four realms of commonly accepted indicators of entrepreneurial ecosystem health: density, fluidity, connectivity, and diversity (‘Measuring an Entrepreneurial Ecosystem,’ Ewing Marion Kauffman Foundation, 2015).

ROI communities should expect to gather and provide data on several metrics and outcomes. Metrics are quantifiable indicators and outcomes are broader changes in attitudes, knowledge, and systems.

ROI is interested in measuring impact related to entrepreneurs themselves and the organizations and larger systems that support them. Most of these metrics and outcomes, along with a brief explanation, are below.

**Entrepreneurs** (those who have started or are interested in starting their own business, product or service; Business Oregon is particularly interested in new and young businesses—5 years or less).

- Reduction of barriers—entrepreneurs will report the removal of one or more barriers to starting or growing a business due to provider support [Fluidity; Culture; Regulatory; Business Support].
- Access to services—entrepreneurs in your community report they know where to seek assistance related to a variety of topics from human resources to legal to capital [Fluidity, Connectivity; Diversity].
- Launch of new businesses—entrepreneurs report starting a new business [Density; Diversity; Culture].
- Growth and/or strength of existing small businesses—entrepreneurs in community self-report increases in revenue, solvency, net promoter scores, and more [Fluidity; Density].

**Systems & Small Business Support Providers** (offers services to entrepreneurs to grow or strengthen businesses)

- Increased number and diversity of services offered to entrepreneurs—what is available now and how will it change during the grant period [Business Support; Culture].
- Increased utilization of services—those who provide services to entrepreneurs document an increased number of participants.
- Increased collaboration—services and providers are more integrated as evidenced by number, depth of activities and partnerships, among other metrics [Connectivity; Culture].
- Increased human capital & capacity of support providers—measured by increased staff FTE, hours dedicated to entrepreneurial economic development, volunteers, and more [Density; Fluidity; Business Support]
- Changes in community culture—is the community ‘a better place to start a business’ than before [Connectivity; Culture]?

### **3.2 Data Collection**

Data will be captured through surveys, intake forms, and reports from partners named in grants. ROI recipient communities will be expected to use tools provided by Business Oregon or develop equivalent tracking mechanisms.

#### **Competitive applications**

As a place-based model, ROI encourages applicants that are authentic, understand their relative strengths and weaknesses, and are eager to identify and implement a strategy that works for their local entrepreneurs. Applicants at each stage of the continuum are expected to vary in their needs and opportunities but all should share a general commitment to the ecosystem building model. Competitive applications are also likely to be:

- Collaborative projects with clearly defined and attainable goals that further development of the local or regional ecosystem.
- Community driven efforts, propelled by strong leaders that recognize and embrace the opportunities of/for rural entrepreneurship.