ENTREPRENEURSHIP IN THE YUKON-KUSKOKWIM DELTA

Best in West Business Plan Competition Awardees Share Startup Stories





Prepared by
The University of Alaska
Center for Economic Development
October 2020

Table of Contents

Executive Summary	1
Introduction	1
Program Overview	2
Grant Use	
Seed Funding	3
Expansion of Existing Businesses	
Opening a Commercial Space	5
Training, Networking, and Support	5
Entrepreneurs Provide Quality Products and Services to their Communities	7
Conclusions	8
Endnotes	9
Tables and Charts	
Figure 1	2
Table 1	3
Figure 2	3

Contributors

Julie Gardella-UA CED Richelle Johnson- UA CED Nolan Klouda- UA CED Penny Gage- UA CED Julia Casey- formerly UA CED Gretchen Fauske- UA CED

Reyne Athanas- former Yupiit Piciryarait Cultural Center Coordinator and founder of Best in the West Amber Bukowski- Continuing Education Coordinator/Cultural Center Assistant, UAF Kuskokwim campus

Entrepreneurs

Yvonne Jackson- Alaska Rural Professional Development
Tracey Wilbanks- Windy Willow Hair Salon
Bill Howell- Bill's Meats
Louise Russell- Jones Family Apiary
Krystle Penaflor- Fireweed Craft Company
Sarah Angstman- Angstman Psychology
Leslie Boelens- Aniak Community Market
Katie Basile- Katie Basile Photography
Barb and Kirk Mosier- Kuskokwim Backwater Approach
Mary Woods- Tundra Cache
Azara Mohammadi- Healthy History Media

Executive Summary:

Best in the West is the regional small business plan competition in the Yukon-Kuskokwim (Y-K) Delta in southwest Alaska. Since it began in 2009, it has been offering grant funding and business training to regional entrepreneurs who submit business plans, pitch their ideas, and finally are selected by judges to receive an award. For this project, staff at the University of Alaska Center for Economic Development (UA CED) interviewed the Best in the West founder and principle organizer, Reyne Athanas, and eleven previous awardees. Most of those interviewed used their grants for new or upgraded equipment, materials, and space.

In addition to funding, Best in the West offers business training and support to entrepreneurs. The participants we spoke with identified writing a business plan, being part of cohort of others starting a business, and connections to local and state resources as additional valuable components of the program. Many also stated that their businesses meet a demand they saw in in their communities, and they used their skills, knowledge, and passion to provide products and services that meet those demands. Overall, we found that Best in the West successfully supports and grows entrepreneurship in the region.

Introduction:

Started in 2009, Best in the West is the Alaska Yukon-Kuskokwim (Y-K) Delta region's small business plan competition. Since inception, the program has awarded grant funding to almost 80 entrepreneurs. Best in the West's mission is to serve the Y-K Delta region by fostering local entrepreneurship to generate income, create jobs, and empower residents to provide valuable products and services to the community through their businesses. The competition is funded through a variety of partners including foundations and private

businesses, and grants are awarded to around five to ten entrepreneurs annually.

The Y-K Delta is a region of Southwest Alaska that includes the Bethel Census area and the Kusilvak Census area. It stretches over 75.000 square miles (around the size of South Dakota) with a population of around 26,000 people, 85% of whom identify as Alaska Native/American Indian according to the U.S. Census Bureau. Bethel is the largest community, with a population around 6,500 people, and the region's service and transportation hub. Communities are not connected by road, and the main forms of transportation within the region include planes, boats and four-wheelers during the summer, and snowmobile by winter. The region is the traditional land of three indigenous groups—Yup'ik, Cup'ik, and Athabascan."

Best in the West has a reputation for longstanding success. Staff at the Anchorage-based University of Alaska Center for Economic Development (UA CED) designed this research project to investigate its effects on entrepreneurship in the region and gain insight into its structure and methodology. UA CED interviewed Best in the West organizers to learn about the process of applying to the program, how it is funded, and its mission of supporting entrepreneurship.

UA CED contacted awardees from previous years and interviewed 11, most of whom won their grant within the last five years. Awardees were asked about their businesses and their work, as well as their experiences with Best in the West: what they learned, if it helped them as a business owner, and how they used their grants. Interviewees largely reported that in addition to offering funding, the Best in the West process was a positive experience that provided useful trainings and networking opportunities that helped them start or grow their businesses. This report details the



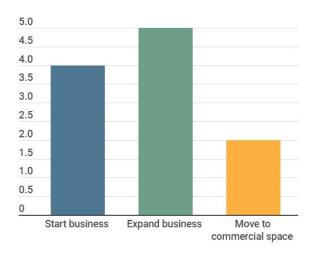
experiences of the 11 Best in the West entrepreneurs interviewed and examines how the grant award helped the businesses grow, other non-financial benefits of the program, and how those businesses contribute to their communities.

Program Overview

The Best in the West competition runs on an annual cycle. Current or aspiring entrepreneurs who live in the Y-K Delta and plan to operate their business there are eligible to submit a short business plan for consideration at the end of January to apply for the competition. From there, Reyne Athanas, former Yupiit Piciryarait Cultural Center Coordinator at the University of Alaska Fairbanks in Bethel and founder and organizer of Best in the West, distributes the initial plans to a group of judges from the funding partners which evaluates the applications and selects finalists. Over the next two months, finalists further develop their business plans, creating budgets, marketing plans, and operational timelines, eventually pitching their venture to the judges around April. Judges then choose which entrepreneurs will receive grant funding in award amounts ranging from \$2,000 to \$8,000 based on their

Figure 1: Business Stage

Number of businesses by development stage at the time they received their grant



business plans and pitches. Some Best in the West winners use the grant for seed funding to start a new business, while others use it to expand an existing business, sometimes making the leap from a home business to a commercial location (Figure 1).

In addition to the grants, Best in the West provides business training. The application and competition processes include workshops dedicated to developing entrepreneurial skills, covering topics such as customer discovery, break even analysis, and pitching the business. The workshops support entrepreneurs as they work through budgets, plans, and strategies, and help them through one of the most difficult entrepreneurial processes: testing the viability of their ideas. In the past four years, staff from UA CED have worked with Athanas to design the curriculum and lead these workshops. Best in the West has also organized panels of previous awardees to discuss lessons learned when launching their businesses, and local and statewide resources available to small business owners.

Best in the West's mission and work directly support several of the goals outlined in the Y-K region's Comprehensive Economic Development Strategy (CEDS), underscoring the importance of the program and support from the region's leaders. A CEDS is a strategic plan for a region's economic development, identifying goals for the region and an action plan for implementation. "Goal C" of the Y-K Delta's 2018-2023 CEDS is "Support and Grow Local Business Development and Entrepreneurship," with the first action item stating the need to conduct finance and business education in communities for youth and adults. Best in the West has been supporting and growing entrepreneurship throughout the region for 11 years. In addition



to the program itself supporting this and other goals in the CEDS, many of the businesses it funds also contribute to CEDS goals. As illustrated in Table 1, Best in the West directly implements goals outlined in the Y-K region's CEDS by providing support and resources to entrepreneurs, many of whom own businesses that support additional goals and objectives outlined in the strategy.

Grant Use

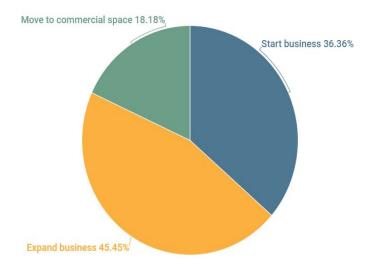
For the 11 businesses interviewed for this project, grant funding was generally used in one of three categories: seed funding to start the business; updating or expanding equipment and materials to increase the capacity of an existing business; or taking the leap from a home operation to a commercial space (Figure 2).

Seed Funding

Four entrepreneurs fell into the first category of seed funding, which is defined as operating for one year or less at the time they received the award. Those businesses include: Angstman

Figure 2: Business Stage

Percent of businesses by development stage at the time they received their grant



Psychology; Healthy History Media, Aniak Community Market; and Alaska Rural Professional Development.

Sarah Angstman started her business, Angstman Psychology, around the time she was awarded a Best in the West grant in 2015. For

Table 1: CEDS Goals addressed by Best in the West awardees

Goal	Entrepreneur/Business	Description
Goal A: "Grow Our Own:	Yvonne Jackson/ Alaska	A workforce training program which
Develop an educated and well-	Rural Professional	teaches computer skills, such as working
trained regional workforce and	Development	with Microsoft tools like Word,
group of future leaders."		PowerPoint, Excel, and Outlook. It
		teaches skills necessary to obtain state
		and local government jobs in the region
		that are often filled by people from
		outside the region.
Goal E: "Improve the Health,	Dr. Sarah Angstman/	A Bethel-based behavioral health
Wellness, and Safety of the	Angstman Psychology	practice. Dr. Angstman treats all types of
Region's People and		mental health conditions, she says,
Communities."		because there are not enough services
		available for providers to be specialized.
		Her work's mission and practice align
		with CEDS Goal E to improve regional
		health and wellness.
Goal C, Priority Strategy 13:	Louise Russel/ Jones	Produces local, high quality honey and
"Promote "farm-to-table"	Family Apiary	sells in Bethel. The apiary (honeybee
locally produced and harvested		farm) contributes to the CEDS goal of
products"		promoting farm-to-table commercial
		opportunities in the community.



her, the competition's timeline coincided perfectly with her decision to leave her job and open her own behavioral health practice in Bethel. She used her funding for office startup and supplies, like chairs and testing kits.

Azara Mohammadi started Healthy History Media in Bethel with her grant from Best in the West in 2018, which digitizes photographs and home videos. She used her grant to purchase new equipment, including a new computer, scanner, DVD/VHS recorder, and cables.

Leslie Boelen started a community market in 2017 in her town of Aniak, a village of around 500 residents, because she saw people selling food and handicrafts in parking lots, the airport, and the health clinic. She thought the community could benefit from a market that brought sellers and buyers together in a more deliberate way. Boelen also saw a demand in the community for more fresh produce. Her business, Aniak Community Market, provides a platform for those who grow fresh fruits and vegetables to sell them. She also sells produce sourced elsewhere at the market herself, adding to the available healthy foods in the community. Boelen used her Best in the West grant to buy materials to construct the Aniak Community Market building.

Yvonne Jackson, founder of Alaska Rural Professional Development, had been in business for a year when she received her grant in 2019. Like many entrepreneurs, she got the idea for her business from a problem she was experiencing in her own life. She was the workforce development director at the Association of Village Council Presidents (AVCP) and was searching for an organization to provide professional development and computer skills trainings in the region. When she could not find any, she decided to start her own business providing the exact services she was looking for. She used her Best in the West grant to cover important startup costs,

beginning with internet service, which is very costly in Bethel, so she could reliably communicate with other organizations and build her company website. She also bought the materials to teach her courses, like a projector, screen, certificate paper, and office material.

Expansion of Existing Businesses

The next category of grant use is entrepreneurs who used their funding to make upgrades to business equipment or expand their capacity for something they were already doing. Two of those businesses were already operating and wanted upgrades or expansions; Kuskokwim Backwater Approach and Katie Basile Photography in Bethel. The other three in this category used their funding to upgrade their equipment in order to turn a hobby or craft they were already doing into a business, which includes: Jones Family Apiary, Fireweed Craft Company, and Tundra Cache in Bethel.

Before their Best in the West grant award in 2016, Barb and Kirk Mosier rented kayaks and canoes to Bethel community members who wanted the chance to get out and enjoy nature but were not looking to buy their own equipment. They had a lot of returning customers, and sometimes out-of-town visitors would rent from them as well. Their funding allowed them to expand their kayak fleet by a third and rent to large groups, including a school group which used all of their boats to take 77 students on a trip.

Katie Basile was also already running her photography and youth media business when she won her grant in 2016. She had been living in New York, but had recently moved back to her hometown of Bethel, where she could focus her work on a topic she is passionate about: storytelling in the Y-K Delta. She used the funds to upgrade her camera and computer equipment.



Louise Russel, Krystle Penaflor, and Mary Woods's projects were all well underway when they applied to Best in the West; they used their grant funding to help formalize their ideas and turn their hobbies or crafts into businesses.

Russel operates Jones Family Apiary in Bethel with her husband and kids. They had been keeping bees for a while as a family project and Russel thought if they invested in new equipment, they could create a sustainable business. She and her family used their 2018 grant to buy insulated hives for the winter because her bees had been struggling with large temperature swings during the cold months, and an electric honey spinner to make her product more efficiently. They received so many preorders for their honey, they sold out before the bees had even made any. Now they are trying to keep up with demand so their apiary can be a sustainable, profitable business producing a quality local product.

Penaflor was also already making personalized clothing in Bethel when she decided to turn her hobby into Fireweed Craft Company. She received her funding in 2018 and used it to purchase a heat press, which has a much higher temperature and pressure than the iron she was using before, allowing her to press the vinyl cutouts she creates onto t-shirts or other material. She also purchased a printer, computer, and extra vinyl cutting machine. Her new equipment allows her to make a higher quality product.

Woods is a Yup'ik artist in Bethel. She carves, sews, and beads, and much of her work is sewing furs. She used her 2011 Best in the West grant to purchase a new sewing machine.

Opening a Commercial Space

The final category of grant use for those interviewed was entrepreneurs transitioning from a home business to a commercial space. They are Bill's Meats and Windy Willow Hair

Salon in Bethel. Bill Howell, owner of Bill's Meats, is a two-time winner of a Best in the West grant in 2016 and 2017. He used his first grant to purchase an industrial-scale freezer to help meet the high demand for his meat cutting service. As his business grew, he realized he had outgrown operating out of his garage. He was planning a move to a commercial space nearby and received the second grant to cover roughly half the cost of the move, freeing up other funds to upgrade and expand his equipment, including more freezer space.

Tracey Wilbanks used to operate her hair salon, Windy Willow Hair Salon, out of her apartment in Bethel, and it took up most of her home. Her Best in the West grant in 2018 allowed her to expand into a salon space and offer retail products for items that are costly to ship to Bethel and therefore hard to come by in other stores. The grant allowed her to keep prices affordable and serve a wider clientele. Her business became so busy she needed to rent a 1,000 square foot commercial space where she has a salon chair and a nail table for a nail technician who rents from her part-time. She is working on setting up two new hairdressing chairs for two additional part-time employees.

Training, Networking, and Support

Besides funding, Best in the West provides additional benefits to entrepreneurs who participate. Those who were interviewed for this report identified several advantages to participating in the program, including writing a business plan, being part of a cohort, and exposure to community business resources. Writing a brief business plan is the first part of the application process, and expanding on it to include information on budgets, timelines, and marketing was one of the two components the judges evaluated when awarding funding; the other was a business pitch, which was a verbal presentation where participants explain their businesses and elaborate on their budgets and



funding requests.



Participants collaborate in Best in the West workshop

Basile, who won a grant for her photography and youth media business, stated,

[...]what I really liked about [my Best in the West experience] was that it made me think through a business plan, which I hadn't really thought of and I hadn't done before...it helped me...nail down what my real focus areas are for work. And that is Y-K Delta, environment, and youth media...Through that process I was able to look through my work and thought about my goals and came up with that and that's really true today still.

Russel, founder of Jones Family Apiary, echoed Basile's sentiments about the value of creating a business plan:

the whole grant application process and getting the business plan put together, putting thoughts and goals down on paper was a really good exercise. And I still refer back to that occasionally to see where I'm at, not at, where I can work on things, and[...]where I want to go moving forward. It was a great exercise

Several participants identified the cohort aspect of Best in the West as a valuable component of their experience. With each application and award cycle, participants attend workshops and pitching events together, and many felt that being part of this group of fellow entrepreneurs was energizing and beneficial to their business. Howell of Bill's Meats said,

I think that's one of the best things about Best in the West, it's an incubator for businesses but also for ideas. A lot of times you get your best business ideas in seeking what your business is going to be, or working with other business people...you could have a million reasons why I support it or why I like it, but I think probably first and foremost is just kind of the experience of bringing all these business people together and entrepreneurs. And often they're led or mentored by people that are successful in business already.

Angstman of Angstman Psychology added as she was reflecting on her Best in the West experience, "I remember the room we were in... that was sort of energizing, sort of an entrepreneurial spirit going on in our town that often has a hard time keeping things going so I did like that kind of cohort aspect of it."



Other participants identified connecting to community entrepreneurship resources as another advantage of Best in the West. Mosier of Kuskokwim Backwater Approach said in her interview,

By working with the judges or working with the people that came to help with it, there were the business people from the community, just rubbing shoulders with those people also was very helpful in knowing how to run a good business, I think. And it gave us other avenues and ideas of financial things, and it was very beneficial. In particular, [a representative from First National Bank...I really depended on a lot of advice that she gave. She was very knowledgeable about business things.

For many people undertaking the challenge of starting a business—especially for the first time— training, coaching, and introductions to those in the community who mentor and provide resources is critical. Best in the West does not simply fund entrepreneurs; it provides training, creates networking opportunities, and fosters the entrepreneurial community. Its workshops and pitching events bring together entrepreneurs from many communities in the region and creates opportunities to take advantage of statewide resources.

Entrepreneurs Provide Quality Products and Services to their Communities

The 11 Best in the West entrepreneurs interviewed for this report provide valuable services to their community. Wilbanks said she thinks her work helps people feel good about how they look. Her grant helped her keep her

prices low "so that I can help everybody because to me, self-esteem and feeling good about yourself helps wellness." She is booked 10-12 hours a day, 7 days a week, so it is clear there is demand.

Jackson's business, Alaska Rural Professional Development, also serves a need in her region: technical skills trainings in computer software and Microsoft programs. She is currently recruiting and training other trainers to lead workshops in Bethel and the Y-K Delta villages, creating local jobs and increasing the accessibility of many high paying, well-benefitted government jobs to community members who are excluded from consideration due to minimum technical qualifications. In her words,

I started looking for local vendors to provide [job seekers] with the skills and the training to become qualified for these job opportunities, but we couldn't find it. And since we couldn't find that, I came up with the idea that well, we speak the language, we can hire local, we know what they need, I can put this together.

Angstman offers a valuable service to her community with her behavioral health practice in Bethel. Before opening her own practice, Angstman noticed that her previous employer had a problem with high turnover of providers. "I never had any interest in moving into administration or managing other people" she said.

I just wanted to see clients in my region. There are some things about the health system out there that make doing that over the long term very difficult. It's just very high need,



provider turnover, and being from Bethel, I just didn't want to turn over, I didn't want to leave. But I couldn't be sustaining my job there over 20 or 30 years, like the life of a career. And so my choices were to, basically leave town and work for a different agency or go off on my own and try to make it in Bethel and so my view is it's what allowed me to stay in my home community and work.

Best in the West supported Angstman's entrepreneurial endeavor to continue to be a direct service provider in an in-demand health field in her community.

Entrepreneurial community members provide the best products and services in their regions. They know the people, the land, and the languages, and they see the opportunities to solve problems and meet demands in their communities. Best in the West brings the Y-K Delta region's entrepreneurial community members together and supports them as they turn their ideas into businesses.

Conclusions:

Based on the information collected from interviews, this report concludes that Best in the West has successfully supported and promoted entrepreneurship in the Y-K region. Entrepreneurs use the grant funding for new or upgraded equipment, business space, including transitions from home to commercial locations, and other business necessities. In addition to funding, Best in the West supports early-stage entrepreneurs in the region by providing business plan guidance, a cohort of fellow entrepreneurs that support each other and collaborate together, and connections to business resources in the community and the

state of Alaska. Additionally, Best in the West directly contributes to an increase in important services in the region by supporting its innovators to fill needs and solve problems they see in their communities. Based on the feedback from interviews, there are three commonly reported suggestions for improvement or expansion of the program:

- 1. Training and cohort support after the grants were awarded: Several participants stated that they wished there was training or cohort meet ups after the grants were awarded. One participant said she felt that the skills trainings would have been more helpful after the funding was awarded rather than before, so she could learn the content as she was implementing her business plan instead of trying to recall what she had learned several months before. Others who said they really enjoyed the group cohort aspect wished that it too continued after funding was awarded to keep up the support network of fellow entrepreneurs as they launched their businesses.
- 2. Greater accessibility to the villages:
 Several participants said they either found it challenging to participate in parts of the program from the villages outside of Bethel, or that they wished information and knowledge of the program was more easily accessible throughout the whole region. They did acknowledge that this was largely due to technology challenges outside of the organizers' control and that they did actively reach out to communities outside Bethel, but they did suggest that this was an area to strategize for improvement.
- 3. More clarity on what would be taught in the workshops and



trainings prior to attending: Some participants said they wished they knew ahead of time what they would be learning.

The research did have some limitations that are important to acknowledge. First is that there was a relatively small sample size. Eleven participant interviews were conducted as well as an interview with the program's founder and principal organizer out of nearly 80 participants since 2009. Second, it is likely that those who had a particularly memorable experience were more inclined to agree to an interview than others, meaning our sample likely includes some selection bias in favor of those who felt strongly about the program. Additionally, communication favored those with stable internet access who were able to coordinate calls or meetings via email, since the research team was based in Anchorage.

Overall, the participants that were interviewed expressed positive feedback for Best in the

West. They were willing to share how they used their funding to start or grow their businesses as well as what other resources and experiences they found most valuable. These include writing a business plan with a budget, timeline, and marketing strategy, being part of a cohort of fellow entrepreneurs, and hearing from others who had successfully launched businesses or represented local or state entrepreneurship support organizations.

Best in the West also contributes directly to the economic development goals and objectives outlined in the Y-K Delta region's CEDS, particularly the goal to support and grow local businesses and entrepreneurship. Additionally, many of the entrepreneurs that complete the program also support goals and objectives in the CEDS by providing high quality local products and services that are in demand in the region. Best in the West is an asset to the region's entrepreneurs and to the communities that their businesses serve.

Endnotes



¹ U.S. Census Bureau (2018) ACS Demographic and Housing Estimates (https://data.census.gov/cedsci/table?q=United%20States&g=0500000US02050,02158&tid=ACSDP5Y2018.DP05& hidePreview=true)

[&]quot;Yukon-Kuskokwim Health Corporation "About the Y-K Delta" (https://www.ykhc.org/story/about-yk/#:~:text=The%20region%2C%20made%20up%20of,to%20over%201%2C000%20persons%20each.)