

BEST PRACTICES IN SUPPORTING ENTREPRENEURSHIP

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GA Entrepreneurship

Summit

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ENTREWORKS
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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.

Entrepreneurship Policy: What's Different?

- Focused on Individuals, Not Companies
- Operates Through Business Networks
- Training/Education as Key Policy Levers

**Ultimate Objective: Create an
Entrepreneurial Eco-System**

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

Creating The Eco-System: What Works?

- Increase the Supply of Entrepreneurs
- Build Entrepreneurial Networks
- Reward Entrepreneurial Behavior

1) Increase the Supply of Entrepreneurs

- Entrepreneurship Education from K-16
- Adult Training--Focus on Technical Schools
- Openness to Newcomers—Immigrant Entrepreneurs
- Universities as Talent Magnets
 - Hit Underserved Markets (e.g. Engineers, not MBAs)

Building the Pipeline: Best Practices

- Nebraska EDGE: State Funds for Customized Training
- Utah—Training for Guidance Counselors
- Louisiana Tech (and others):
Entrepreneurship programs in Engineering Schools
- REAL Enterprises: Exists throughout Georgia
- Walhalla HS, Walhalla, SC

2) Build Entrepreneurial Networks

- Networks as the Hub of the Eco-System
- Peer Learning as Central Role
- Activities: Training, Mentoring, Investment Screening and Matching, Networking

Building Networks: Best Practices

- Maryland: TEDCO
- Kansas/Oregon: Enterprise Facilitation
- Maine: Eastern Maine Development Corporation (Incubator w/o Walls)
- Nevada/California: V3 Accelerator Program

3) Reward Entrepreneurial Behavior

- Entrepreneurs as New Civic Leaders
 - Issues around Old Economy Culture
- Tell Stories
 - Importance of “Local Stars” and “Anchor Firms”
- Create Awards Programs
 - Entrepreneur of the Year

Honoring Entrepreneurs: Best Practices

- Ernst & Young Entrepreneur of the Year
- Appalachian Regional Commission Springboard Awards
- Springboard Enterprises: Women Entrepreneurs
- Kentucky Science and Technology Corporation: IdeaFestival; Newspaper Profiles

The Big Picture: A New Model

- Few new program initiatives
 - No “Silver Bullets”
- Initiatives are Low-Cost, but Long-Term
- “Soft” cultural factors predominate

BOTTOM LINE: An economic development challenge requiring non-economic development solutions.

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?

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