

Entrepreneurship & Innovation Ecosystem Building in Oregon

welcome

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OREGON ECONOMIC DEVELOPMENT ASSOCIATION

“Entrepreneurial ecosystems drive local economic vibrancy and national economic growth.”

— The Kauffman Foundation

Caroline Cummings



Founder & CEO

Varo Ventures

CEO

RAIN Catalysts (raised \$10M)

Startup Investor

Cascade Seed Fund, Willamette Valley Capital,
RAINcap/Republic Crowdfunding platform

Co-Founder & CEO

Two tech startups (one techquisition)
Raised \$1M in seed capital

Entrepreneurial Ecosystem Terminology Poll #1

Which terms can you define?

First – some definitions...

Entrepreneurs ...

- 1) Start a business from nothing
- 2) Take risks
- 3) Innovate and disrupt
- 4) Learn to be comfortable being uncomfortable most of the time!

First – some **definitions**...

Innovation =

- 1) new products
- 2) new methods and/or markets of production, design, manufacturing, etc.
- 3) new ways to organize a business
- 4) new ways of adapting...



Exiter



Grower



Innovator



Starter



Ideator

An **introduction** to Entrepreneurial Ecosystems

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The Evolution of E&I's Role in Economic Development



THEN
Traditional 'Three Legs
of the Stool' Focus

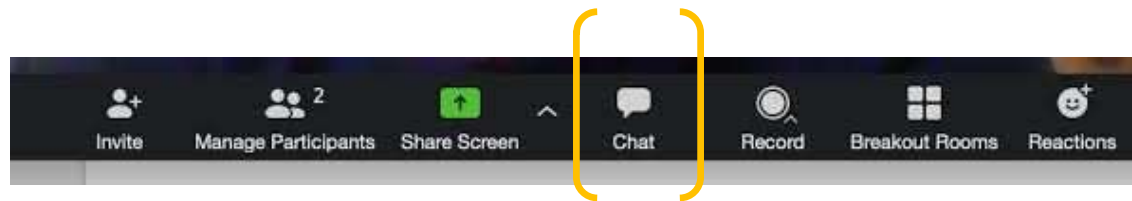


NOW
Expanded Focus Integrates
Talent and Placemaking

Any healthy economic development strategy should incorporate
Talent Development + Placemaking

What do you think of when you hear:
“**placemaking**”?

Put it in the chat!



The Four Types of Placemaking

- **Standard placemaking** is the process of creating quality places where people want to live, work, play and learn.
- **Strategic placemaking** is targeted to a particular goal in addition to the creation of space. For example, developing spaces that will attract businesses, leading to jobs and growth.
- **Tactical placemaking** emphasizes testing projects through phases and iterations rather than constructing projects straight from the drawing board.
- **Creative placemaking** integrates arts, culture and design activities into efforts that strengthen communities.



The Porch at 30th St. Station in Philadelphia, PA

Placemaking model: Tactical

What they did: By setting up cafe tables outside of one of the country's busiest train stations, [The Porch at 30th St. Station](#) encourages visitors to slow down and enjoy Philly—and each other's company! This area regularly hosts food trucks and is also used for pop-up musical performances.

What we like about it: The Porch at 30th St. Station brings people together in a previously undesirable and underutilized space.



Photo from the University City District's website

A Philosophy + A Process

Through placemaking, innovation districts have the power to affect quality-of-life measures, including:

Sociability: volunteerism, evening-hour use and strength of social networks

Accessibility: transit usage and walkability

Usability: local business ownership, property values and rent levels

Livability: crime statistics and sanitation ratings

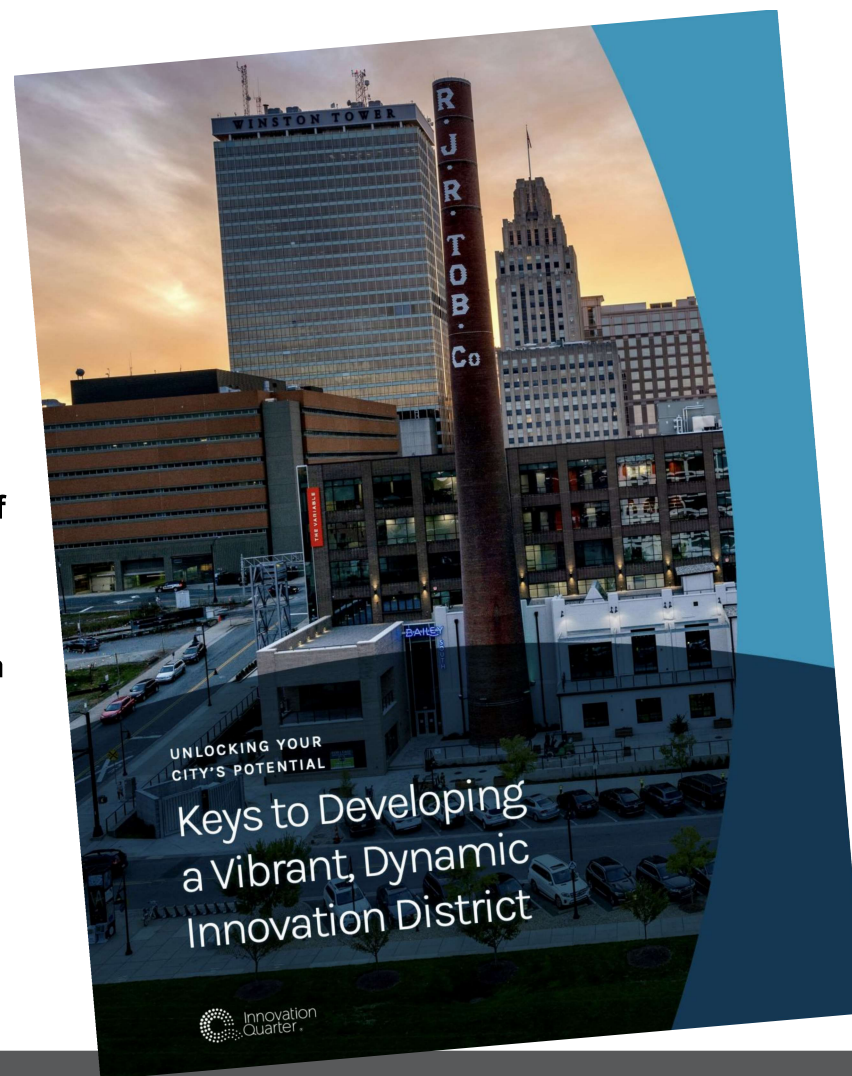
Is your City keeping up with the pace of innovation?

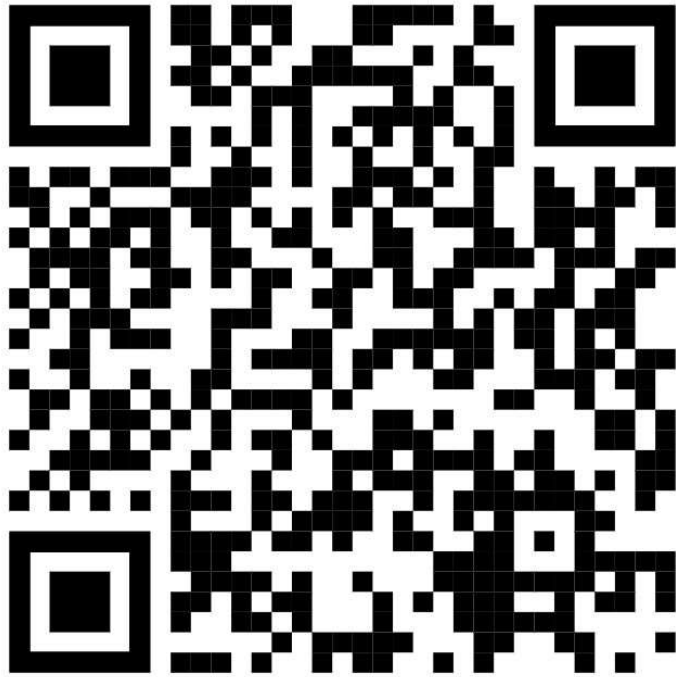
Unlocking Your City's Potential: Keys to Developing a Vibrant, Dynamic Innovation District

Today's innovation environment **requires a community-minded, inclusive approach**—and that's where innovation districts are **rewriting the script of collaboration**. These high-demand areas embrace density and proximity:

They are clustered around leading research and academic institutions and are built to **attract people and firms seeking strong networks**. Innovation districts are unique communities that are **intentionally designed to encourage organic, intellectual collisions and jump-start inclusive economic growth**.

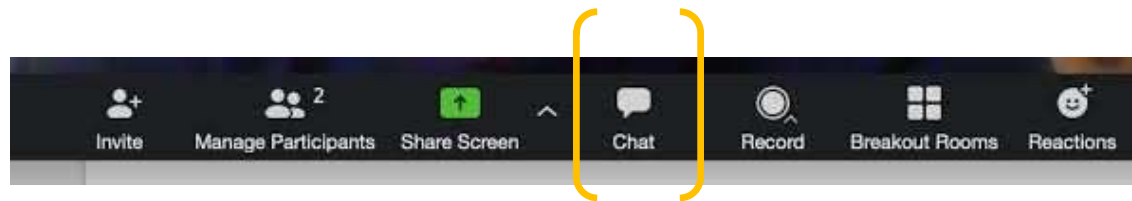
With the right mix of strategies, partners, and amenities, innovation districts become safe, desirable spaces that are the hearts of their cities.





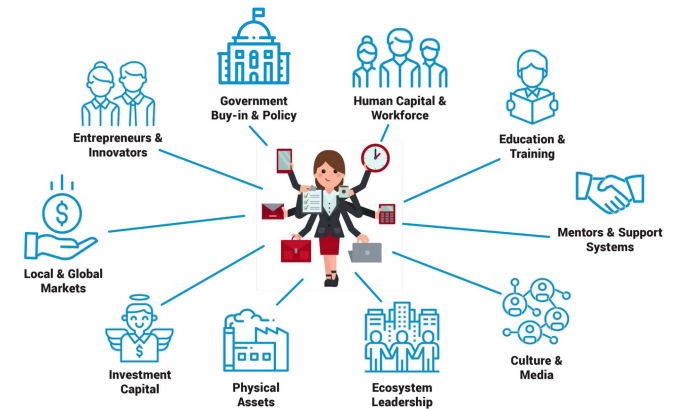
What do you think of when you hear:
“**entrepreneurial ecosystem**”?

Put it in the chat!



Definition of Entrepreneurial Ecosystem

An entrepreneurial ecosystem is defined as a set of **interdependent actors and factors coordinated** in such a way that they enable **productive entrepreneurship** within a particular territory.



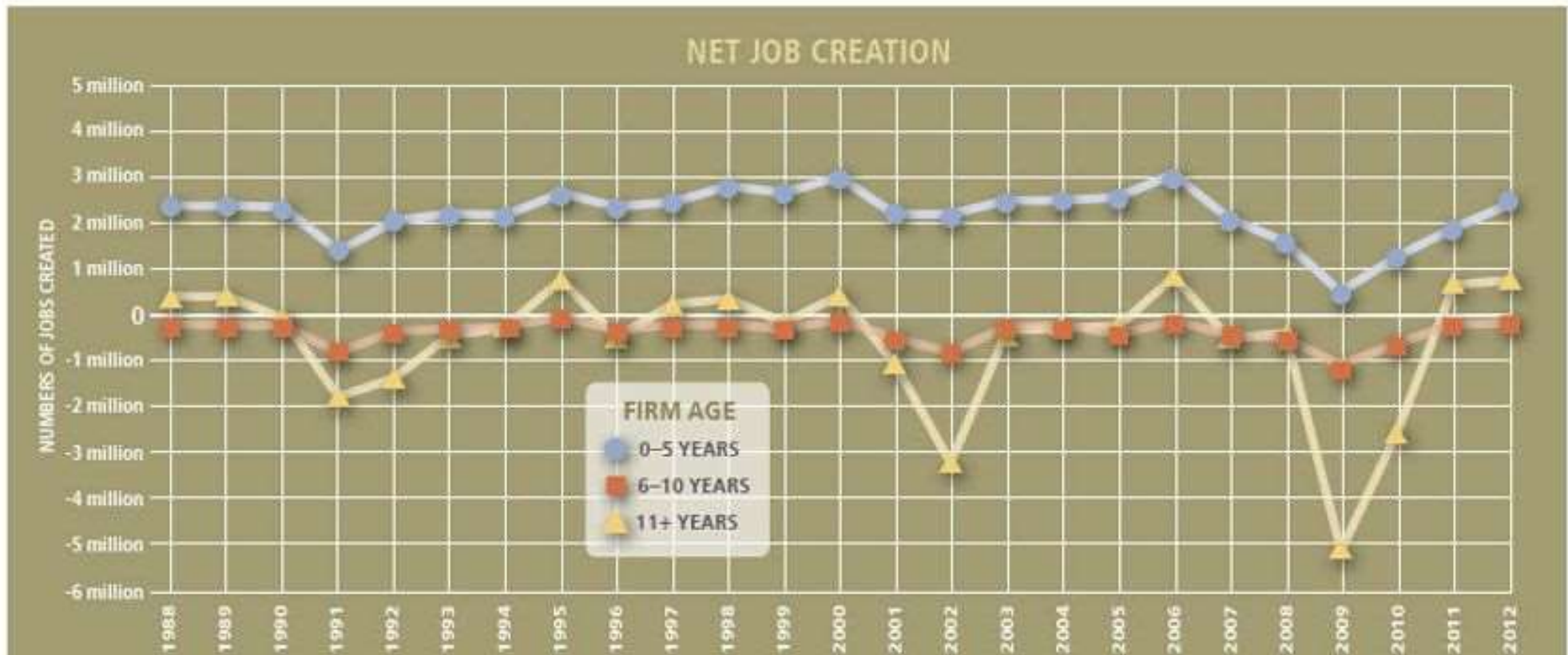
Kauffman Foundation

“Entrepreneurial ecosystems drive local economic vibrancy and national economic growth.”



“Policymakers often think of small business as the employment engine of the economy. But when it comes to job-creating power, it is not the size of the business that matters as much as it is the age. New and young companies are the primary source of job creation in the American economy. Not only that, but these firms also contribute to economic dynamism by injecting competition into markets and spurring innovation.”

Economic **Impact** of Entrepreneurship



Nearly ALL net **new job creation** in America comes **from startups**



**Harvard
Business
Review**

Harvard Business Review

"Fostering entrepreneurship has become a core component of economic development in cities and countries around the world."



BABSON

Babson University

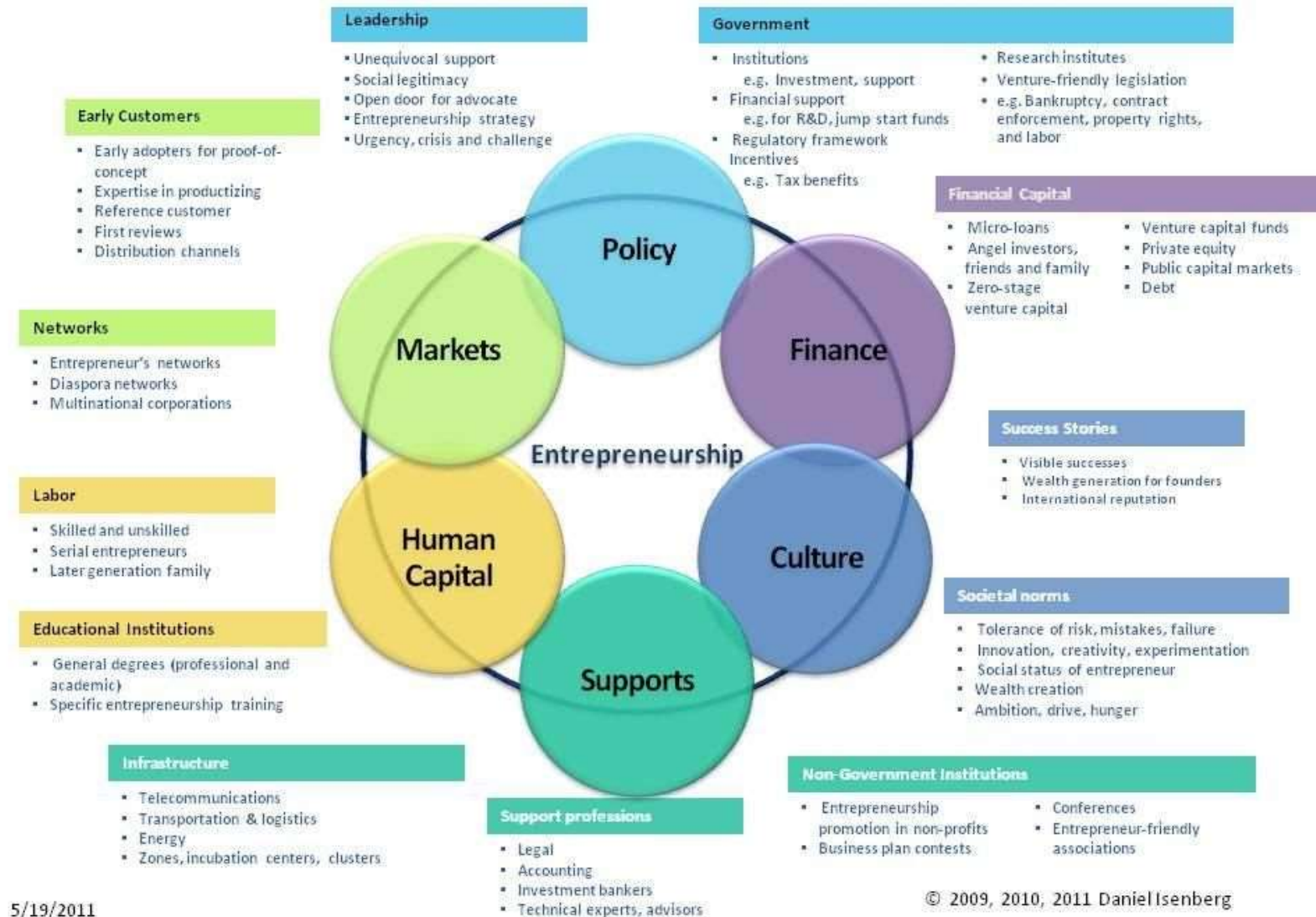
"The goal is stimulating economic growth, meaningful employment, development, and prosperity by creating measurably more entrepreneurship in a given locale."



IGI Global

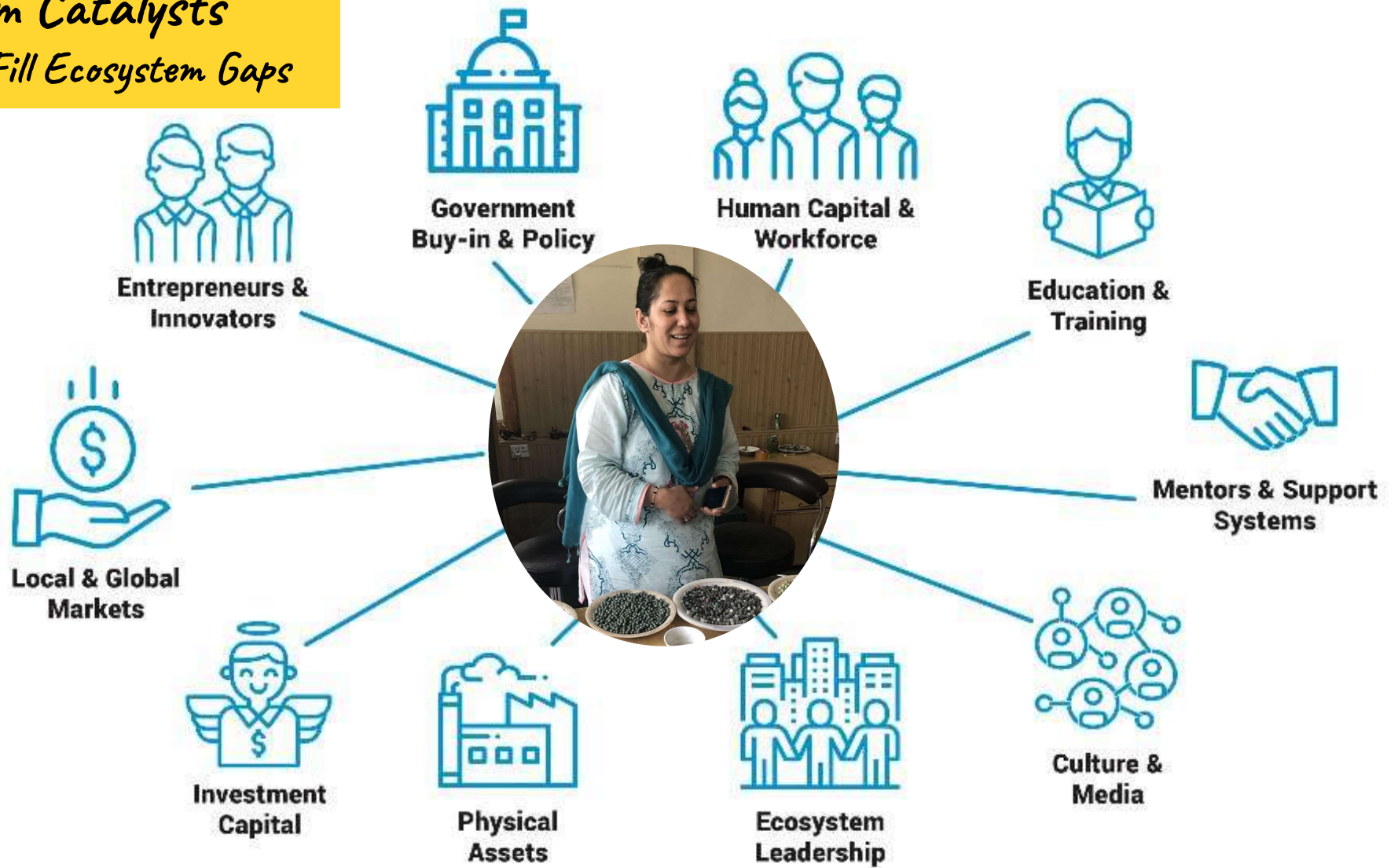
"[An entrepreneurial ecosystem] is a system composed of a range of stakeholders, public and private, individual and collective, as well as the full set of policy measures defined and adopted to enhance their action, articulation, and co-development, in order to promote entrepreneurship, value creation, and economic development."

Domains of the Entrepreneurship Ecosystem



Ecosystem Catalysts

Monitor & Fill Ecosystem Gaps



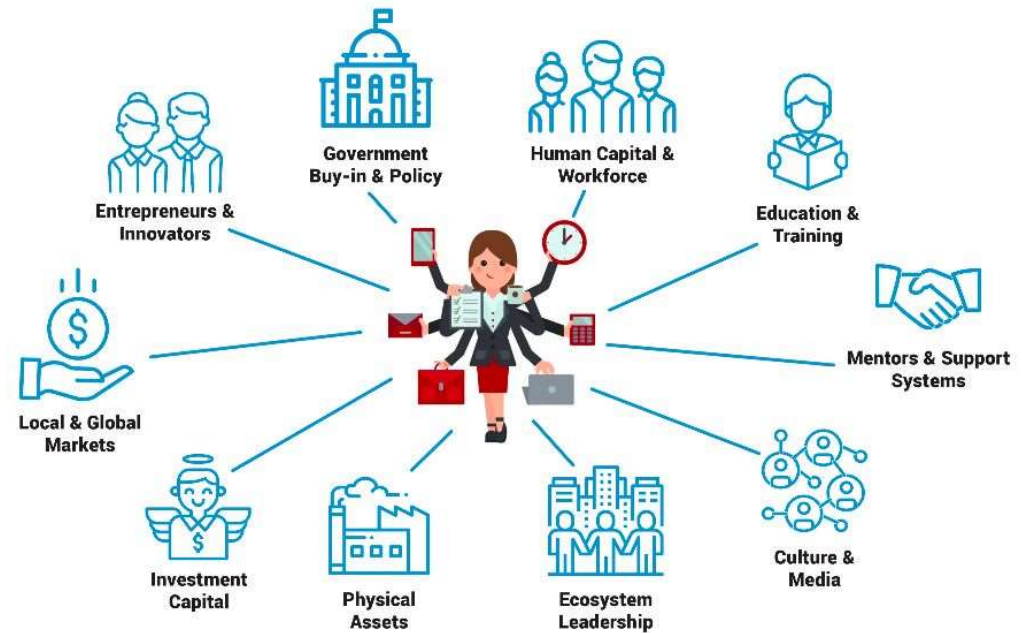
The DNA of an Ecosystem Builder

“Entrepreneurial ecosystems are spurred by people with drive, courage and grit and those that can constantly adapt but also drive disruption. These people get things done and are innovative!”

Rosemarie Truman

Founder & CEO

The Center For Advancing Innovation





**Ecosystems are messy.
Messy embraces chaos and
looks for gaps.
They are unpredictable, but
can be measured!**

Many **Tools** to Support a E&I Ecosystem

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- Regional Readiness Assessments
- Asset Maps
- Stakeholder Engagement Tools
- Ecosystem Surveys
- Ecosystem Scorecards
- Lean Canvas for Communities
- Entrepreneur Activation Kits
- Incubator & Accelerator Models
- Survey Templates
- Entrepreneur Toolkits
- Innovation Toolkits

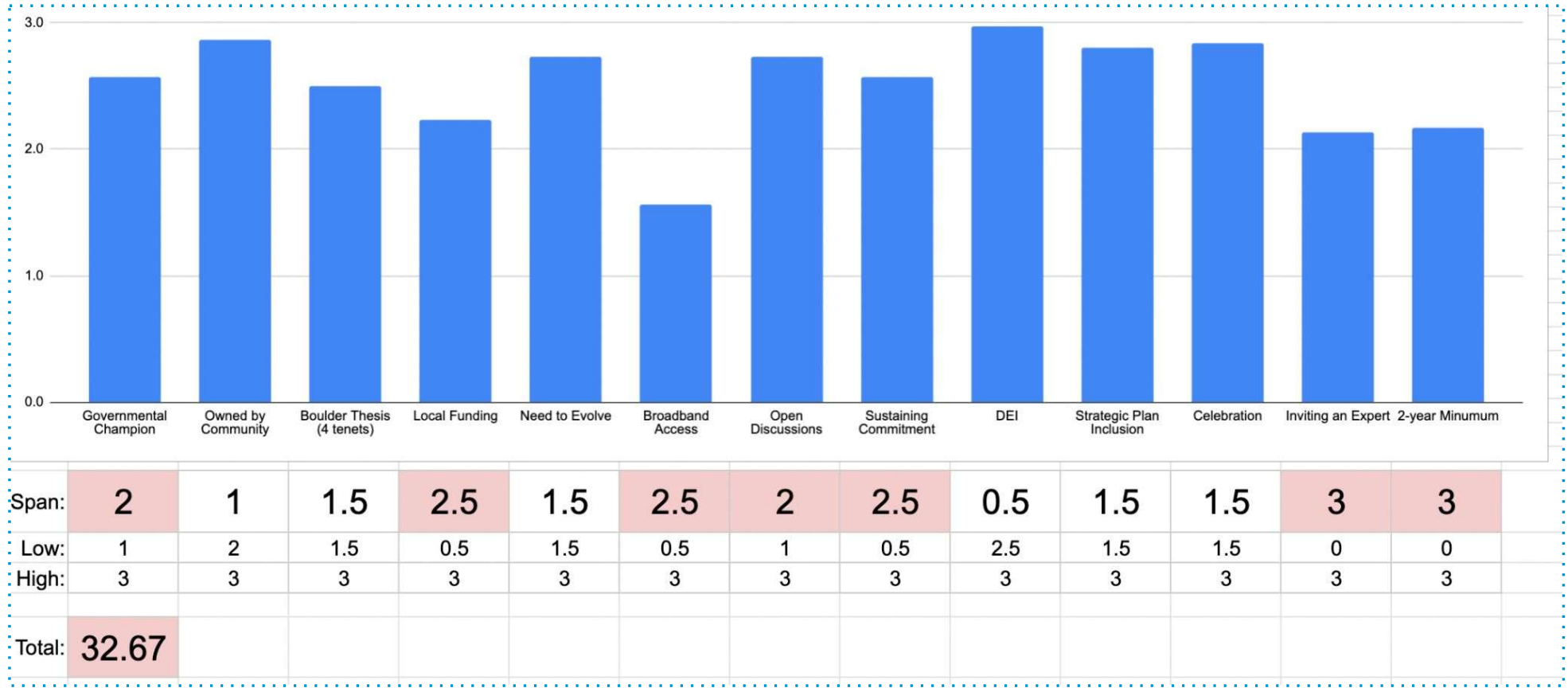


- ❑ Impact Reports
- ❑ Tools for Engaging City Councils/County Commissioners
- ❑ Co-working Space Floorplans + Biz Models
- ❑ Accelerator Models & Curricula
- ❑ Policymaker Talking Points
- ❑ Mentor & Capital Databases
- ❑ Media Kits
- ❑ Fundraising Models
- ❑ Culture-shifting Kits
- ❑



SCORING (can enter .5 increments):
0 = Don't Know | 1 = Disagree or Too Early to Tell
| 2 = Somewhat Agree | 3 = Agree

Regional Readiness Assessment



Mindset **Shifts** Needed to Support an Entrepreneurial Ecosystem



How to help your entrepreneurs...



Takeaways from Sirolli's Talk

- Don't make assumptions, ask questions
- LISTEN!
- Don't patronize
- Don't help people who don't want it
- Become a servant of the local people
- Sit with the local people (don't work from offices)
- Nobody in the world can succeed alone

Sirolli's Talk

- Entrepreneurs rarely come to public/government meetings on their own
- Planning has a blind spot because the smartest people in your community are missing from the conversations
- Planning is incompatible with an entrepreneurial society and economy
- Capture the passion, the energy, and the imagination of your people
- Leave your own agendas at the door...

Mindset Shifts to support the ecosystem

- ✓ Listen...
- ✓ Don't assume you know what entrepreneurs need
- ✓ Default to "yes" – "inclusivity is the default"
- ✓ Ok to argue/disagree -- respectfully, of course 😊
- ✓ Willing to revise the "rule book"
- ✓ Explore "new" and "different" – explore all ideas!
- ✓ Failure is an option – it's a key part of innovation
- ✓ Patience is key!
- ✓ Get comfortable being uncomfortable...

Following the “Boulder Thesis” Philosophy

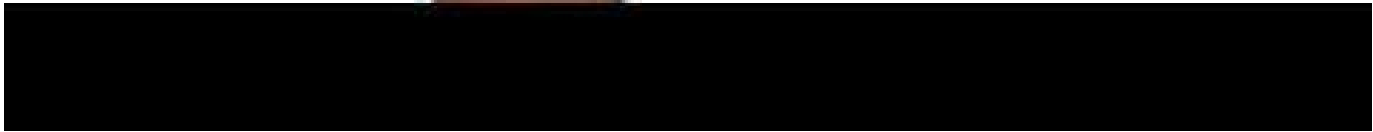
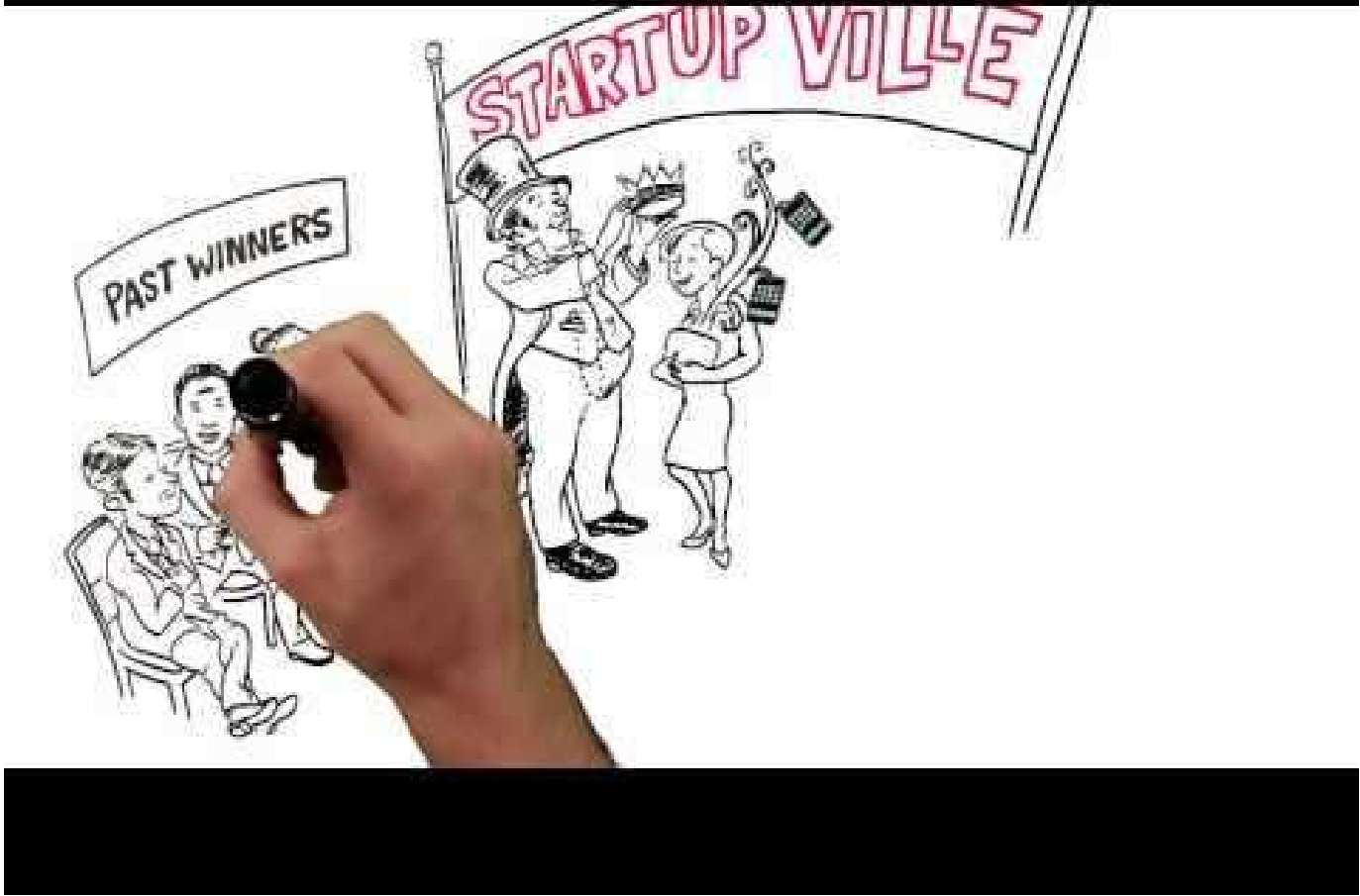
★ Led by entrepreneurs ★

★ Have a long-term commitment ★

★ Inclusive of anyone who wants to participate ★

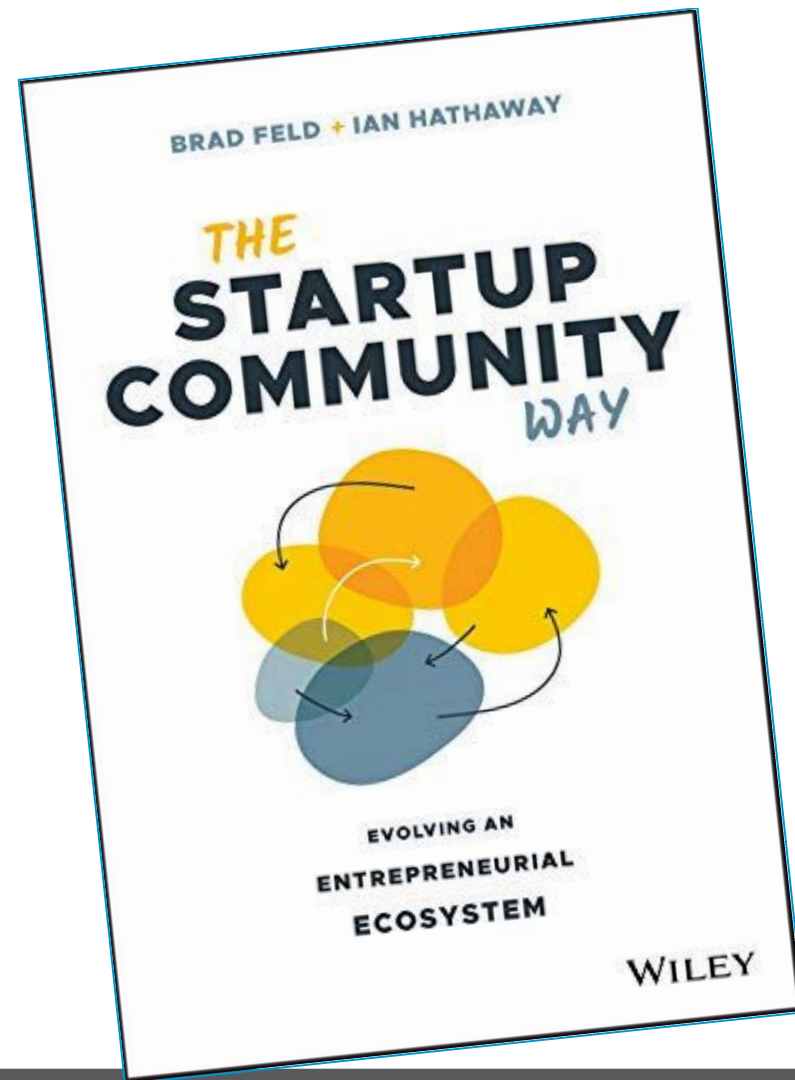
★ Engage the entire “entrepreneurial stack” with activities ★

Source: Feld, Brad (2012-09-06). *Startup Communities: Building an Entrepreneurial Ecosystem in Your City*, Wiley.



A great resource for any community (of any size) who wants to build an Entrepreneurial Ecosystem

– Brad Feld & Ian Hathaway



Infrastructure needed to support a thriving Entrepreneurial Ecosystem & Innovation-based Economy

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Ecosystems = Complexity





**Ecosystems are messy.
Messy embraces chaos and
looks for gaps.
They are unpredictable, but
can be measured!**

What to measure

Entrepreneurs

Demographics

Age

Gender

Race

Geography

Other?

Jobs

Created

Saved

Pay Rates

Type (W2/1099)

Startups

Created

Failed

Industries

Revenue

Geography

Prototypes

Reach (local/traded)

What to measure

Capital

Needed

Raised

Activated

Leveraged

Types

Loans

Equity

Grants

Crowdfunding...

Human Capital

Mentors

Talent

Investors

Activities

Events

Programs

Types

Locations

Outcomes

What to measure

Physical Assets

Accelerators
MakerSpace
Incubators
Coworking
Labs...

Media

Media List
Media Mentions
The “Buzz”
 What’s being said
 What’s not being said
 By whom?

What to monitor

Barriers

Funding

Cultural

Markets

Workforce

Geography

Policies

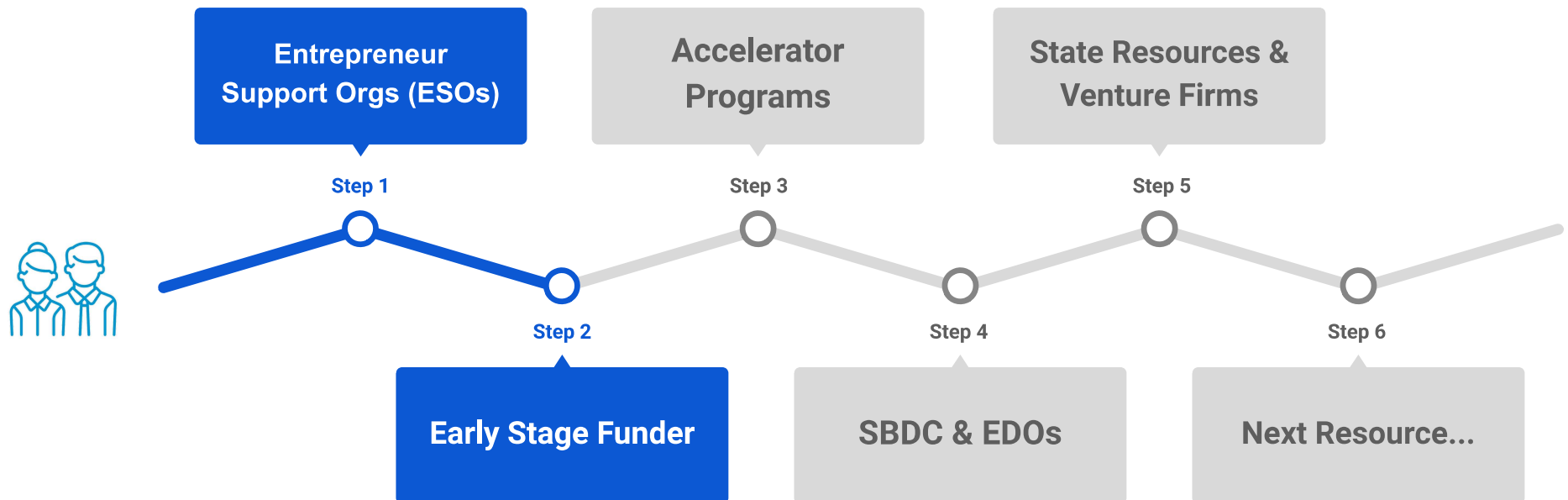
Regulations

Economic



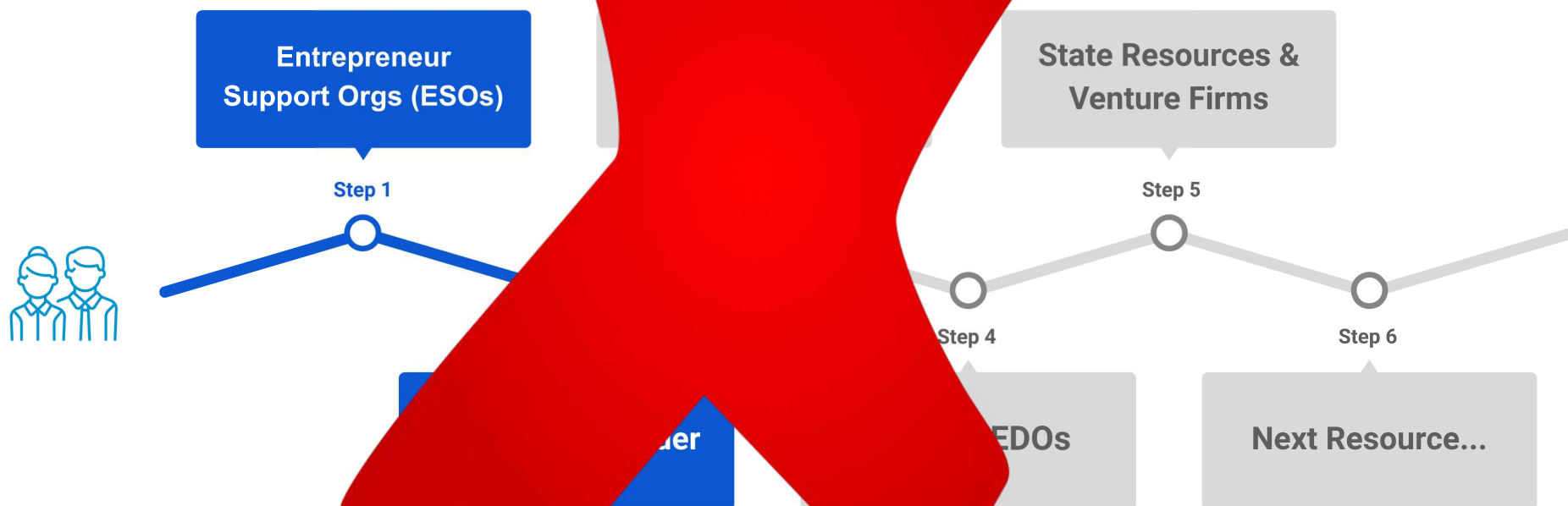
Common Mistakes When Building an Entrepreneurial Ecosystem...

Assuming Entrepreneurial Journey is Linear



Common Mistakes When Building an Entrepreneurial Ecosystem

Assuming the Journey is Linear





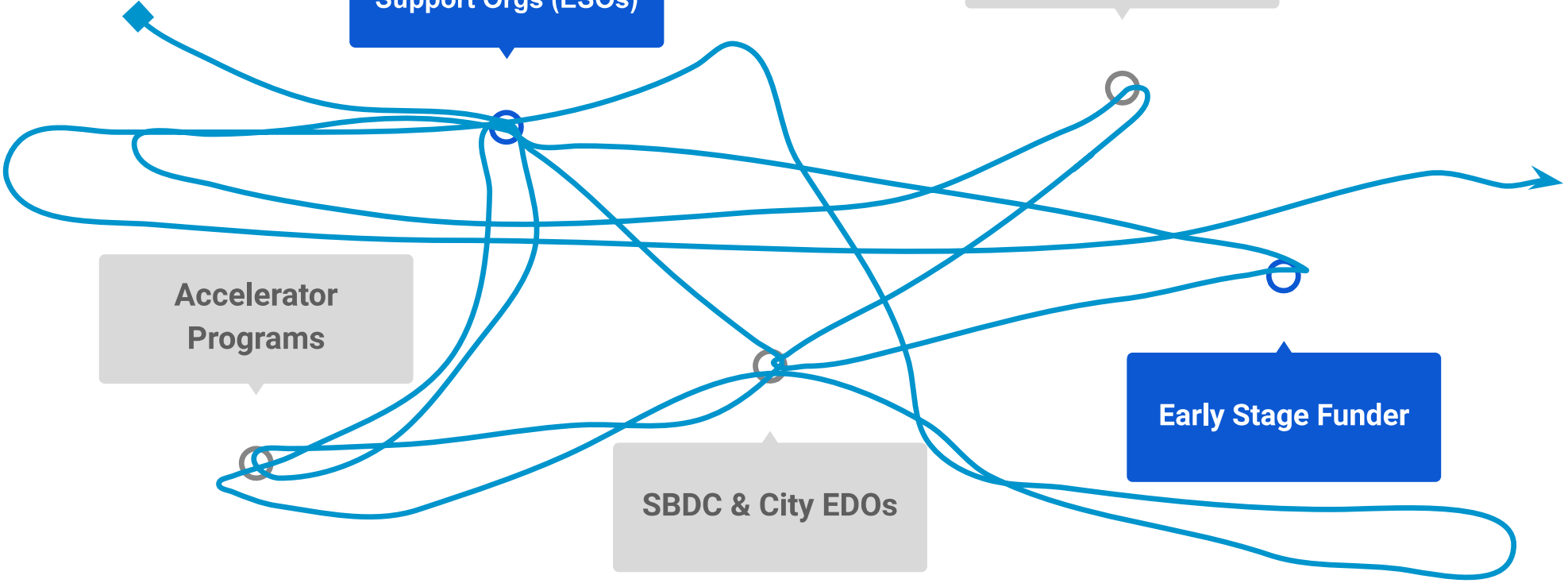
Entrepreneur Support Orgs (ESOs)

State Resources & Venture Firms

Accelerator Programs

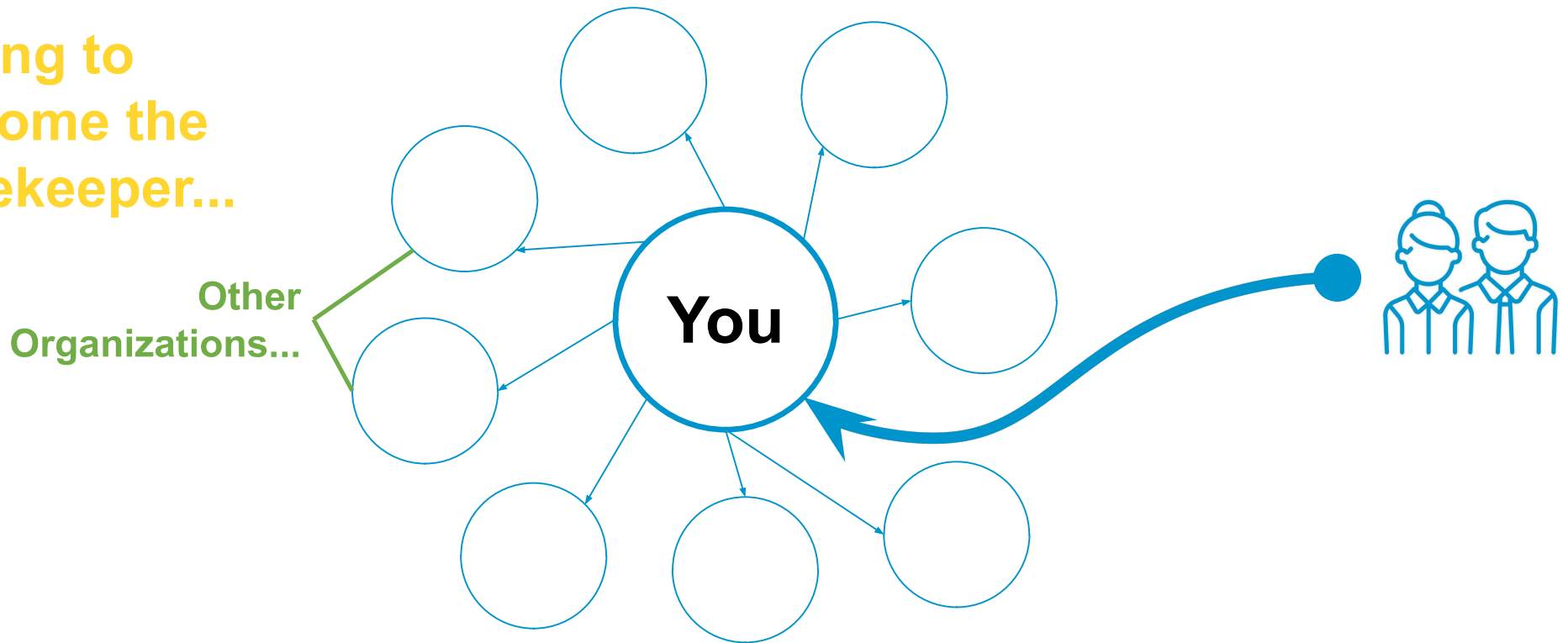
SBDC & City EDOs

Early Stage Funder



Common Mistakes When Building an Entrepreneurial Ecosystem...

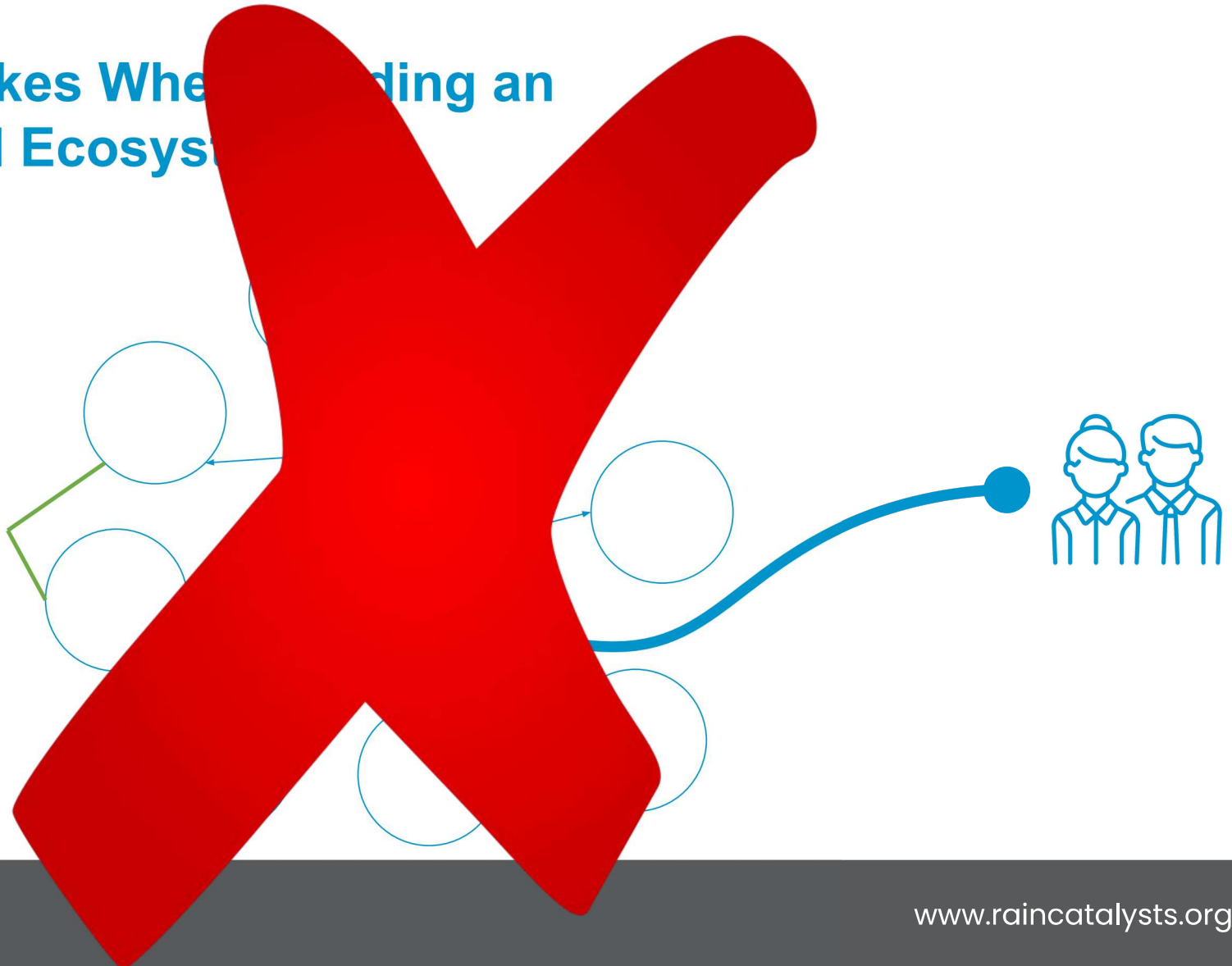
Trying to become the gatekeeper...



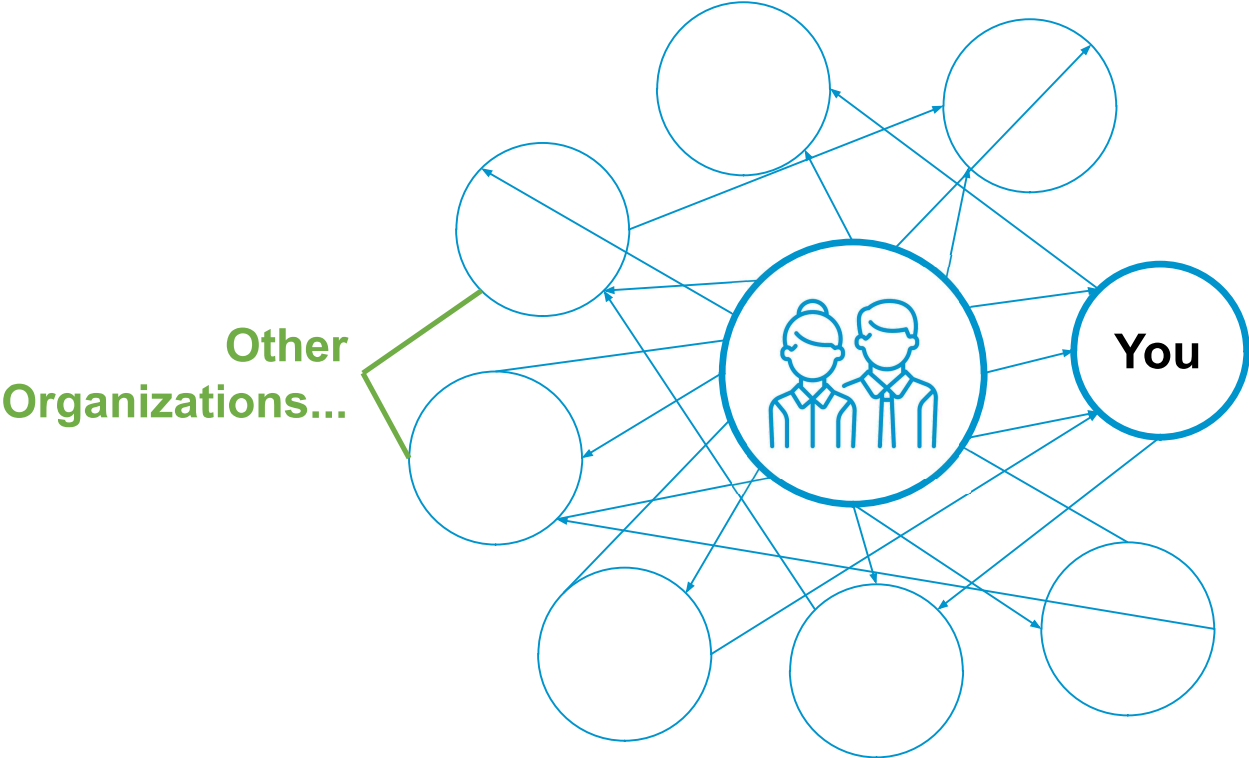
Common Mistakes When Building an Entrepreneurial Ecosystem

Trying to become the gatekeeper...

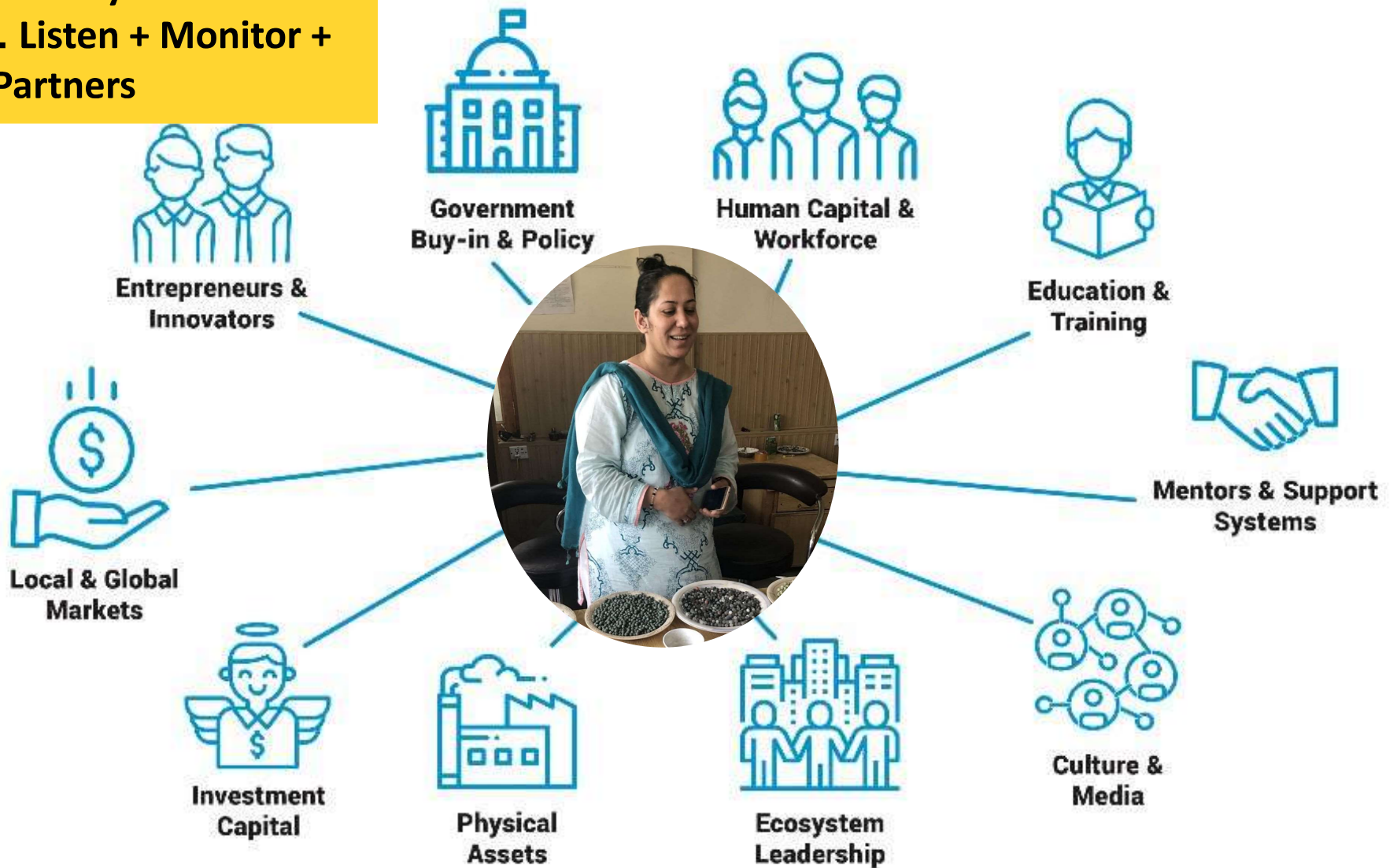
Other Organizations...



The entrepreneur should be at the center of everything!



Good Stewards to your Ecosystem... Listen + Monitor + Fill Gaps w/Partners



The point is...

- The entrepreneurial journey is not a straight line
- Trying to control the ecosystem players is a zero sum game that only hurts the entrepreneurs (ex: “Stay out of my lane!”)
- Leaders build bridges, not gates
- Remember that the entrepreneur needs to be at the center of the ecosystem
- The relationships in Entrepreneurial Ecosystems & Startup Infrastructure are complex
- **However, the components can be studied and understood**

10 Components of an E&I Ecosystem

Entrepreneurs & Innovators

Mentors & Support Systems

Education & Training

Human Capital & Workforce

Government Buy-in & Policy

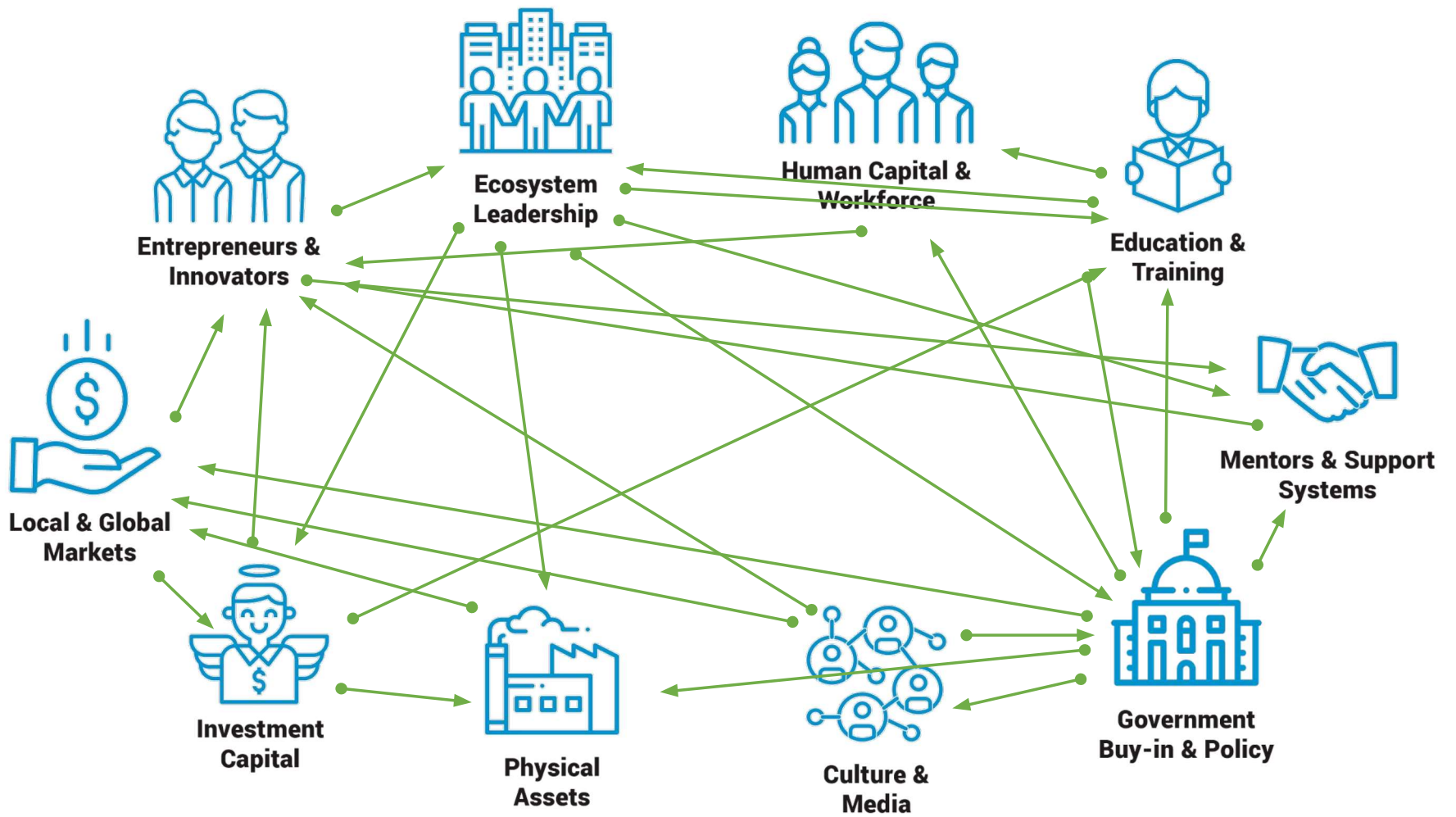
Local & Global Markets

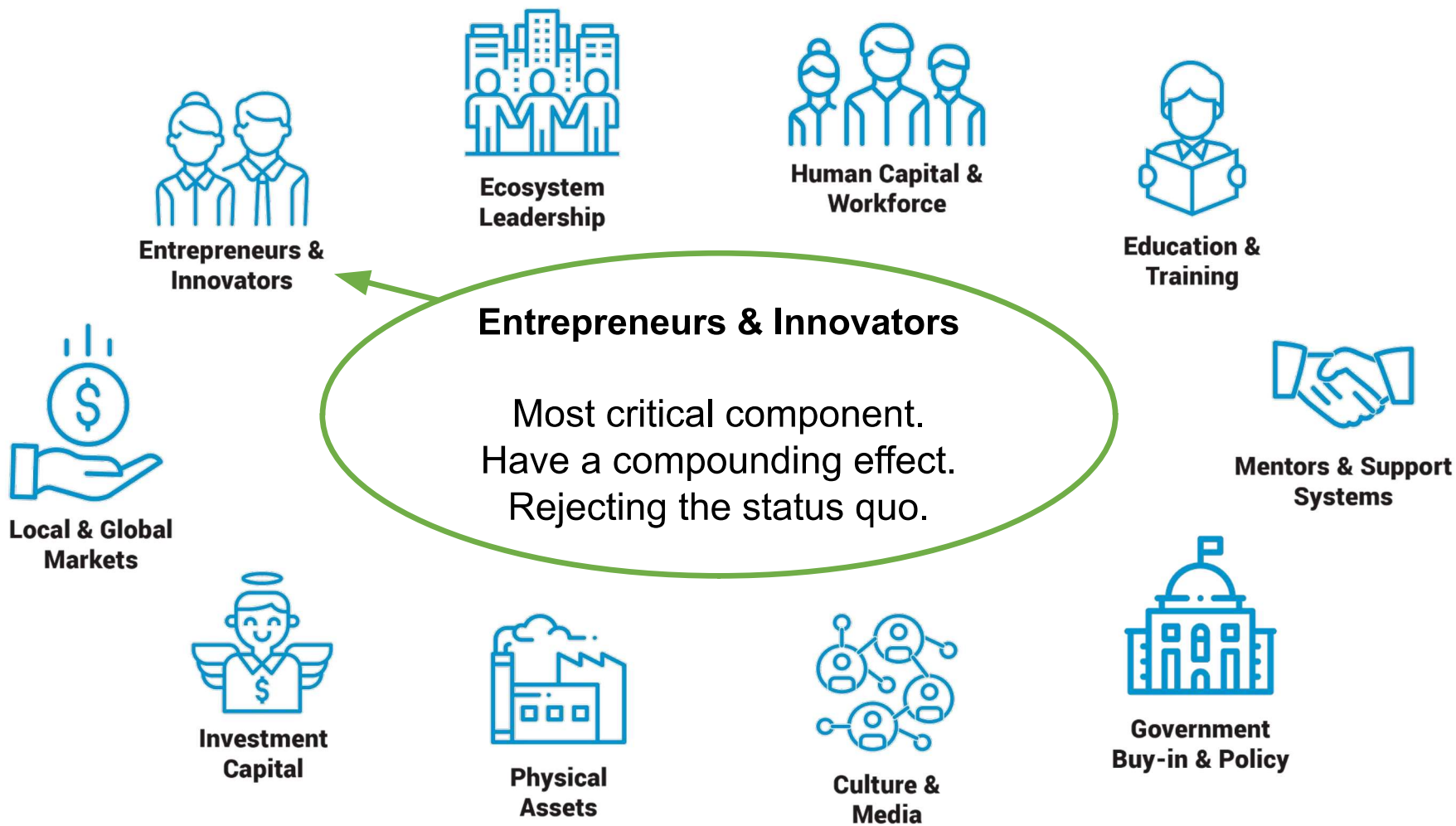
Investment Capital

Physical Assets

Culture & Media

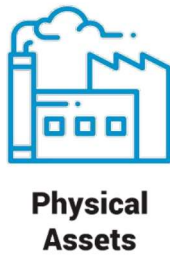
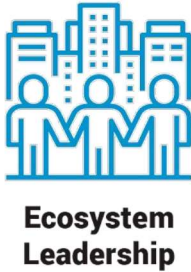
Ecosystem Leadership





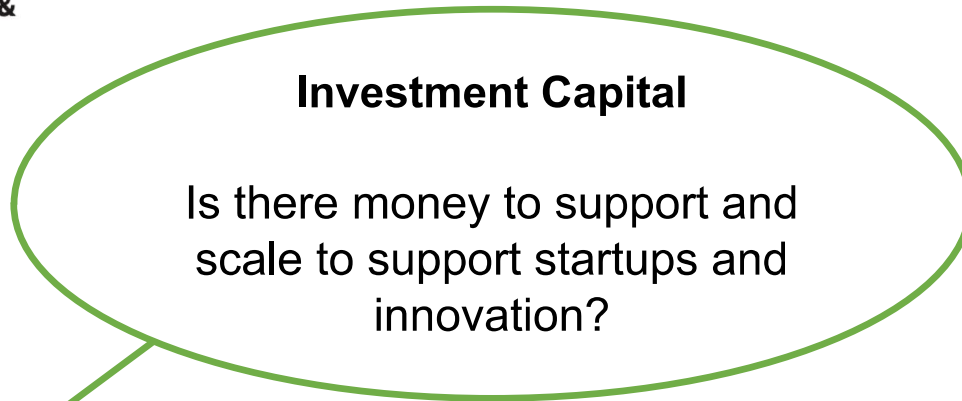
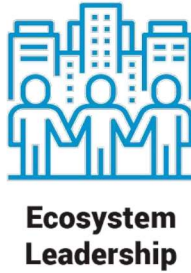
Entrepreneurs & Innovators Regional Example: Corvallis



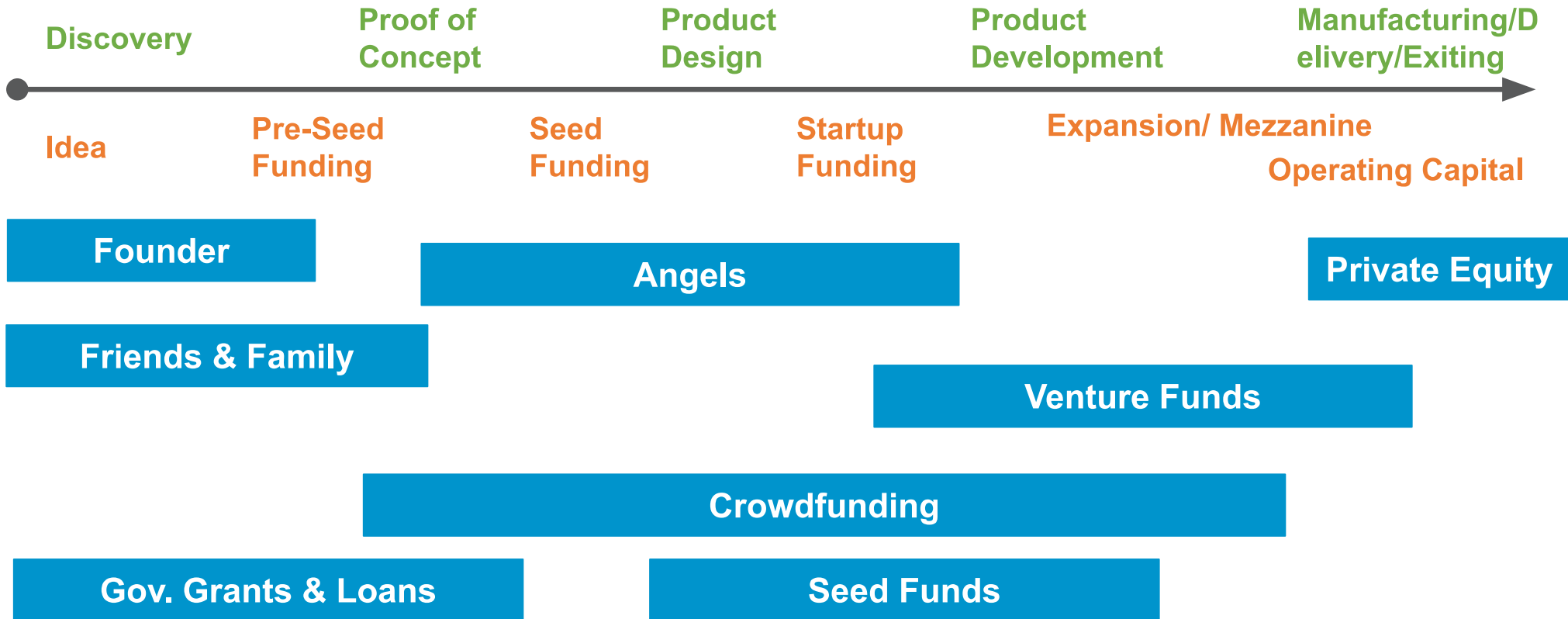


Local & Global Markets: Willamette Valley





Funding Life Cycle

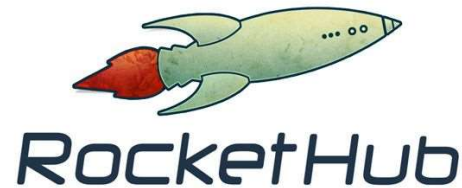


Crowdfunding

KICKSTARTER



Republic



PATREON |

INDIEGOGO

FUNDABLE



Arable Brewing Company

A specialized microbrewery and event space in Lane County, Oregon



WOMEN FOUNDERS VETERAN FOUNDERS LOCAL B2C CONSUMER GOODS & RETAIL



\$68,660

150% of minimum goal raised 

122

Investors

Successfully funded and closed on October 1, 2022.

Thomsen's Inc.



A proven, efficient system for public health & safety | Test, Clean, & Certify!

B2B WOMEN FOUNDERS WASTE MANAGEMENT & SANITATION



\$60,450

240% of minimum goal raised 

27

Investors

44 days

Left to invest

Crowdfunding

Anyone in the U.S. over the age of 18 can:

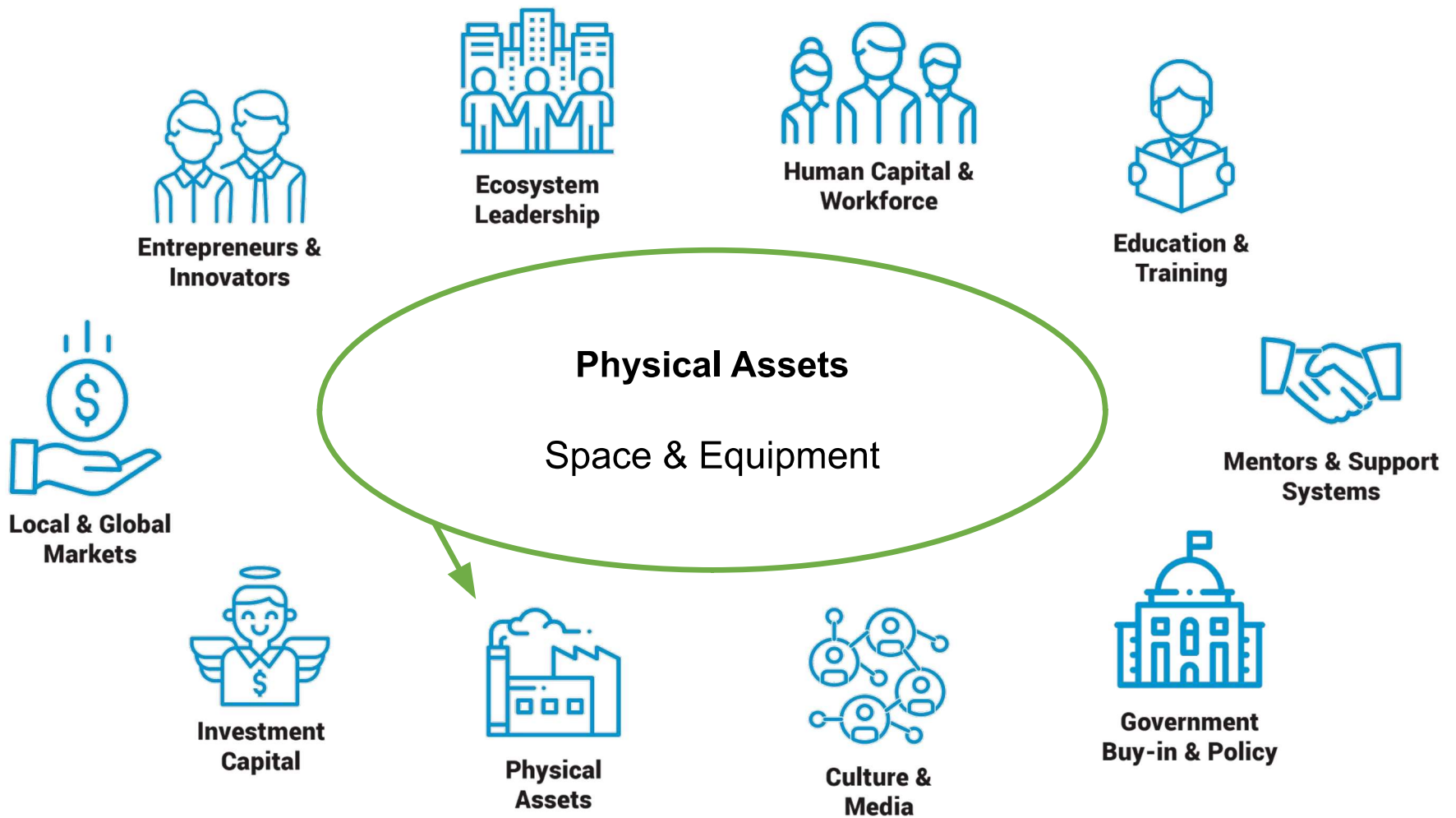
- Invest as little as \$100 in Oregon companies
 - Revenue Share Loans
 - Equity Investments
- Support businesses in their “own backyard”
- Help catalyze entrepreneurship
- Feel like a “stakeholder” in local businesses...

✓ \$500 finalized
on 10.21.2022

[View investment](#)

Deal terms

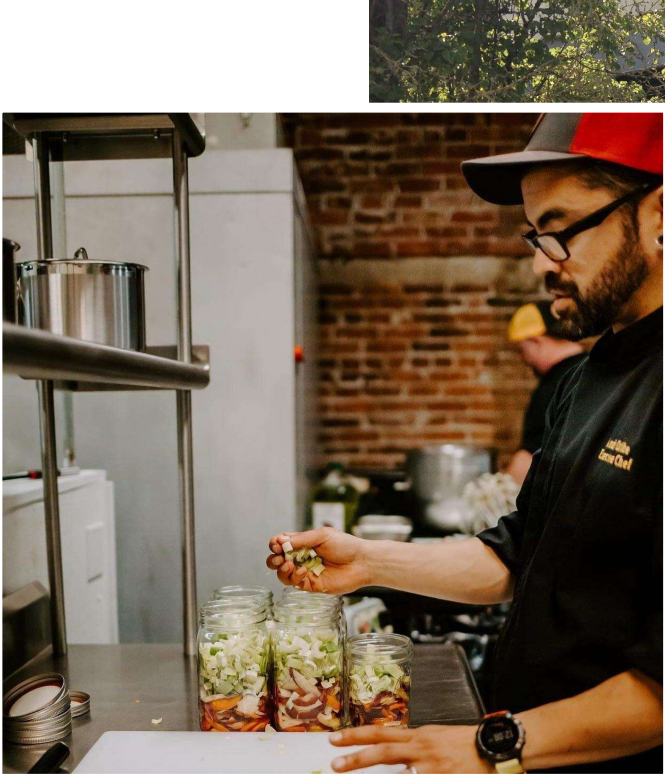
Security Instrument	Crowd Revenue Note	i
Investment Multiple	1.7x	i
Early Payment Provision	variable	i
Monthly Revenue Sharing Percentage	19%	i
Maturity	60 months	i
Minimum investment	\$100	i
Maximum investment	\$19K	i

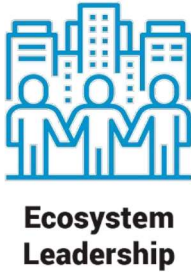


Physical Assets Regional Example: City of Independence



Indy Commons & Kitchen Incubator





Culture & Media Regional Example: City of Florence

SN Siuslaw News

Part RAIN plans accelerator for entrepreneurs

Oct. Acce comr of Flo broug the pa officia the en



RAIN, Startup Blue seek to channel ocean-based innovation



RAINmaker accelerator helps Oregon businesses 'make it rain'

Culture & Media Regional Example: Malia Spencer (PBJ)



STORIES / FUNDINGS

5 startups land \$870,000 at Pitch Oregon 2023

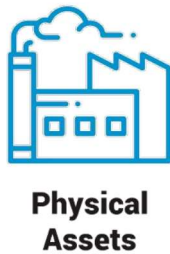
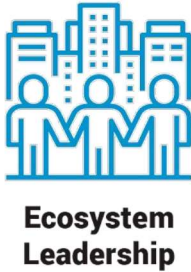


Malia Spencer

Portland Inno
mspencer@bizjournals.com
503-274-8733



The winners of Pitch Oregon 2023.
GEORGE PADILLA

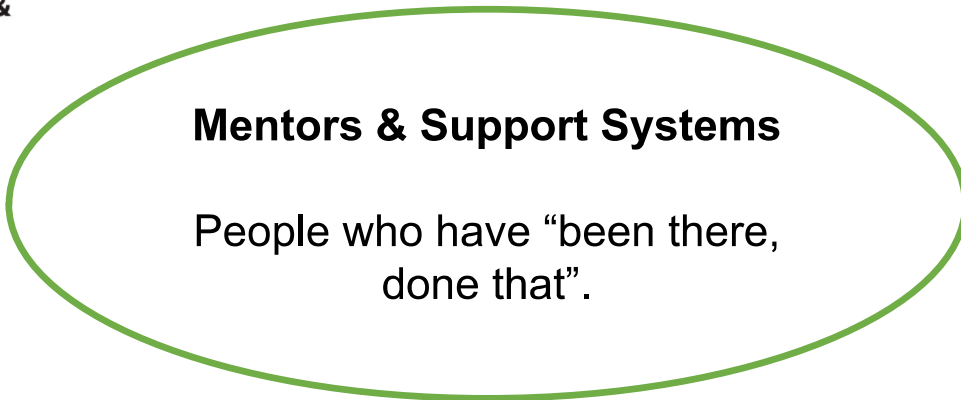


Government Buy-In & Policy Example: State Legislature

Oregon legislators have **passed meaningful measures in recent sessions**, and it shows the impact policymakers can have as partners:

- **HB 2266** (2021) **expanding access to capital**
- **\$9 million** in **technical assistance** (2021)
- **HB 409-A** to enhance **statewide broadband, digital equity** (2022)
- Updates to **Entrepreneurial Development Loan Fund** (2022)





Mentors & Support Systems



Mentors & Support Systems Example: EDCO & Bend



Stable of Experts

EDCO
MOVE. START. GROW.

RAIN
catalysts

www.raincatalysts.org



Entrepreneurs & Innovators



Ecosystem Leadership



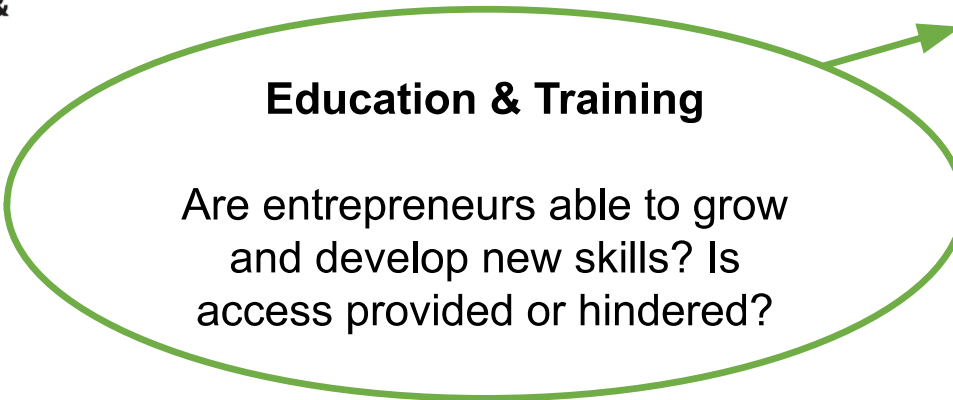
Human Capital & Workforce



Education & Training



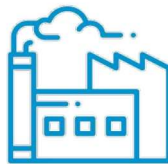
Local & Global Markets



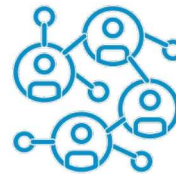
Mentors & Support Systems



Investment Capital



Physical Assets



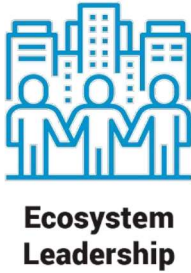
Culture & Media



Government Buy-in & Policy

Education & Training Regional Examples: Oregon





Human Capital & Workforce Example: Coastal Workforce Boards



Human Capital & Workforce Example: Sector Strategies

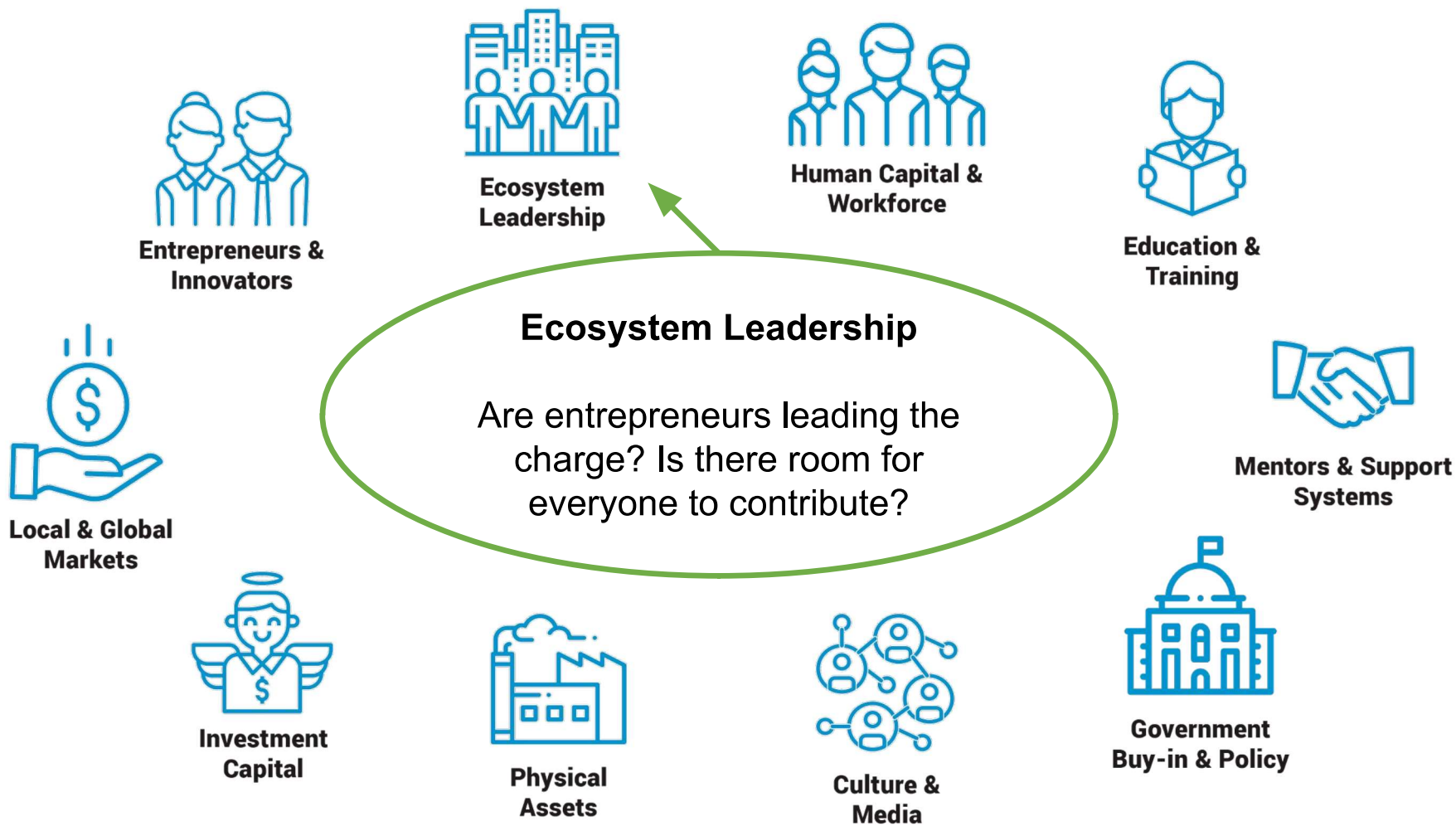


- Technology
- Food & Beverage
- Construction-Aggregate
- Wood Products
- Creatives
- Transportation
- Child Care

PROVIDING OPPORTUNITIES
FOR JOB GROWTH



www.raincatalysts.org



Entrepreneurial Leadership Regional Example: Grant County



Entrepreneurial Leadership Regional Example: Grant County



Oregon State University
Extension Service



Entrepreneurial Leadership Regional Example: Grant County



Street Fairs

Remember: Entrepreneurship Ecosystem-Building is a Team Sport!



Poll Time! #2

Select the 3 ecosystem components that you believe are the **WEAKEST** in your community!

Poll Time! #3

Select the 3 ecosystem components that you believe are the **STRONGEST** in your community!

1 thing you **learned..?**

1 thing you're going to **do differently...?**

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