

An Enterprising Culture

Greater Columbus would not be where it is today without homegrown companies; if the region is to continue moving forward, it must work to promote new companies and ideas that can generate jobs and wealth in the community. Building an “entrepreneurial ecosystem” is no easy task, requiring significant time, effort, and resources. But communities around the country are taking steps to promote startups and focused innovation, and Greater Columbus must leverage its action-oriented spirit and special set of assets to forge its own way forward. Input participants said that this work begins simply with increasing the visibility of entrepreneurs and the resources available to startups and small businesses within the community. And while local stakeholders acknowledge that the majority of research funding and capital will continue to be concentrated primarily in a select few large regions around the country, Greater Columbus can take steps to expand funding operations for small enterprises while promoting innovative activities that complement its existing corporate strengths in finance and insurance. In many ways, Greater Columbus must begin to formally “plant seeds” of entrepreneurship through the Regional Prosperity Initiative and nurture them in the years to come. In this way, the region can slowly but surely build capacity to foster a startup culture and ecosystem and eventually consider more resource-intensive and ambitious entrepreneurial activities in the future.

KEY FINDINGS FROM RESEARCH AND INPUT:

-  Greater Columbus has a proud history of innovative and enterprising companies and individuals. Two homegrown Fortune 1000 companies – Aflac and TSYS – serve as evidence. But data and public input reveal that the region’s current level of entrepreneurial activity is relatively low. Greater Columbus performed poorly on key metrics that measure entrepreneurial activity, including levels of self-employment, per-capita small business lending, and the proportion of employment in firms that are less than five years old.
-  An online survey question posed to 128 individuals who self-identified as entrepreneurs or small business owners revealed a similarly troubling picture. Participants were asked to rate various aspects of the region’s entrepreneurial climate, and each factor received more “very weak/weak” responses than “very strong/strong” answers. In many cases the negative ratings outnumbered the positive by wide margins.
-  Some input participants suggested that many residents simply do not see starting their own business as a realistic option. Others noted that existing entrepreneurial resources are not well-known or visible within the region. And a large majority of entrepreneurs and small business owners also identified access to capital as a principle challenge for startups and small businesses in Greater Columbus.
-  Stakeholders did note several positive aspects that could be supportive of increased entrepreneurial activity. The “cool factor” of Uptown Columbus is one. The Bob Wright Symposium on Business Empowerment is another. Participants suggested the initial success of this event could be leveraged to support additional minority entrepreneurship in the community.

OBJECTIVE 3.1: STRENGTHEN THE CULTURE OF ENTREPRENEURSHIP IN GREATER COLUMBUS

According to a variety of data points and extensive stakeholder feedback, the entrepreneurial climate in Greater Columbus is limited. Just 4.8 percent of jobs are held by self-employed workers, compared to 6.1 percent in Georgia and 6.6 percent nationally. Among a comparison group of 10 metro areas, the community had the second-lowest number of per capita small business loans and the lowest percentage of total employment in firms that are less than five years old. Additionally, individuals who self-identified as entrepreneurs or small business owners gave poor marks to various aspects of the region's entrepreneurial climate in an online survey. This is consistent with anecdotal feedback received from stakeholders, who suggested that the region still has something of a "mill town mentality" when it comes to entrepreneurship. According to some input participants, many residents simply do not see starting their own business as a realistic option despite the region's history of homegrown corporate success stories. In short, Greater Columbus has much work to do if it is to build an "entrepreneurial ecosystem" that drives job growth and wealth creation in the community. This will be a time- and resource-intensive process that will last well beyond the timeline for this five-year strategy. But it is vital to the region's future and must begin in earnest as soon as possible.

3.1.1 **Develop a physical, flexible, and professionally staffed "center of gravity" for entrepreneurial activities in a highly visible location.**

The principle building block that the region can pursue to advance its entrepreneurial climate is the creation of a physical "center of gravity" for entrepreneurship in Greater Columbus. Such a center would have multiple roles, including increasing the visibility of entrepreneurship in the community and serving as a networking and social hub for local entrepreneurs, with programming and special events to create additional opportunities for connections. It is critical that the center be professionally staffed by at least one experienced entrepreneur and/or an individual with extensive experience running a successful incubator or accelerator. Building such staff capacity and expertise will be an opportunity to expand the region's entrepreneurial assistance resources to include innovation-driven enterprises with high growth and export potential in addition to services for local-serving small businesses in established fields or markets.

While programming at the facility should be entrepreneur-driven, there is the opportunity for partners to come together to identify, resource, and outfit the space and co-locate certain small business support services on-site. The center should also be in a highly visible location. Uptown Columbus is a likely destination for the facility. Its compact and amenity-rich built environment appeals to the type of innovation-focused entrepreneurs that the community will seek to cultivate to drive wealth creation through the development of high-growth companies. However, the potential always exists for a high-profile building to be donated, repurposed, or constructed in another of the region's activity centers.

Potential Actions:

-  Convene a network of partners that should include local entrepreneurs and the Columbus Chamber of Commerce, Columbus State University, and other existing providers of small business or entrepreneurial support services to help resource, program, and potentially offer staff support for the center
-  As a critical first step, identify a successful entrepreneur and/or individual with extensive experience in operating a successful incubator or accelerator to oversee development, launch, and operations

- 👉👉 Work with the business community, local governments, and foundations (both local and national) to identify potential funding sources and launching a capital campaign
- 👉👉 Purchase, lease, or assume control of an appropriate physical space for the center; prioritize properties in Uptown Columbus or another dense, walkable, highly visible area
- 👉👉 Co-locate the region's entrepreneur and small business support services in a "one-stop" location
- 👉👉 Task professional staff with identifying appropriate program for center; potential options include an incubator or acceleration program and some kind of mentorship initiative for entrepreneurs without access to traditional financing and business networks

BEST PRACTICE: Greenhouse (St. Petersburg, FL)

3.1.2 Work with organizers to make the Bob Wright Symposium on Business Empowerment the premier event of its kind.

In 2015, Greater Columbus received significant positive press mentions in articles about minority entrepreneurship from outlets such as the *Chicago Tribune* and *CNN Money*, and NerdWallet ranked the region as the top city for black entrepreneurs. Additionally, 2015 also saw the successful completion of the inaugural Bob Wright Symposium on Business Empowerment, an event launched by Columbus businessman Dr. Bob Wright. The Symposium featured prominent black business leaders and executives from around the country and attracted hundreds of mostly black professionals to the Cunningham Center.² This much positive momentum building up in such a short period of time represents a rare opportunity to generate national publicity for Greater Columbus and raise the profile of entrepreneurial activity within the community itself.

Potential Actions:

- 👉👉 Work with organizers of the Symposium to determine ways in which local support can enhance the event; potential assistance could include expanded publicity, funding and corporate sponsorships or in-kind donations, etc.
- 👉👉 Work with organizers to explore ways in which the event could be used to raise the profile of entrepreneurship locally, such as subsidized attendance for local entrepreneurs and opportunities for workshops or mentoring in conjunction with the event
- 👉👉 Develop an earned media strategy (see 5.2.1) to generate significant national press coverage of the 2016 event and minority entrepreneurship in Greater Columbus general

OBJECTIVE 3.2: EXPAND RESOURCES TO OPEN UP ENTREPRENEURSHIP AS A POSSIBILITY FOR ALL RESIDENTS

In addition to cultivating an entrepreneurial culture in Greater Columbus, the community also has an opportunity to lower or remove key barriers to entry and open up entrepreneurship as a possibility to a wide audience.

² James-Johnson, A. "Speakers at Bob Wright symposium inspire, enlighten attendees." *Columbus Ledger-Enquirer*. August 20, 2015.

Specifically, the provision of early-stage investment capital is a key challenge for entrepreneurs in most U.S. communities. Some new businesses lack revenue streams or sufficient credit history to secure traditional financing, while others may require additional work on an idea or prototype. These conditions force many business owners to dip into personal savings or rely on family and friends to help finance their efforts. Others may drop their pursuit of an idea altogether. According to stakeholders, many would-be entrepreneurs in Greater Columbus fall into this category. Additionally, the budding “maker” movement allows “tinkerers” and individuals with product ideas to quickly and easily develop prototypes and advance down the path of bringing ideas to market. Supporting and expanding Greater Columbus’ budding capacity in the maker movement represents another promising way to open up opportunities for innovation to all residents.

3.2.1 Expand capital availability for individuals who lack access to traditional capital with a pre-seed microloan program.

The development of a pre-seed microloan fund in Greater Columbus could help current and future entrepreneurs who are unable to receive traditional bank financing to further develop ideas and launch businesses. Pre-seed funds are well-suited for two types of entrepreneurs: individuals with little or no savings or credit history and individuals with established ideas and business models that have yet to generate revenue. Loans may be used to develop prototypes, test market viability, or make required initial capital investments. If well-publicized, the model is a particularly good fit for a community like Greater Columbus, where a significant portion of would-be entrepreneurs may come from low-income households. Additionally, the existing lack of an entrepreneurial culture may further limit the ability of individuals to raise startup capital through their network of family and friends.

Potential Actions:

-  Partner with the region’s economic development professionals, business leaders, foundations, and local financial institutions to identify options for initial capitalization and management of the fund
-  Establish criteria and loan terms, define acceptable uses of monies, and establish a loan review committee
-  Encourage or require companies that receive funding to seek guidance from the region’s small business and entrepreneurial assistance services

3.2.2 Advance Greater Columbus’ position in the “maker movement” through support for Columbus MakesIT.

The “maker movement” is the evolution of “do it yourself” (DIY) production into a more sophisticated process whereby average individuals can utilize new and emerging technologies such as 3-D printing to produce sophisticated prototypes and products. The movement has been rapidly spreading across the country, largely through the creation of common spaces complete with necessary tools and resources where inventors and “makers” can convene and tinker. These are frequently referred to as fabrication labs or makerspaces. The model has been advanced formally by the Massachusetts Institute of Technology (MIT) with its global network of “Fab Labs” and by countless other independent facilities. One such makerspace already exists in Greater Columbus – Columbus Makes IT. Further cultivating this resource would allow the region to remain active in this important emerging field.

Potential Actions:

- 👉 Work with Columbus Makes IT and other potential partners including Columbus Technical College and area businesses to continue to pursue funding for additional equipment and operating resources
- 👉 Pursue outside grants and evaluate the viability of enhanced local support, such as corporate sponsorships
- 👉 Work with local businesses to create a program to donate depreciated or surplus equipment such as laser cutters, sign cutters, and milling machines to the facility