

Harrisonburg Entrepreneurship Development Initiative - Spring 2025



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Executive Summary

The Harrisonburg Entrepreneur Development Initiative (HEDI), launched in Spring 2025 by the Harrisonburg Economic Development Office, in partnership with EQALL Business Solutions, was a 17-week pilot program designed to support the growth and sustainability of microbusinesses—defined as enterprises with five or fewer employees. With microbusinesses comprising 92% of all U.S. businesses and Harrisonburg reporting a notably high density (5.88 per 100 residents), the program aimed to strengthen this critical segment of the local economy through personalized advising, access to capital, and strategic support.

HEDI served 30 participants, each paired with a dedicated coach for over 150 hours of one-on-one advising. Participants set near term SMART goals and received tailored guidance in areas such as financial management, marketing, operations, staffing, and compliance. The program also distributed \$75,000 in micro-grants to help offset key business expenses and unlock growth potential. The cohort was predominantly female (63.3%) and represented a working-age demographic, with 45% aged 35–44. Nearly half of the businesses reported annual revenues between \$20,000 and \$50,000, highlighting the need for capacity-building support.

Program outcomes were overwhelmingly positive. All survey respondents reported growth in entrepreneurial skills, with 79% stating the program contributed significantly to their development, and 75% noting significant improvement in their business skills. Participants praised the value of personalized advising, with 79% offering unsolicited positive feedback about their coaches. Advising sessions revealed consistent themes across businesses, including marketing and visibility, revenue growth, financial management, staffing, strategic planning, and legal compliance. A standout case study featured Monica Heffner of Posh Fairy Floss, who restructured her business model, improved financial tracking, and repositioned her brand for long-term growth.

HEDI's alignment with the Harrisonburg 2040 Downtown Plan and the city's Retail Market Analysis further underscores its strategic value. As the program prepares for future iterations, recommendations include clarifying boundaries around legal and tax guidance and refining the model based on participant feedback. With its strong foundation and demonstrated impact, HEDI is well-positioned to remain a cornerstone of inclusive, sustainable economic development in Harrisonburg.

Defining the Program

This small business technical assistance program, called SuccessSprint, is a personalized, goal-driven initiative designed to support entrepreneurs at any stage of their business journey—from startup to scale-up. Whether a business is just launching, stabilizing operations, or preparing for expansion, this program provides tailored guidance to help owners move forward with clarity and confidence.

How It Works: At the heart of the program is a one-on-one coaching relationship. Each participating business owner is paired with a dedicated coach who serves as a strategic thought partner, accountability guide, and resource connector. The coaching relationship is structured yet flexible, allowing for a highly personalized experience.

Program Structure:

- **Initial Assessment:** The journey begins with a discovery session where the coach and business owner assess the current state of the business, identify challenges, and explore opportunities.
- **SMART Goal Setting:** Based on this assessment, the business owner sets 3 to 5 SMART goals—Specific, Measurable, Achievable, Relevant, and Time-bound. These goals are tailored to the business’s unique needs and aligned with the owner’s vision for growth or stability.
- **Defined Timeline:** Each participant is given a clear timeline—typically ranging from 90 to 120 days—to work toward their goals. This timeline provides structure while allowing for flexibility based on the pace and complexity of the goals.
- **Ongoing Coaching Sessions:** Throughout the program, the coach and business owner meet regularly to track progress, troubleshoot challenges, and adjust strategies as needed. Sessions may focus on a wide range of topics, including:
 - Financial management and budgeting
 - Marketing and customer engagement
 - Operations and systems
 - Staffing and team development
 - Legal and compliance issues
 - Growth planning and funding readiness
- **Resource Navigation:** Coaches also help participants access additional resources such as templates, tools, referrals to experts, and grant or loan opportunities.

A Unique Journey for Every Business: The program is designed to meet each entrepreneur where they are and support them in getting where they want to go. By the conclusion of the HEDI program, participants typically emerge with a more clearly defined business direction, enhanced operational systems, and strengthened financial practices. They also report increased confidence in their decision-making abilities and demonstrate measurable progress toward their SMART goals. These outcomes reflect the program’s emphasis on personalized coaching and structured goal-setting, which together foster both strategic clarity and tangible advancement for early-stage microbusinesses.

Context and Opportunity

In 2025, the Harrisonburg Economic Development Office identified a critical need to support the growth and sustainability of microbusinesses in the region. In response, it launched the Harrisonburg Entrepreneur Development Initiative (HEDI)—a pilot program designed to empower early-stage entrepreneurs with essential tools, access to capital, and personalized business advising. Running from February to May, HEDI represents a strategic opportunity to cultivate a thriving local entrepreneurial ecosystem by equipping microbusinesses with the foundational support necessary for long-term success.

The objective of the Harrisonburg Entrepreneur Development Initiative (HEDI) is to empower early-stage microbusinesses by providing them with the tools, capital, and personalized support necessary for sustainable growth. Launched in 2025 as a 17-week pilot program by the Harrisonburg Economic Development Office, HEDI aims to nurture entrepreneurial talent through targeted business advising. A microbusiness is typically defined as a small enterprise with five or fewer employees, including the owner. These businesses often operate with limited capital and infrastructure but play a disproportionately important role in local economies.

Microbusinesses, those with five or fewer employees, make up 92 percent of all U.S. businesses.¹ With 5.88 microbusinesses per 100 residents, Harrisonburg far surpasses neighboring Rockingham County (2.01 per 100)², reflecting a vibrant and growing entrepreneurial landscape. (Figure 1 and 2)

Microbusiness Density Comparison		
Rockingham, VA	Virginia	USA
2.17 Diversified Type	8.39 Average for Diversified Type	8.39
Metro Type	8.01 Average for Metro Type	8.01

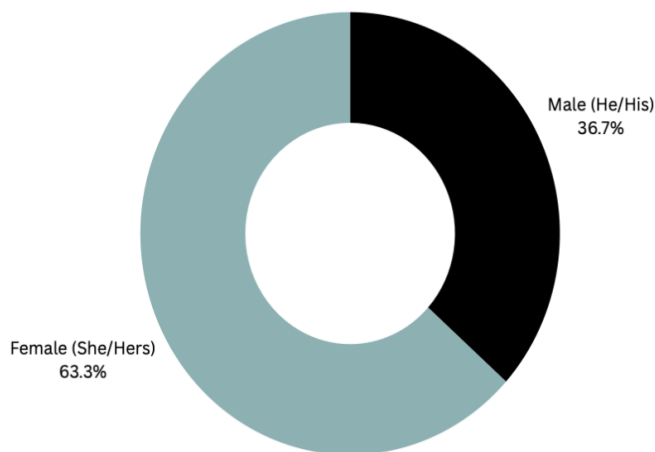
Microbusiness Density Comparison		
Harrisonburg City, VA	Virginia	USA
5.88 Diversified Type	8.39 Average for Diversified Type	8.39
Metro Type	8.01 Average for Metro Type	8.01

Figure 1: Microbusiness Density per 100 people in Harrisonburg, Virginia per the University of Missouri Extension

Figure 2: Microbusiness Density per 100 people in Rockingham County, Virginia per the University of Missouri Extension

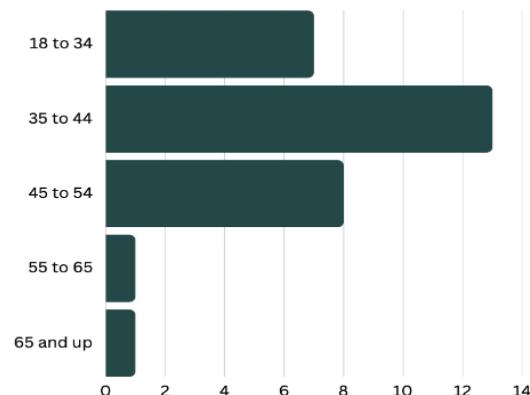
¹ Association for Enterprise Opportunity (AEO), *Bigger Than You Think: The Economic Impact of Microbusiness in the United States*, Final Report (November 10, 2013): 6, https://aeoworks.org/wp-content/uploads/2019/03/Bigger-than-You-Think-Report_FINAL_AEO_11.10.13.pdf.

² University of Missouri Extension, *Missouri Economic Indicators: Trends in Microbusinesses* (Power BI Dashboard), accessed May 31, 2025, <https://app.powerbi.com/view?r=eyJrljoiYWU0NGZjMjctOGFhMS00MDU3LTgyMjQtNmQ2NjVkMzViNjFkIiwidCI6ImUzZmVmZGJLLWY3ZTktNDAxYi1hNTFhLTM1NWUwMWlwNWE4OSIsImMiOiN9&pageName=511ef984d154c21ad947>.

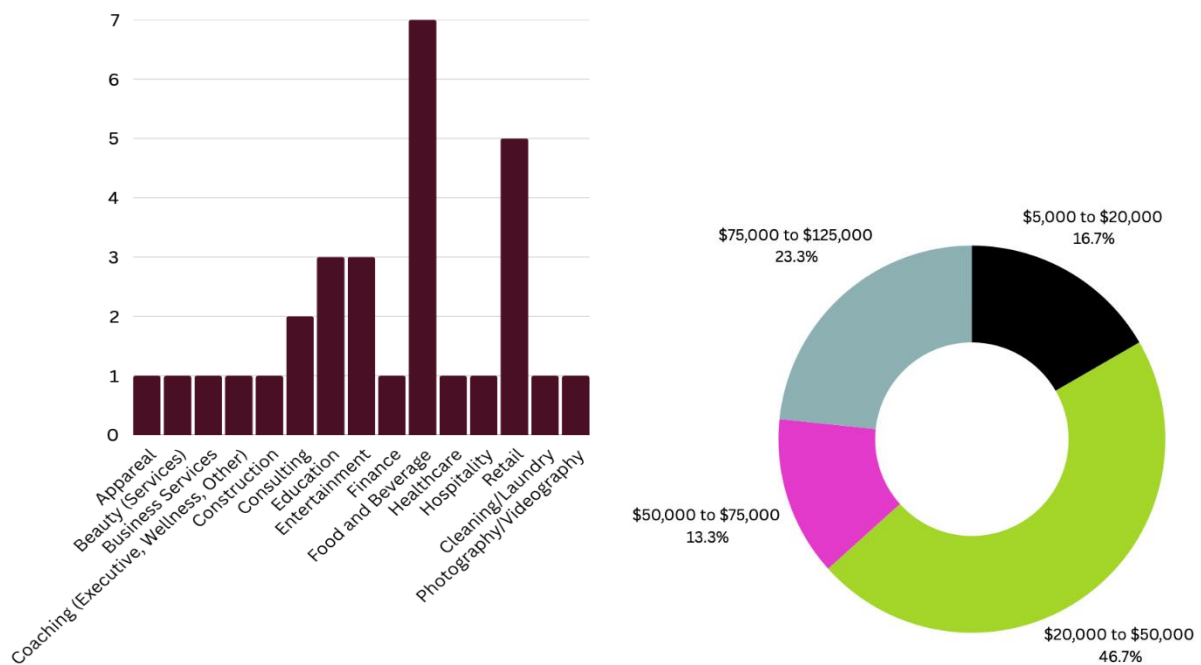


Participant Profile | The composition of the HEDI Spring 2025 cohort reflects the program’s intentional focus on inclusive, equity-centered support for early-stage microbusinesses. With 63.3% of participants identifying as female, the cohort underscores HEDI’s success in reaching women entrepreneurs—an essential demographic in the microbusiness landscape. This aligns with HEDI’s broader mission to empower underrepresented business owners through personalized coaching, access to capital, and strategic guidance.

The age distribution of the cohort—dominated by individuals aged 35 to 44 (45%), followed by 18 to 34 (24%) and 45 to 54 (28%)—illustrates a dynamic mix of emerging and experienced entrepreneurs. These working-age participants are at a pivotal stage in their business journeys, where targeted support can catalyze long-term sustainability and growth.



Participants operated microbusinesses across diverse industries, including Food & Beverage, Retail, Education, and Entertainment, reflecting the program’s reach across both essential and creative sectors. The fact that nearly half of the businesses reported annual revenues between \$20,000 and \$50,000 highlights the financial constraints many face and reinforces the need for capacity-building interventions—a core component of HEDI’s design.



This demographic and economic snapshot not only validates the program’s outreach strategy but also emphasizes the importance of tailored, one-on-one coaching. Through over 150 hours of advising, participants received support in areas such as financial literacy, marketing, operations, and compliance—tools critical for navigating the challenges of microbusiness ownership. The cohort’s profile affirms HEDI’s role as a strategic catalyst for inclusive economic development in Harrisonburg, equipping entrepreneurs with the clarity, confidence, and resources needed to thrive.

Key Findings & Program Outcomes

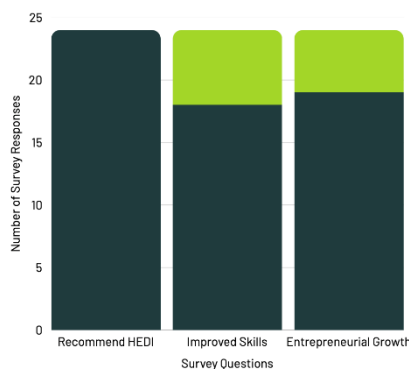
Program Impact | The Harrisonburg Entrepreneur Development Initiative (HEDI) serves as a strategic catalyst for advancing the city's long-term economic vision. By directly supporting microbusiness growth, HEDI reinforces the goals outlined in the Harrisonburg 2040 Downtown Plan, which emphasizes strengthening existing businesses and expanding economic opportunity. Additionally, the program aligns with key findings from the city's Retail Market Analysis, addressing critical gaps in access to capital and hands-on business support. Through this alignment, HEDI not only empowers individual entrepreneurs but also contributes to a more resilient, inclusive, and vibrant local economy.

Through 150 hours of personalized, one-on-one advising, HEDI:

- Supported entrepreneurs in building financially viable business models through tools like cost-of-goods analysis, business credit education, and cash flow forecasting.
- Offered \$75,000 in micro-grants to offset key expenses and unlock growth potential.
- Helped participants make critical business decisions, including product expansion, shifting to online storefronts, and improving margin tracking.
- Created a supportive advisory space that acknowledges both the business and personal challenges entrepreneurs face, from burnout to family demands.

Key Finding 1 | The HEDI program received overwhelmingly positive feedback from participants:

- All respondents would recommend this program to other early-stage entrepreneurs
- All survey respondents reported that the program contributed to their growth as entrepreneurs, with 79 percent stating it contributed significantly.
- All respondents reported an improvement in their skills through the program, with 75 percent stating their skills improved significantly.



Key Finding 2 | Business advising provided a safe and supportive space for entrepreneurs to explore new ideas, build confidence, and openly discuss personal challenges that were impacting their businesses. Program participants valued the matching of advisors based on both personality and expertise.

Based on surveys distributed to the founders, when asked if they had “anything additional to share”, 79 percent of the business owners used the opportunity to praise their business advisors:

- “I could not have asked for a better coach. My advisor has brought out the Best in Me.” - [REDACTED]
- “My advisor was also amazing in helping me stand firm on the value of my time as a business owner.” - [REDACTED]
- “My advisor suggested something I did not think about and made it possible to start.” - [REDACTED]
- “I was surprised by how perfect my mentor pairing was.” - [REDACTED]

Key Finding 3 | Business advising sessions during the HEDI program revealed consistent themes across participating microbusinesses. Entrepreneurs focused on increasing visibility through marketing, boosting revenue via expanded offerings and e-commerce, and improving financial management to support sustainability. Operational efficiency, staffing, and strategic planning were also key priorities, with some businesses addressing legal and compliance needs. These themes reflect a shared commitment to building resilient, growth-oriented enterprises through targeted support and informed decision-making. The most discussed or recurring themes in business advising sessions were:

- **Marketing & Visibility:** Businesses focused on building brand awareness and attracting customers through digital marketing, events, and targeted outreach. Entrepreneurs prioritized brand awareness through digital marketing, events, and partnerships.
 - [REDACTED] focused on growing customer traffic and expanding brand visibility. She successfully launched a new sign design, began implementing loyalty programs, and explored partnerships with local businesses.
- **Sales & Revenue Growth:** Businesses sought to increase revenue by expanding offerings and optimizing sales channels. They aimed to grow revenue by increasing customer traffic, expanding offerings, and optimizing sales channels like e-commerce.
 - [REDACTED] worked on introducing food items alongside baked goods to attract a wider audience and explored shipping cookies, as part of a strategy to scale her operations and boost online sales.
- **Financial Management:** Participants worked to better understand costs, pricing, and profitability to make informed financial decisions and ensure sustainability.
 - [REDACTED] strengthened his financial foundation by reviewing profit margins, exploring pricing strategies, and identifying supply

- chain efficiencies to support consistent growth across wholesale and retail channels.
 - [REDACTED] developed a business plan for a new revenue stream and prioritized evaluating its profitability and time commitment, conducting thorough due diligence instead of immediately seeking a line of credit or external financing.
- **Operations & Staffing:** For many participants, improving internal processes and hiring key personnel was an important goal.
 - [REDACTED] created and posted job descriptions, interviewed candidates, and successfully hired both an office manager and a barber apprentice to support revenue and operations.
- **Strategic Planning:** Entrepreneurs developed clear goals and long-term strategies. Focusing on creating clear business goals, performance tracking, and long-term planning were developed to guide future direction.
 - [REDACTED] decided to shift her target audience to corporate clients after analyzing and calculating that this change would be more sustainable long-term, leading her to move away from a costly brick-and-mortar location.
- **Legal & Compliance:** Finding a safe space to ask questions and get direction, some businesses addressed legal requirements and compliance to ensure operation within regulatory frameworks.
 - [REDACTED] identified and reviewed Virginia's legal requirements for establishing a private school, including accreditation, licensing, and operational standards.

Key Finding 4 | Participant Journey: "Empowering Sweet Success"

To showcase the value of this program we can look to the transformative journey of small business owner, [REDACTED]. Over a 90-day period, [REDACTED] worked closely with a dedicated coach to refine her gourmet cotton candy business through structured goal-setting and strategic action.

Key goals included increasing corporate and online sales, improving financial tracking, and streamlining operations. Major achievements involved transitioning to QuickBooks for financial clarity, launching targeted marketing campaigns, and closing an underperforming storefront to focus on high-margin channels.

[REDACTED]'s progress illustrates the power of tailored support, strategic decision-making, and empowered delegation. The coaching experience not only enhanced her operational efficiency and marketing reach but also reignited her entrepreneurial vision. Looking ahead, she is well-positioned to expand into corporate gifting, grow her digital presence, and build a sustainable, values-driven brand.

Next Steps

Recommendations | As we prepare to reopen HEDI applications, we suggest including a disclaimer in all communications. This will help clarify that legal and tax assistance are not covered by the HEDI program, setting clear expectations and guiding applicants to seek support from qualified professionals for those specific needs. By doing this, we can ensure that the participants deeply understand the intention of the programming and where the boundaries lie.

Next Steps | As the HEDI program prepares for its next phase, it is essential to collaboratively assess potential updates and refinements. This collective reflection will help strengthen the program's foundation and enhance its impact in future iterations.