



# **Creative Class In The Small: Economic Fire in Rural and Distressed Urban Communities**

*2003 Iowa Creative Economy Unconference*

*5 March 2003*

An Unworkshop by **Sohodojo**  
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Havre, MT USA

Co-sponsor: **NARFI**  
The North American Rural Futures Institute, MSU-N



Our **Unworkshop** will explore the power of ‘elastic networks’ of small groups of creative class folks working to improve their local communities

- An **unlecture**... let’s talk.
- What is “creative class in the small”?
- A quick tour of who we are and what we’re doing
- Intro to our ‘case study’ – Sohodojo/Soyawax partnership to evolve the **Chandler Guild** microenterprise network of soy wax chandlers
- Meet Iowans Mike and Lynette Richards, Soyawax
- Brainstorm and network – hatching the Revolution



Richard Florida's "*The Rise of the Creative Class*" does a great job of describing the 'law of large numbers' side of creative class dynamics.

- What if you don't live or don't want to live in an urban (largely affluent) "creative class magnet" location?
- How does networking (Internet and interpersonal) influence creative class dynamics?
- Can social/business networking create "extended communities" that overcome the obstacles of "place"?
- What are the implications for the "3 T's" for rural and distressed urban communities? *Is there a fourth 'T'?*

**BIG IDEAS**

soho  
dojo

**small business**

Technology, Talent and Tolerance...  
what role do these “T-themes” play in  
rural and distressed urban communities?

- Sometimes it’s just a **matter of scale**... Top 10 Creative Class locations need a world class *research university*, we may only have a teaching college, junior college or public school.
- Sometimes it’s a **matter of kind**... the technologies and talents needed in our rural and distressed urban communities are often qualitatively different than those needed in a Top 10 creative class hotspot.
- **Tolerance is vital everywhere!**



When thinking about rural and distressed urban communities, let's add a fourth 'T' to the mix... the 'T' of **Ties**, as in network connections

- In hip-happening creative class urban communities, it goes without saying that the dynamic ties of networking are at work... hubs in social networks always have lots of links... the ties that bind.
- **But in our 'outlier' rural and distressed urban communities, networking social and business relationships are crucial to economic opportunity and must be a major 'T' theme.**



**Sohodojo** is the “War College” for the Small is Good Business Revolution and home of the nanocorp.

- An **applied R&D lab** supporting *solo entrepreneurs* and *working families* in rural and distressed urban communities
- Develop business models and associated Open Source software technologies to support **Small is Good Business Webs** (“human scale” yet competitive, network-based, worker-owned businesses, AKA *microenterprise networks*)
- 501(C)(3) nonprofit corporation with a research and education mission



## The North American Rural Futures Institute at Montana State University Northern is an “applied futures” lab.

- **NARFI** supports a growing collection of Communities of Practice, networks of mentor/experts and local practitioners envisioning and experimenting with futures-oriented ideas for rural economic sustainability
- The Rural Entrepreneurism CoP is supporting the Chandler Guild microenterprise network through its mentoring of the Big Sky Chandlers ‘hub’
- **Sohodojo** and **NARFI** are linked through Jim and Timlynn... *(an example of creative class in the small)*



**Sohodojo** is exploring the power and potential of the individual, especially folks identified as **creative class** members and **cultural creatives**.

- Maximizing our own **unique potential** rather than learning to be a cog in the Machine
- Learning how to **dynamically work together** to achieve our individual and collective goals
- Working as a responsible community of peers to **reduce uncertainty** through trust and respect, sharing the fruits of creative and effective competition

*It won't be business as usual in the 21<sup>st</sup> Century...*

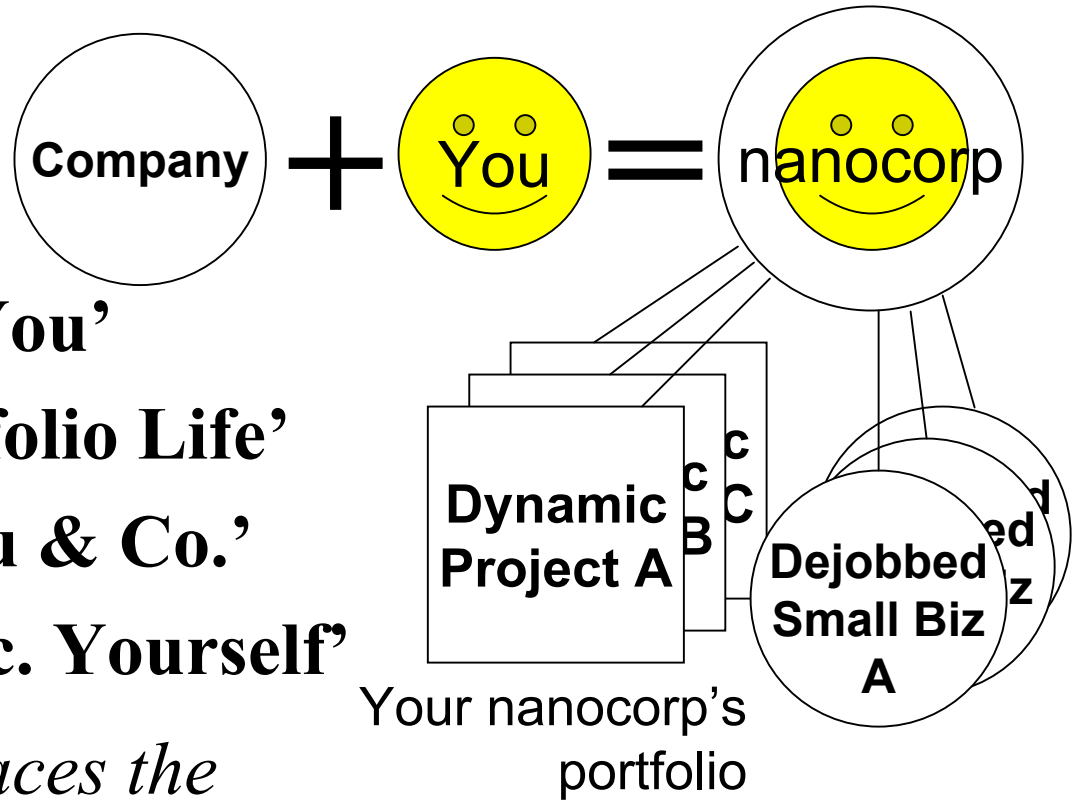


A *nanocorp* is a unary business.

Nanocorps are the atomic elements of Small Is Good Business Webs.

- *Fast Company*, ‘Unit of One’
- Tom Peters, ‘Brand You’
- Charles Handy, ‘Portfolio Life’
- William Bridges, ‘You & Co.’
- Judith McQuown, ‘Inc. Yourself’

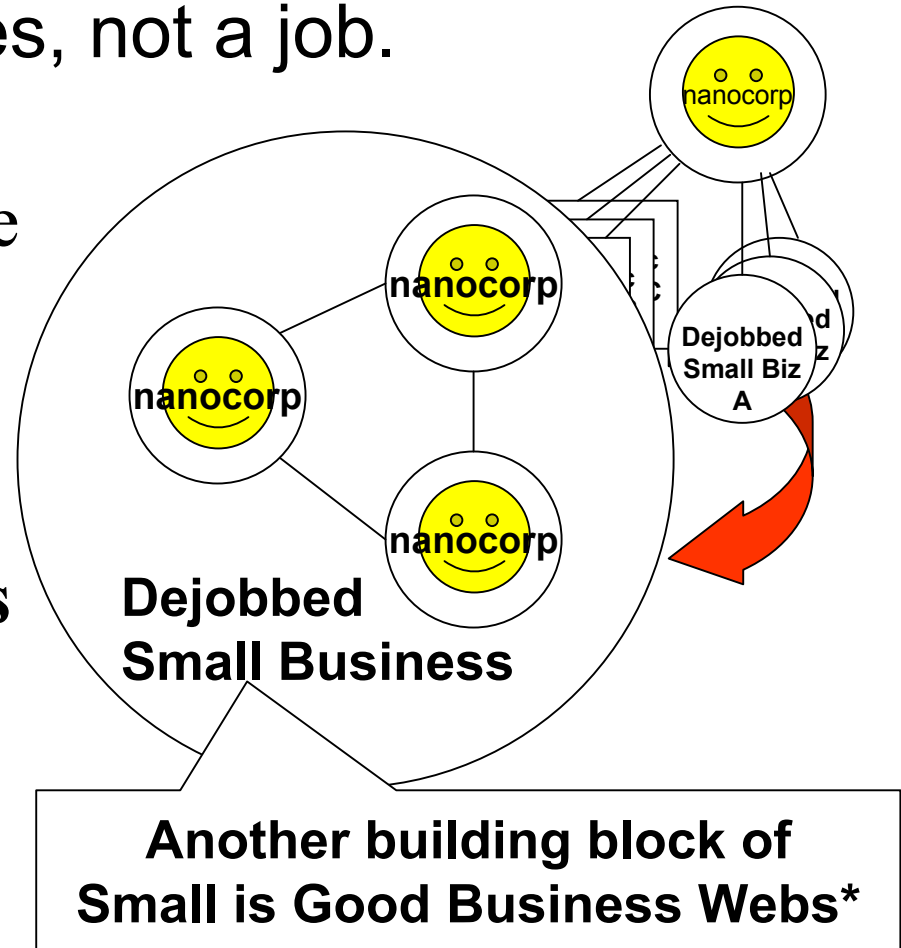
*Your Portfolio Life replaces the concepts of “job” and “career”*



**Creative classers are Portfolio People!**

Groups of nanocorps can form *dejobbed small businesses* where a nanocorp fills one or more roles, not a job.

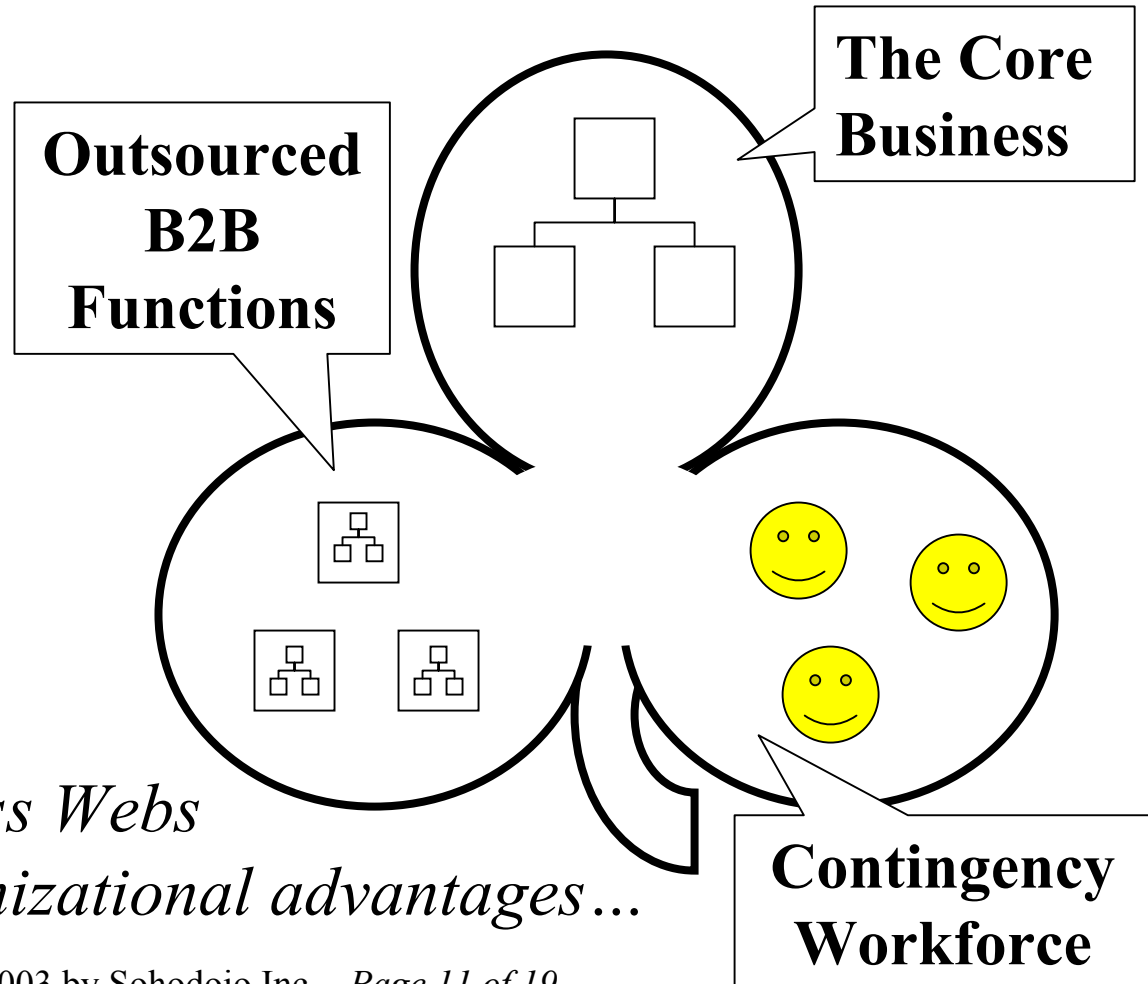
- **No employees** and no fringe benefits
- Federation of nanocorp owner/operators **share profits and responsibilities**
- Owner/Operators fill role-based work contracts of the business



\* AKA microenterprise networks

Shamrock Organizations: Companies have transformed in response to increased competition and rapid change.

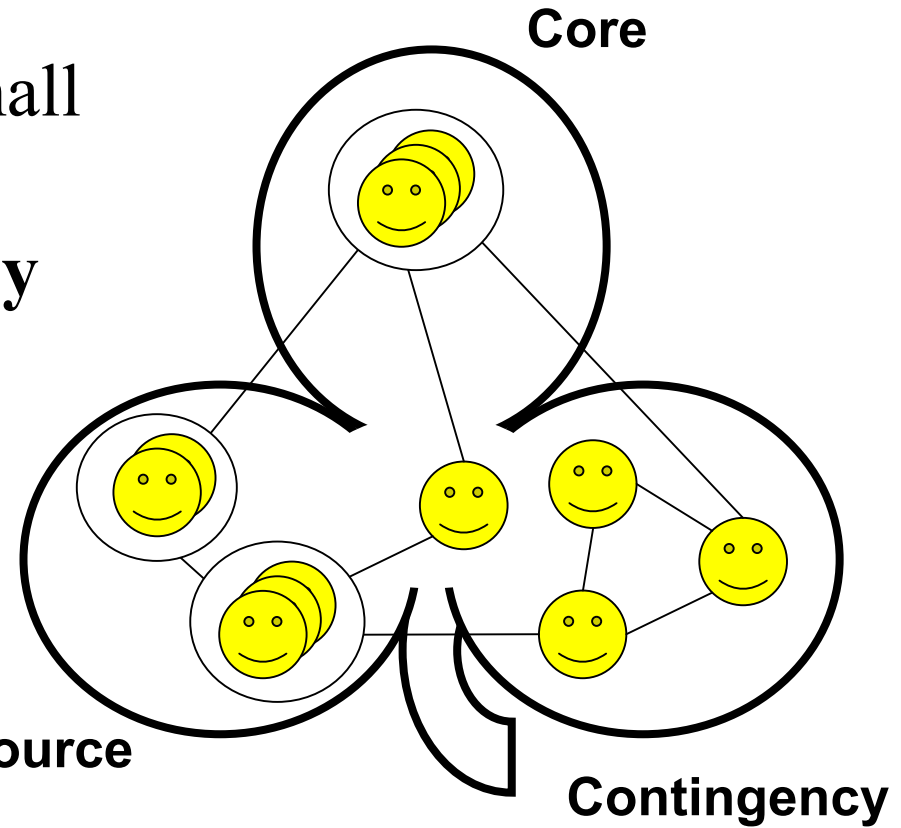
- Fewer permanent employees
- Flexibility to adjust to shifts in economy
- Reduced capital assets



*Small Is Good Business Webs need these same organizational advantages...*

Small is Good Business Webs\* are Shamrock organizations built of nanocorps and dejobbed small businesses.

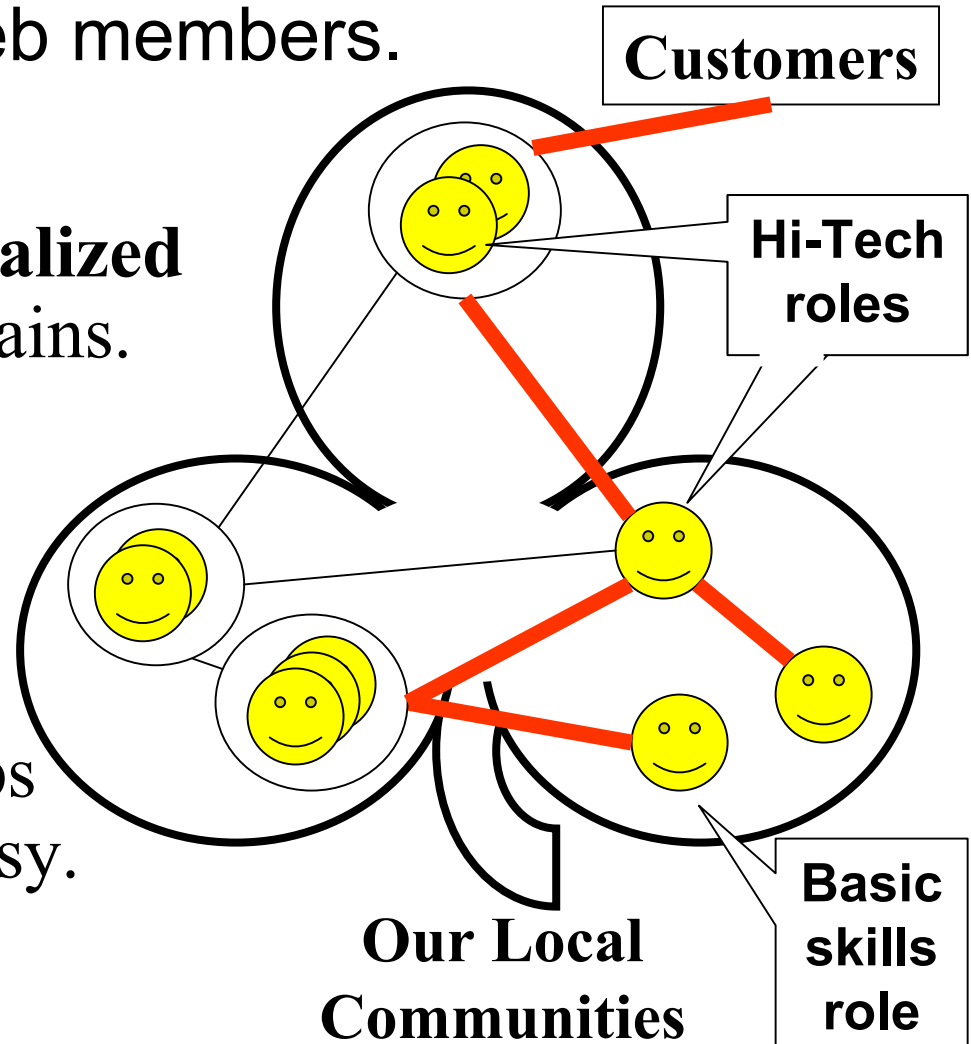
- Nanocorps and dejobbed small businesses are nodes in the **Outsource** and **Contingency** Worker leaves.
- The **Core** leaf of a **Small Is Good Business Web** is a **Dejobbed Small Business**.



\* AKA microenterprise networks

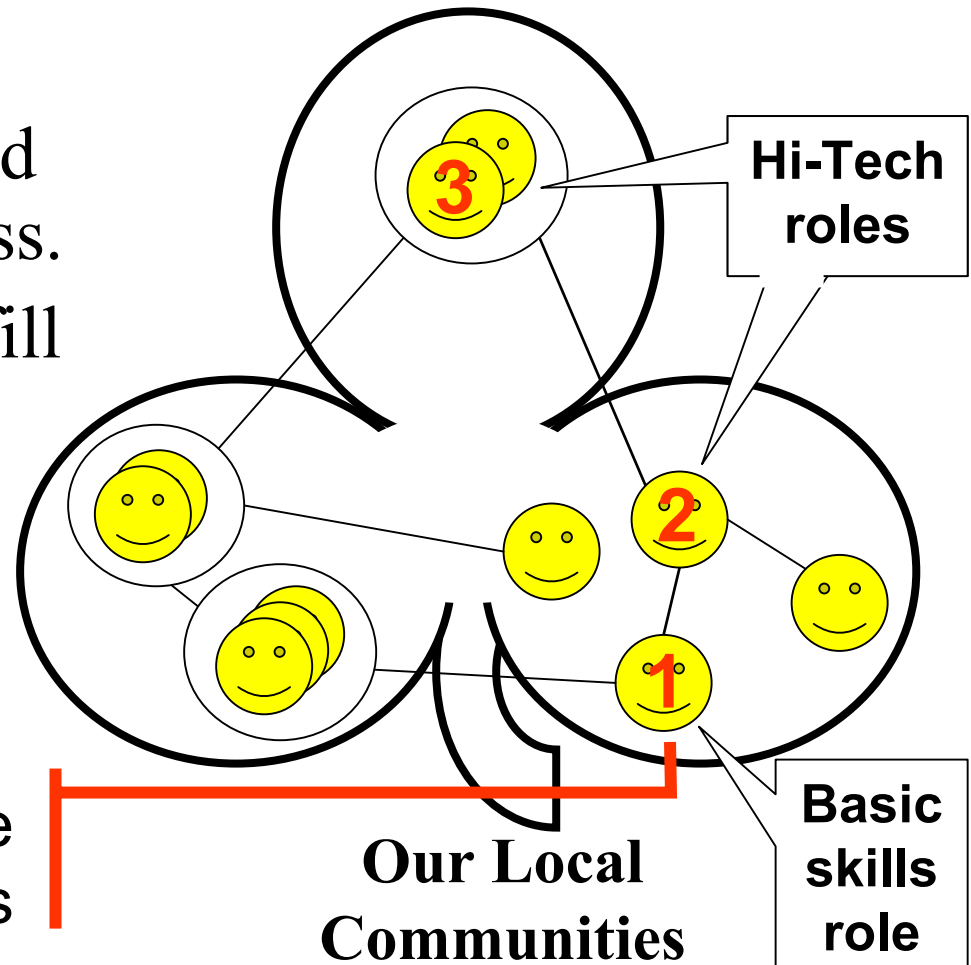
Small is Good Business Webs provide participation in the New Economy for even low-tech b-web members.

- SIG B-Webs are **decentralized** and **distributed** value chains.
- **Value chain** paths are producer-consumer links that provide role-based transaction profits.
- Multiple role relationships help to keep members busy.



A nanocorp life “career” path is based on gaining the skills, experience and trusted relationships to fill various roles.

- Mentor relationships build trust and wider web access.
- Training builds skills to fill new roles.
- Certification validates role performance and ensures quality.



One of many possible nanocorp “career” paths



Two Small Is Good Business Webs are in the early stages of development at **Sohodojo**.

- **ChandlerGuild.com** – To dominate ☺ the soy wax candle industry by supporting a collaborative community of Village Chandlers through a dynamic, educational and fun-filled web site.
- **3RBuilders.net** – To build affordable housing in rural and distressed urban communities based on the “3Rs” of Green Building – Reduce, Reuse and Recycle – e.g., reusing industrial shipping pallets and recalled/discarded automobile tires.



Small Is Good Business Webs have unique characteristics but their basic nature is the same.

	<b>ChandlerGuild.com</b>	<b>3RBuilders.net</b>
Nature of Product	Commodity, high volume, low price	Capital asset, low volume, high price
Customer Profile	Individuals and retail middlemen	Local municipalities and corporate sponsors
Size of Web	Potentially huge (1,000s)	Large (100s)
Certification Importance	Important	Critical
Nature of Training	One-to-one mentoring	Formal training and apprenticeships
Value Chain Supplements	Relatively rare	Important
Customer into Nanocorp	Desired and frequent	Relatively rare





Small Is Good Business Webs will capitalize on different aspects of the software infrastructure.

	ChandlerGuild.com	3RBuilders.net
<b>Network Infrastructure</b> (Supply chain 'back-end' of the business web)	Important	Vital
<b>eCommerce Engine</b> (Story-driven, game-oriented*)	Vital	Helpful

New markets of “**Who, How and Why**” complement and compete with Big Is Good’s traditional “**How much and Where**” markets



Meet **Mike and Lynette Richards**, inventors of soybean wax and founders of the innovative **Soyawax/Chandleworks** company of Cedar Rapids.

- Dramatic, industry-rattling product innovators
- Social entrepreneurs with award-winning programs in homeless and welfare-to-work employment
- Visionary interest in growing their business through the creation of a microenterprise network rather than through a typical factory expansion
- What they didn't have... deep computer and Internet skills. This lead to the Soyawax/Sohodojo partnership.



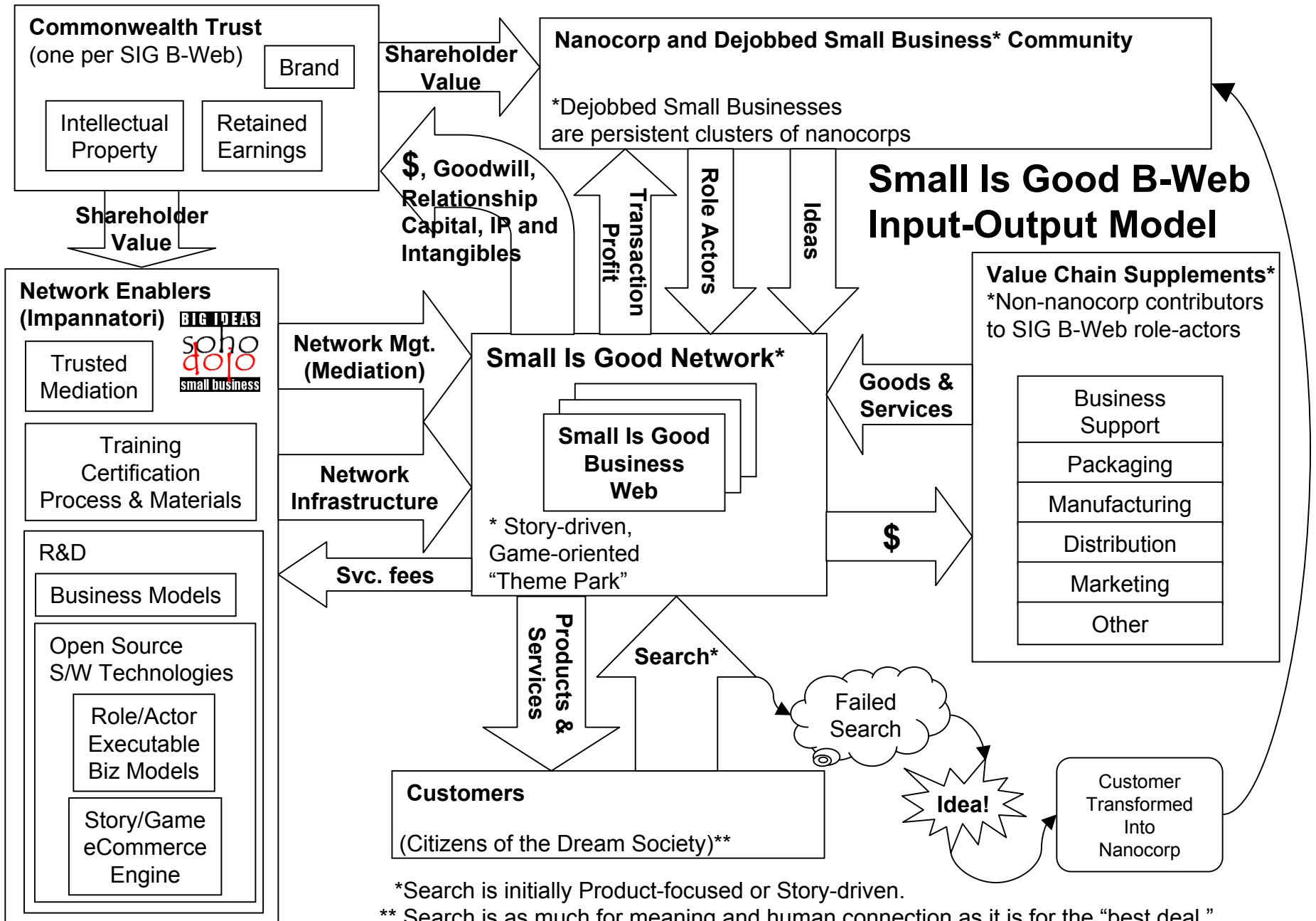
Thank you. **Sohodojo** appreciates the opportunity to tell you about the Small Is Good Business Revolution.

- E-mail is welcome, especially creative proposals for technology development collaborations:  
**mailto:hosts@sohodojo.com**
- Visit **Sohodojo** (<http://sohodojo.com>)
- Visit **NARFI** (<http://narfi.org>)
- Visit the **Chandler Guild** (<http://chandlerguild.com>)
- Visit **Soyawax** (<http://soyawax.com>)
- For a PDF of this presentation and related links visit the **Sohodojo** web site.

***Thank you.***



Extra Supplemental slides, not part of the main message but useful to have on hand for follow-up discussion, etc.

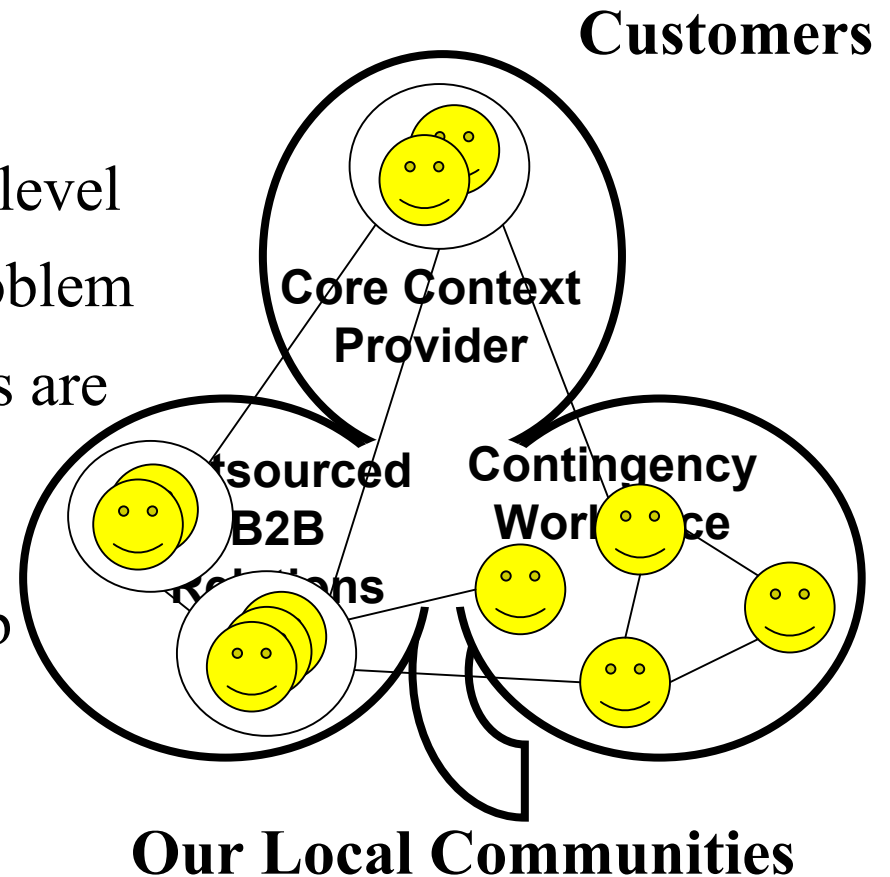


\*Search is initially Product-focused or Story-driven.

\*\* Search is as much for meaning and human connection as it is for the "best deal."

Shamrock-nanocorp Small is Good  
Business Webs have many of the same  
properties of the Internet itself.

- **Build-able piecemeal** – investment needed only at node level
- **Scalable** – more nodes, no problem
- **Adaptable** – innovative nodes are encouraged, ‘viral’ innovation
- **Resilient** – nodes can come and go without breaking the web
- **Repeatable** – Can be cloned to other products and markets



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## What's Next? Join the Small Is Good Business Revolution!

- *Everyone*, visit the **Sohodojo** web site regularly.
- *Students*, do a web-based internship or practicum.
- *Teachers*, invite us into web-based interactions with your students.
- *Researchers*, collaborate with us on funded business model and software R&D projects.
- *Entrepreneurs*, work with us to build your Small Is Good Business Web... Join the Chandler Guild!
- *NGOs and local gov't agencies*, help secure funding to develop SIG business webs in your community.