

# BUILDING AN ENTREPRENEURIAL COMMUNITY

Erik R. Pages

EntreWorks Consulting

February 24, 2003

5:01 Entrepreneur Society

Fargo, ND

**ENTREWORKS**  
CONSULTING

# Why Entrepreneurship Matters

- Jobs! 5-15% of U.S. firms create 2/3 of net new jobs.
- Innovation. Entrepreneurs account for more than half of all technological innovation.
- Prosperity. 1/3 of difference in national growth rates is due to entrepreneurship.
- Presence. 9% of US adult population is trying to start a business.

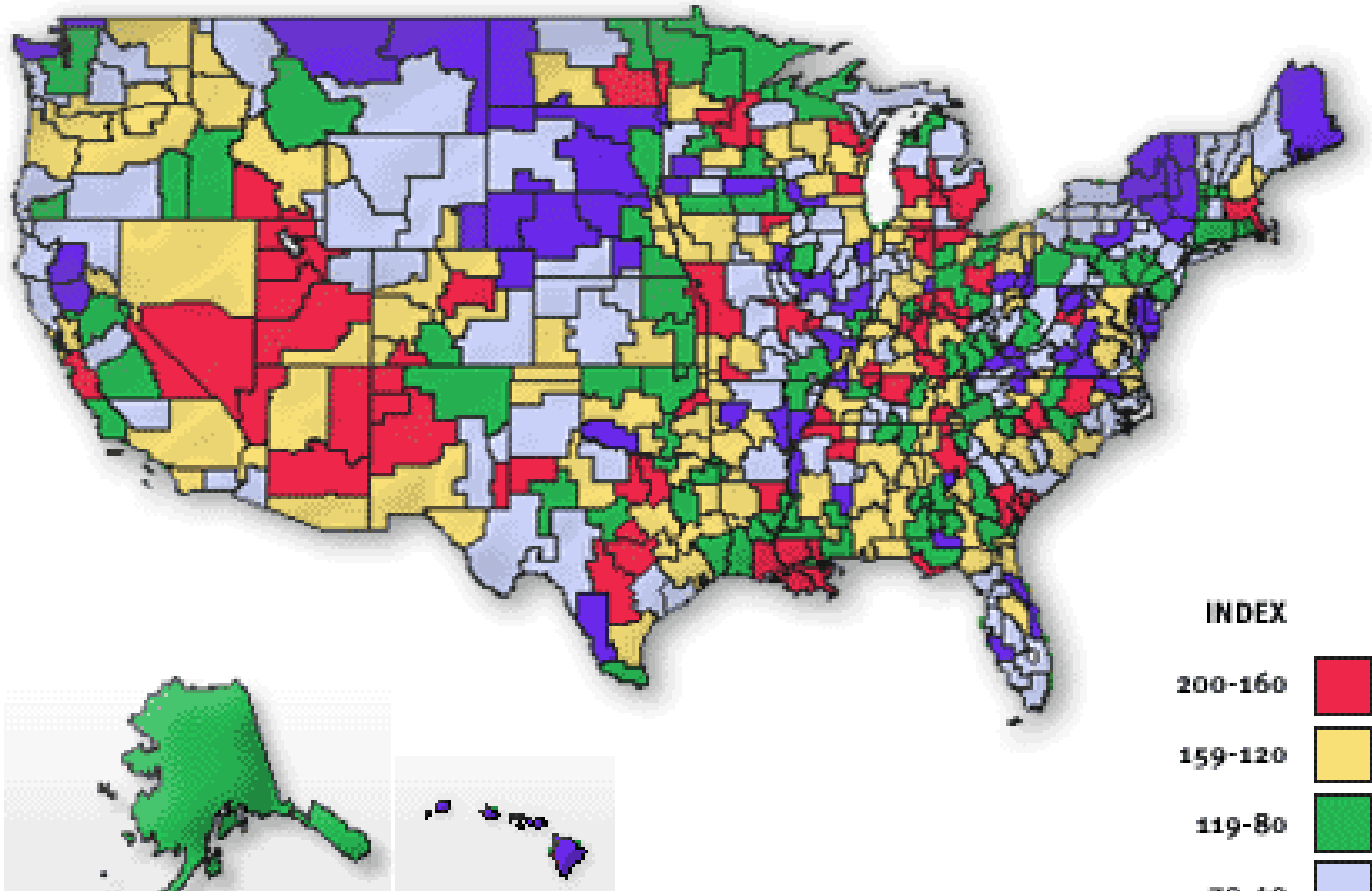
# A New Economy Demands A New ED Approach

- It's Not the Ingredients, it's the recipe
  - There is no silver bullet
- We don't need new programs
  - We need a new mindset
- Culture of Collaboration
  - Collapse of old Community Anchors
  - Opportunities for New Leaders

# LANDSCAPE OF HIGH-GROWTH COMPANIES

1992-1997, by Labor Market Area

by The National Commission on Entrepreneurship



# The Entrepreneurial Eco-System

- Business Culture that Embraces Start-Ups
  - Higher Risk Tolerance
  - Entrepreneurs vs. Large Firms
- Networks of Entrepreneurs
- Networks of Service Providers
  - A Start-up Cluster?
- Creates a Virtuous Cycle
  - Civic/Philanthropic Leaders
  - Mentors/Angels

# Myths About Entrepreneurship

- We need technology!
  - Most entrepreneurs are low-tech.
- We need venture capital!
  - Funds only 2,000-3,000 firms per year.
  - 70% of funds to 5 states.
- We can't be Silicon Valley!
  - Entrepreneurs exist everywhere.

# Keys to Entrepreneurship

- Networks
- Diversity
- Culture

# Networks: It Does Matter Who You Know

- Does your region have a central nervous system?
- Two degrees of separation?
- Networks=capital, customers, contacts and contracts.



# Diversity: Why You Should Love Your Neighbor

- Immigration
  - 25% of Silicon Valley firms have Indian or Chinese management.
- CMU Diversity Index
- Openness to New Ideas is Crucial

# Why Culture Matters

- Who gets covered in the local media?
- Shared History
- Do you want your son or daughter to start a business?
- What happens when business fails?

# Challenges

- Timeline
  - Political Cycles vs. Business Cycles
- Getting Started
  - What happens in regions without entrepreneurial building blocks?
- Moving to High-Growth
  - How can local firms evolve into major industry players?

# For More Information:

Erik R. Pages

EntreWorks Consulting

3407 North Edison Street

Arlington, VA 22207

703-237-2506

[Epages@entreworks.net](mailto:Epages@entreworks.net)