

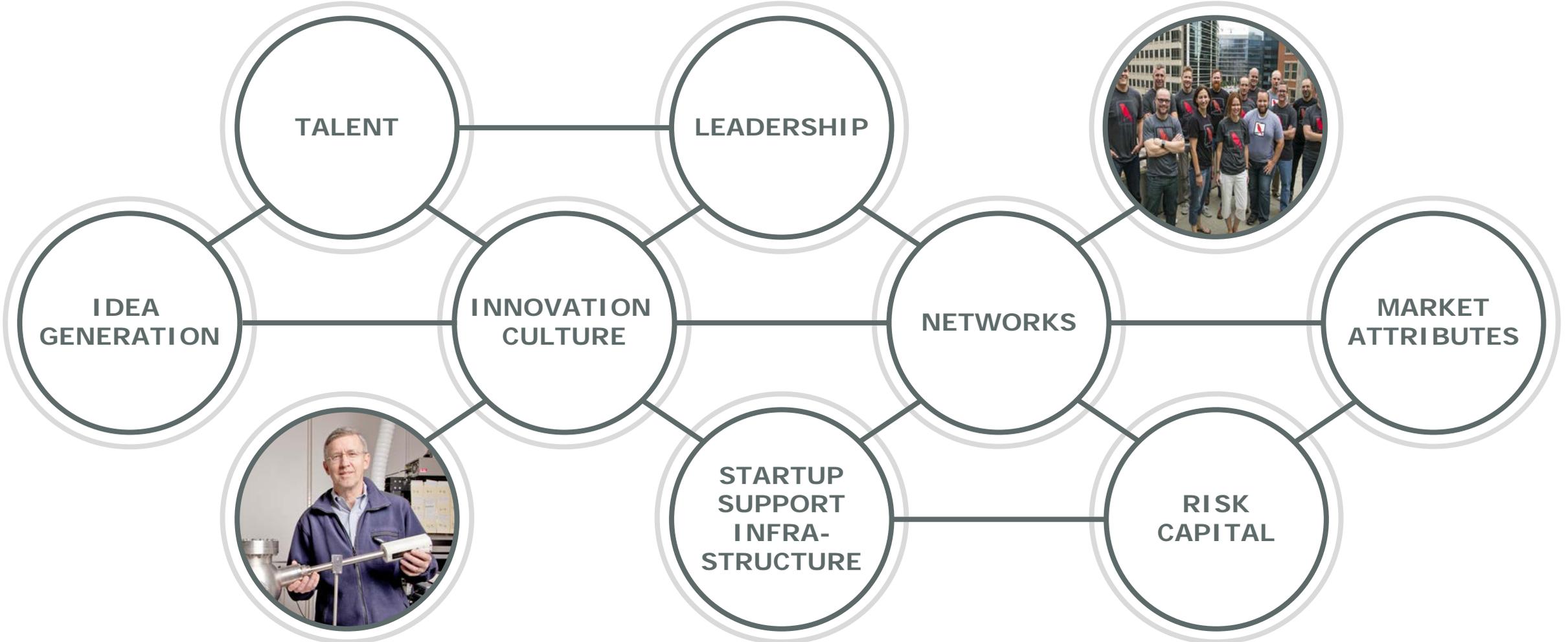
Strengths and Weaknesses in the Mary Ball Washington Regional Startup Ecosystem and Where to Go from Here

November 13, 2018

Agenda

- SWOT of Mary Ball Washington region startup ecosystem
- Examples of regional entrepreneurial support programs in Tennessee
- Discussion: What is needed in the Mary Ball Washington Region?

Startup Ecosystem Components



Interviews

- Brian Baker, Executive Director, Center for Economic Development, University of Mary Washington
- Jerry Davis, Executive Director, Northern Neck Planning District Commission
- Joe DiStefano, Executive Director, Rappahannock Economic Development Corporation
- Stephanie Heinatz, Founder and Managing Partner, Consociate Media, and Chairwoman, Gloucester Main Street Association Board
- Chris Hodge, Director of Technical Development, Naval Surface Warfare Center, Dahlgren Division
- Lewie Lawrence, Executive Director, Middle Peninsula Planning District Commission
- Mark Luckenbach, Associate Dean for Research, Virginia Institute of Marine Sciences
- Chris Muldrow, Founder and CEO, Rambletype
- Curry Roberts, President, Fredericksburg Regional Alliance
- Kimberly Young, Executive Director, Continuing and Professional Studies, University of Mary Washington
- Jeanne Wesley, Vice President, Academic Affairs and Workforce Development, Germanna CC

Strengths

- Activity: Relatively high; share of MBW region employment in traded sector startups (15.4%) higher than Virginia (14.4%) and similar to national average (15.6%), but uneven across planning districts
- Startup Talent: Professional, engineering, and technical services; manufacturing; health care services; forestry and wood products; and agriculture, aquaculture and food processing startups—in addition to many “local growth” small businesses
- Physical Infrastructure: Creative placemaking in downtown Gloucester, Kilmarnock, and Fredericksburg and connective hubs at Germanna FredCAT and MWU Center for Economic Development
- Entrepreneurial Programming: UMW EagleWorks Incubator, SBDC, and ICAP program with GMU in addition to informal advice and mentoring by small business and startup community

Weaknesses

- Talent: Out-commute of 60,000 people from the region daily saps energy for entrepreneurial activity
- Talent: Entrepreneurial pipeline in Northern Neck and Middle Peninsula needs more development
- Physical Infrastructure: Mixed comments from stakeholders regarding broadband access
- Ideas: A lot of R&D and patenting activity out of Dahlgren, but nature of cybersecurity and defense work inhibits more tech transfer discussions
- Ideas: Outside of oyster breeding and modeling technologies, VIMS capabilities and commercial applications also underutilized
- Non-traditional Capital: Bootstrapping and friends and family, but new micro-loan programs coming online; formal angel and seed funds not present

Opportunities

- Deepen mentor and advisor networks by leveraging Leadership Fredericksburg Program alumni (Chamber of Commerce), former Fred Xchange membership, etc., for GMU EagleWorks companies, ICAP companies, Germanna FredCAT companies
- Form commercialization working committee with focus on Dahlgren, VIMS, UMW, etc.
- Test interest among cyber and software companies in initiatives to support commercial market entry or growth, e.g., targeted commercial customer discovery or a competitive “grand challenge” defined by prospective commercial clients
- Others?

Threats

- Miss this particular opportunity to leverage state support and investment in developing the startup ecosystem
- Miss an opportunity to diversify the regional economy and create employment opportunities locally
- Lose branding and visibility to places actively promoting their startup ecosystems, like Hampton Roads and Richmond

Components of Entrepreneurial Support Programs

- “One-stop” shop for entrepreneurs that provides screening and referral to appropriate programs or services
- Business training, mentors, and community for new, first-time entrepreneurs and “local growth” companies with revenue trying to grow and professionalize their business
- Acceleration, mentors, community, and capital for “high-growth” scalable companies

Tennessee Model: Regional entrepreneurial support network with state-level coordination





Jackson (population 66,847):
theCo (Regional Entrepreneur Center)

Gap: Rural economic development initiatives not working; current ecosystem does not have or support scalable companies; how to develop the pipeline of entrepreneurial talent and companies

Mission: Create a community for people who are starting businesses for the first time and grow tech talent in West Tennessee

History: Started in 2014 over lunch by a group of founders who wanted to see techies, entrepreneurs and creatives come together as a catalyst for growth in West Tennessee



Programs:

- CO.STARTERS: 9-week program that applies lean startup methods for beginning entrepreneurs
- Mentors: Connects entrepreneurs to individuals with the following skill sets—prototyping, social media marketing, medical device innovation, hiring, user experience design, freelance value pricing, building to scale, accounting, etc.
- Dev Catalyst: Web-based program for middle and high school students which teaches them up-to-date coding languages to build a website, create a web application for a client, or design a database and user interface for a retail business. Top performing students each year get to visit Google, Facebook, LinkedIn, and Pivotal Labs in the Bay Area, all expenses paid.



Programs:

- Coworking: Provides shared office and meeting space, but also connects entrepreneurs to theCO's community and network to support corporate growth
- Makerspace: Membership provides access to space and specialized tools; workshops provide a taste of projects that can be completed within the makerspace
- Makeshift: A lunch series created in partnership with the Jackson Chamber to make shifts or tweaks in a project or business to move it forward.



Knoxville (population 187,347)

Gap: Not enough entrepreneurial support infrastructure in place to produce entrepreneurs in the numbers needed to make the ecosystem work on its own; networks and capital underdeveloped to scale companies

Mission: Build a community where entrepreneurs have access to the capital, customers, and talent they need to be successful. Be the “front door” for entrepreneurs in East Tennessee.

History: Opened in 2013; CEO, Jim Biggs, brings startup and software consulting background in Bay Area; his wife is from Knoxville.



Idea-Stage Programs:

- KEC LiftOff: An information session held every other week that describes what KEC does and how KEC can help an entrepreneur take the next step.
- Etsy Craft Entrepreneurship: Etsy, the Mossy Creek Foundation and KEC offer free classes to help craft makers establish an online business to sell products to a wider market and earn extra income; two all-day Saturday classes

Early-Stage Programs:

- CO.STARTERS: 9-week program that applies lean startup methods for beginning entrepreneurs
- The Works: 12-week startup accelerator for revenue-generating content creators and coders; goal is to increase revenue and market share as quickly as possible



- In the past, has run other accelerators—Media Works and code Works—focused on content creation and software engineering, and a generic accelerator for growth-stage companies that have customers and revenue, but are looking to scale significantly over the next 5 years through focus on customer acquisition

Growth-Stage Programs:

- Growth Works: An invitation-only, monthly forum for founders of growing businesses providing opportunities to hear from, and interact with, successful entrepreneurs from our region in a small-group setting



- ORNL-UTK Tennessee Governor's Chairs program is funded by the state and Oak Ridge National Laboratory
- Attracts top researchers via dual appointments at ORNL and UTK in the areas of advanced manufacturing, advanced materials, biological sciences, energy sciences, nuclear security, and urban design
- Serves as a conduit for knowledge and tech transfer between ORNL and UTK
- Currently 14 scientists with dual appointments



Inspire. Equip. Connect.

Gap: 25% of men and women on active duty express a desire to start a business when they transition from the military.

Mission: National network across 20 cities (currently) working to build the ecosystem for veteran entrepreneurs through access to network, tools, and resources.

History: Bunker Labs-Nashville was founded in 2015 by Blake Hogan, the former Director of Business Partnerships at the Nashville Entrepreneurial Center. Blake is co-founder and adviser to Bunker Labs-Austin.



Programs:

- Bunker Brews: A high-impact speaker series and networking event to get you in front of the right people at the right time
- Launch Lab Online: A gamified, interactive way to get an entrepreneurship education – from anywhere in the world, on your time, at your own pace.
- Veterans in Residence: For veterans and military families who have started a business, the WeWork Veterans in Residence program provides veterans space, services, and a community they need to find their tribe and create their life's work.
- CEO Circle: A continuum of support for Bunker Labs companies that have displayed higher level growth and traction. This group has a separate set of needs from those in the ideational phase, and the CEO Circle operates to serve those needs.

Discussion: What is needed in the Mary Ball Washington Region?

- Supports both “local growth” and “high-growth” companies
- Builds community both within regions and across neighboring regions
- Encourages piloting of new approaches, which can be scaled if successful and eliminated if not
- Is low ego and driven by a sense of service and common purpose to remove obstacles to startups
- Develops the ecosystem through shared common purpose and network effect

Framework for strategy development

Initiative



Strategies

Tactics

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