

Lessons Learned

Over the ten years of the RETA-H Program, much has been learned, including both positive and negative lessons. Some of those lessons follow:

- **Coordinating Entrepreneurs.** The RETA-H Program proved the value of a coordinating entrepreneur as a powerful form of assistance in an economic development program. Coordinating entrepreneurs can provide their accrued knowledge and a lifetime of experience in a mentoring relationship within the local culture. Most surprising is the number of individuals willing to give of their experience and time to mentor others, often with little or no financial return.
- **Infrastructure.** In some cases, RETA-H projects suffered due to a lack of infrastructure, most commonly due to the disrepair of irrigation systems that had fallen into poor repair with the failure of the sugar plantations and that remained in disrepair for many years due to lack of leadership and arguments over ownership and responsibility. Drought and the disrepair of irrigation systems resulted in the failure of several projects. While highly important, this issue was largely beyond the control of RETA-H.
- **Land.** Issues over land complicated many projects. In Hawai'i most farming land is leased from relatively few large landowners, and obtaining leases from them was at times difficult. Sometimes, the problem was over ownership of land that was in bankruptcy, other times concerns were expressed by landowners about unproven tenants and the legal difficulty of moving them off the land if their projects should fail. Insofar as solutions were found regarding this problem, they occurred through a process of slowly educating landowners.
- **Reimbursement.** Reimbursement for purchases by grant funds is difficult for those who have little or no capital with which to make purchases and who must then wait until a reimbursement arrives. Banks, as asset-based lenders, were reluctant to make bridge-loans in these situations. In the experience of the RETA-H Program, no solution was found until a community-based loan fund was created—the Hawai'i Community Loan Fund—and the Fund agreed to accept the existence of the grants as sufficient promise of future payment in order to make bridge-loans.
- **Intensive Consulting.** Intensive consulting does reduce the risk of projects failing. However, in some cases those who were most in need of counseling did not avail themselves of it. A possible solution would have been to make consulting a condition of receiving the grant.
- **Follow-Up Loan Programs.** Grant recipients of RETA-H often were not able to grow their businesses within the one-year period of the grant to a point where they could then borrow money commercially for subsequent needs. A publicly funded loan program for this purpose would have been helpful.
- **Bureaucracies.** Entrepreneurs are driven by market opportunities that exist within sometimes very short timeframes. Governmental programs are not well suited to meet those time demands. The RETA-H Program worked constantly to shorten timeframes for the consideration of applications and the disbursement of funds. From time to time, progress was made with one agency only to worsen with another. The major complaint of applicants revolved around this issue. In some instances, delays in acceptance and funding caused severe problems for applicants. When progress was made, it was because particular individuals within a bureaucracy came to understand the critical importance of time and began to care about that factor.