

ACTION GREENSBORO
Entrepreneurism and Small Business Development Task Force
Report and Recommendations by Co-Chairs Lanty Smith and Lee Lloyd
November 8, 2001

I. Our Charge:

“To identify action steps to bring together the resources for business creation and support; to develop a strategy for small business creation, particularly in economically underserved areas and populations.”

II. Our Resources:

Sixty-five (65) task force volunteers, representing virtually every entrepreneurial support organization and institution of higher learning in our community, as well as a diverse group of entrepreneurs, professional service providers, and other interested citizens.

III. Our Path

A. Our Leadership Greensboro Project Team compiled a highly informative survey / inventory of all major entrepreneurial support organizations in the Piedmont Triad to assess strengths, weaknesses and overlap of services in our regional entrepreneurial support infrastructure.

We hosted a luncheon for approximately 50 economic and entrepreneurial development leaders in the Triad on the topic of "Stimulating Entrepreneurial Growth: The Paths and Critical Success Factors in Research Triangle Park and Charlotte." We had as guest speakers Monica Doss, President of the Council for Entrepreneurial Development (RTP) and Patricia Pollack, Executive Director of the Metrolina Entrepreneurial Council (Charlotte).

B. We formed nine (9) active subcommittees, with co-facilitators listed:

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|-------------------------------------|------------------------------------------------|
| 1. Incubator Capacity | Chip Hagan, Tom May,
Earnestine Psalmonds |
| 2. Minority Business Development | Doug Speight, James Williams,
Landrey Shore |
| 3. Internet Resource Portal | Scott Harrington, Kathy Elliott
Peggy Low |
| 4. Mentoring | Terry Noel, Doug Gawrych |
| 5. Entrepreneurial Education | Wanda Lester, Billy Nutt |
| 6. Funding Entrepreneurial Ventures | Roddy Davis |

- 7. Survey of Entrepreneurs Tom Stapleton
 - 8. Metrics – Measuring Our Success Charles Tuttle
 - 9. Higher Education Partnerships Craven Williams, Charles Tuttle
- C. Lanty Smith and Lee Lloyd participated in ongoing dialogue with Winston-Salem economic development officials regarding Triad regional efforts, particularly with Allen Joines, Executive Director of the Winston-Salem Alliance, and Peggy Low, W-S Chamber of Commerce-SVP for Technology Business Development.

IV. Significant Recommendations

- A. Action Greensboro should partner with the Winston-Salem Alliance, with each providing funding of \$1.0 million over five years for the newly-formed Triad Entrepreneurial Initiative (TEI).

1. Background: The W-S Alliance recently committed approximately \$1.0 million over three years to launch the TEI. Our objective, which is strongly supported by the W-S Alliance, is to “regionalize” the TEI.

The mission of the TEI is to coordinate resources to create an entrepreneurial climate that promotes economic development of successful entrepreneurs and high-growth start-up companies. This goal will be accomplished through a combination of activities intended to increase the number of high-growth business start-ups, ensure their success and encourage them to locate in the Triad.

A Business Plan Competition (BPC) will be a focal part of the program. For the competition to be successful and have lasting benefit, however, it is important that the region’s overall entrepreneurial environment be strengthened. Thus, the proposal includes activities to ensure post-competition success, provide capital to help promising contestants proceed, and create a community where they can and will want to grow their businesses. This effort will provide ongoing support and continuity, thus ensuring continued and long-term results.

A more detailed description of the TEI is available upon request.

2. TEI Steering Committee Members (as of 11/08/01)
 - Forsyth Technical Community College
 - Greater Winston-Salem Chamber of Commerce Technology Council
 - Greensboro Business Center
 - Greensboro Chamber of Commerce
 - Guilford Technical Community College
 - High Point Chamber of Commerce (pending)
 - Idealliance
 - North Carolina A&T State University
 - Piedmont Entrepreneurial Network (PEN)
 - Small Business and Technology Development Center (SBTDC)
 - Techcentricity
 - University of North Carolina – Greensboro
 - Wake Forest University
 - Winston-Salem State University
3. Rationale: The TEI is truly a unifying, cooperative regional effort, headed by a highly professional project manager and including the collaborators listed in IV.A.2. above. We believe this is a critical Triad initiative, well-designed to create an enhanced entrepreneurial climate that promotes economic development and job creation through the development of successful entrepreneurs and high-growth start-up companies.
4. Timing: The BPC is scheduled to begin in late 2001; therefore time is of the essence.

- B. Action Greensboro should partner with the Greensboro Business Center (GBC) incubator and NC A&T to provide funding for additional expansion of GBC facilities and support services, and for facilitation of the co-location of NC A&T's Office of Technology Transfer and Commercialization (OTTC) to the GBC.
1. Background: The GBC was founded as a non-profit incubator in 1987 to foster economic development. The GBC's graduates have an excellent record of success, and the GBC is generally considered to be the largest and most successful incubator in NC (74% graduation rate). NC A&T has established its OTTC, operates a SBTDC office, has developed a portfolio of diverse technologies internally, and is the recipient of promising intellectual property as the NC affiliate of NASA's Technology Transfer Center.
 2. Summary Proposal Highlights:
 - a) Expand third floor of the GBC (Phase II) by 15,000 s.f. to provide space for 28 new companies. Third floor reserved, wired, and up-fitted exclusively for high-tech, high-growth companies. [\$425,000 budget]
 - b) Add new GBC Assistant Director responsible for recruitment and outreach to the minority business community and overseeing increased entrepreneurial education/training programs in conjunction with NC A&T, GTCC, UNC-G, and others. [\$75,000 annual budget, including modest staff compensation upgrades]
 - c) Locate NC A&T OTTC on third floor of the GBC to create vibrant interchange between university and entrepreneurial communities which will result in more successful commercialization locally of NC A&T proprietary technology. [Approximately \$165,000 annual budget]
 3. Rationale:
 - a) Increase in high tech, high-growth tenants in the GBC, further bolstering a proven economic development asset.
 - b) More effective leverage of university intellectual property, creating a vital university/industry partnership.
 - c) Enhanced community outreach initiatives for minority businesses and aspiring entrepreneurs resulting from NC A&T commitment and additional GBC staffing.

- d) Enhanced entrepreneurial support services resulting from increased focus and commitment by GBC and NC A&T.
 - e) Replicable prototype for technology transfer initiatives with UNC-G and other higher education institutions.
4. Timing: The recent GBC Phase I expansion (10,000 s.f.) created 15 new offices at a cost of \$502,000. The GBC projects that it will reach 100% occupancy by May 1, 2002.
- C. Action Greensboro should partner with the Greensboro Chamber of Commerce, SEEDS, and the CEMALA Foundation to establish the Inclusive Capitalism Partnership Program (ICPP).
1. Background: Small businesses, and minority-owned businesses in particular, often lack the networking relationships, formal training programs, and awareness of new business/bidding opportunities that larger businesses possess. The objective of the ICPP, which is modeled similarly to Wilmington's successful Partners for Economic Inclusion program, is to create a climate of inclusiveness in Greensboro's business community that stimulates the development and growth of minority-owned businesses while enhancing quality and selection of the vendor and sub-contractor base for Greensboro's larger businesses.
- Due to the tremendous construction activity scheduled to occur in Guilford County as a result of passage of the \$3.1 billion state-wide higher education bond referendum, the ICPP will initially focus on the construction industry; however, the program should be expanded in the future to include retail, professional services, and other industries.
2. Summary Proposal Highlights:
- a) The ICPP will kick off with a series of introductory socials in which established contractors and minority contractors, led by a trained facilitator, come together to discuss opportunities for collaboration and building win/win business relationships. Formal mentoring relationships will be advanced as a primary vehicle for relationship building. [\$21,000 annual budget]

- b) Establishment of a Contractors College, a twice-yearly series of one-day seminars providing training on issues including licensing, estimating, bidding practices and preparation, financing/capital availability, and updates on current construction projects. [\$15,000 annual budget]
 - c) Establishment of a Project Plans Room, providing minority contractors with access to upcoming projects for bid in the community through a centralized resource located at the Greensboro Chamber of Commerce [\$50,000 – \$70,000 first year startup; \$45,000 annual budget]
 - d) Establishment of a new Inclusive Capitalism Award to recognize and reward businesses that demonstrate leadership in implementing the inclusion of small and minority-owned businesses in their business practices. The award will be presented in conjunction with the Greensboro Chamber of Commerce at its Small Business Week Luncheon and Annual Dinner.
3. Rationale: The concept of “inclusive capitalism” creates win/win relationships, which lead to economic development and the creation of wealth in our minority communities. Time is of the essence in order to take full advantage of the significant construction activity expected to take place in Guilford County over the next five years.
- D. Summary of Additional Recommendations [most of which will be incorporated into the Triad Entrepreneurial Initiative (TEI)]
- 1. Create a Piedmont regional Internet Resource Portal, which will provide detailed descriptions and links to entrepreneurial support service providers (agencies and organizations), targeted to entrepreneurs at varying stages of the business lifecycle. The Portal will also serve as a marketing vehicle for recruitment of entrepreneurial companies to the Triad and for promotion of programs sponsored by the TEI.
 - 2. Establish a Triad-wide mentoring program for entrepreneurs that features a model of creating an individually-selected, three-member Board of Advisors to meet at least quarterly with the entrepreneur. This program will be administered by the TEI.
 - 3. Offer the highly effective 12-week FastTrac entrepreneurship education program in the Triad. This program has been successfully utilized in the Research Triangle to help more than 450 entrepreneurs improve their businesses. This program will be offered by the TEI in conjunction with Wake Forest University.
 - 4. Funding for Entrepreneurs
 - a) Piedmont Angel Network (PAN), the formation of which is being sponsored by PEN and the SBTDC.

- b) Expand size/profile of the Greensboro Venture Capital Fund administered by the Greensboro Chamber of Commerce.
 - c) Explore creation of a Triad-wide venture capital fund (Piedmont Community Venture Fund), funded by Triad foundations and banking institutions, that provides equity and debt capital to companies that have the potential to create significant and measurable economic and social benefits to our region. Managers of the PCVF would provide comprehensive advisory services to portfolio entrepreneurs.
5. Conduct a survey of entrepreneurs to better assess infrastructure needs, strengths, and weaknesses. Survey will be administered by the City of Greensboro (and possibly the TEI).
 6. Measure the success of efforts to stimulate entrepreneurial activity by creating a Triad-wide Entrepreneurial Index. PEN and the SBTDC are collaborating to create the Entrepreneurial Index.