

Public Entrepreneurs

The Visionary Risk-Takers of an Entrepreneurial City

ENTREPRENEURS WANTED.

Entrepreneurs are icons of the private sector, particularly the start-ups of the high tech world. As Mitchel Weiss said in his Harvard Business School article [Harvard Business Review, March 28, 2014], “Public entrepreneurship is entrepreneurship.” There is no private, public or institutional about it.

The entrepreneurial city is a place that fosters and celebrates entrepreneurs of all stripes. The public entrepreneur has a framework and rewards system for her ventures as does an institutional entrepreneur. A private entrepreneur has more freedom of action, fewer constraints and a broader field of investment opportunities that come with a more personalized reward program. All types are important to the entrepreneurial city.

THE ENTREPRENEURIAL CITY.

Such a city appreciates innovations, inventions and adventures in doing things a new way. Such a city may practice risk-oriented investments and business ventures within city hall and benefit from the same spirit in the business community. An atmosphere of innovation and investment, with a responsible understanding of risk, can permeate the community.

Entrepreneurialism has many outlets. There are private venture capitalists, hedge fund managers, infrastructure investment managers, along with the idea of public entrepreneurs such as civic investors, enterprise fund managers, pension fund directors and social entrepreneurs among others. They all take risks to produce rewards.

PUBLIC ENTREPRENEURS.

Public entrepreneurs are different than their private counterparts; they are risking the public’s money in a transparent setting. However, the public administrator with an entrepreneurial bent can hyper-advance the public agenda when armed with a vision-consistent program, a strong value proposition and a competent analysis of risks and rewards.

The literature is building on the subject. Three studies have been reviewed and cited below. The articles themselves are interesting, but the “take away” is the idea that city managers, administrators, planners, development directors and community leaders can act entrepreneurially. As Mitchell Weiss goes on to say, “There is, however, a big problem with public entrepreneurs: there just aren’t enough of them.”

PRIVATE ENTREPRENEURS.

Business makes the world go round and small cities are being seen as great venues for the new economy. More and more, start-up business people, small business owners and adventuring capitalists want to live in settings that meet their social, economic and family needs while offering connections to everywhere in the world.

CHARACTER TOWNS LEND THEMSELVES TO BEING ENTREPRENEURIAL TOWNS.

Character towns fit the bill for entrepreneurs. They have residential variety, hometown comfort, cultural diversity and strong education systems.

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CHARACTER TOWNS ARE FERTILE GROUND FOR ENTREPRENEURS.

Such small cities and towns can also have the networks and facilities that foster and support private entrepreneurialism with world-wide connections to communication and transportation networks. To be a player in the new economy and the global marketplace, the size of the town no longer matters; connections matter more than location.

CITIES CAN ENCOURAGE AND ENABLE PUBLIC AND PRIVATE ENTREPRENEURS.

The city's opportunity is to embrace the idea of becoming a place of innovation that nurtures and grows businesses of the new economy by:

1. **Advocating and Supporting**

Entrepreneurial Education and Training.

- The city can be an important agent in training and educating public entrepreneurs in city hall and private entrepreneurs in the local business community.
- The city's Social Infrastructure Plan can recognize, support and fully leverage the city's resources to make calculated investments in workshops and forums, high school programs, service club activities and NGOs such as Junior Achievement.
- Entrepreneurial education and training is becoming more common. High schools and even middle schools are adding entrepreneurship to their curriculum. When augmented by local business programs these early experiences become more powerful in shaping the minds of future business and community leaders.

2. **Leadership** and entrepreneurialism in city hall and on main street are important characteristics of a successful character town that is also an entrepreneurial city.
3. **Connections.** Systems and facilities that connect resident entrepreneurs to global networks are critical. The entrepreneurial city makes these vision-consistent investments in internet infrastructure, transportation connections to airports and resident access to entertainment and cultural venues locally and in nearby metropolitan cities.
4. **Tolerating Responsible Risk.** A sophisticated understanding of responsible risk creates an environment that permits city investments, privatizations, private development approvals and partnerships after they have been fully evaluated with a measured risk-reward equation.
 - Since every investment involves risk, the public entrepreneur needs to learn to be successful in a risk-oriented world. Risks can be financial, reputational, or political. Sometimes the risk of no action is the biggest risk. Enterprise risks of a catastrophic nature are the ones to avoid.
 - The obligation of the public or private investor is to be responsible; to understand the risks of failure in the specific deal, to understand the parties involved, to appreciate any macro events that may be looming and to have a plan for what to do in case of failure.

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- Failures can be learning events, they can lead to a greater understanding of the issue at hand and they can be the basis for the next deal.
 - There is always a back-up plan in case of failure or limited success...a Plan B. Anticipating failure with a hopefully-unnecessary response is prudent whether it is termed an exit strategy, a cost recovery scheme or a fail-safe plan.
5. **Partnering.** City partnerships with other governments and institutions are common and often fruitful. Partnerships with private businesses are less common despite the trend to privatization and private-public partnerships.
- Partnering with business, or anyone else for that matter, requires that the city representative be up to the task of securing a good deal for the city. Experience and training are required.
 - Partnering is a great way to develop entrepreneurs in city hall. Private-public partnerships [P3s] demand business and risk evaluation skills on the part of the city. Successful P3 experiences build confidence in city staff to evaluate future opportunities and risks.
 - Even unsuccessful partnerships are useful if they are learning experiences that do not catastrophically affect the public enterprise.
6. **Sponsoring and Supporting Resource Centers.**
- **Business Centers.** Small and start-up businesses benefit from business centers that provide the wide variety of resources that they cannot or choose not to afford.
 - **Partners.** Libraries make great hosts for business centers. City investment or recruiting of private providers is warranted.
 - **Business Incubators and Accelerators.** Incubators and accelerators that educate and support startup and small businesses are a critical component of a character town. Many are provided by colleges and universities. City support enables these learning centers to operate in a downtown setting accessible to local entrepreneurs. See the program descriptions that follow.
7. **Branding.** The very presence of a business incubator in downtown projects the image of an aggressive and progressive city. The services provided put substance behind the image and help to build the economic base of the town. A substance-based image helps recruit players in the new economy.
8. **Retaining Innovators.** When these business adventurers live in a town with an accommodating lifestyle, when they benefit from a strong school system and when they exploit systems that let them scale up their businesses, there is a good chance they will remain in or near their starting ground once they succeed and expand. An expanding economic base founded on locally grown talent is one element of a successful town.
9. **Celebrating Success.** Publicly and elaborately celebrated entrepreneurial success, private and public, is important. Celebrations are standard fare among robust economic development organizations, especially in character towns where the success of a local person is appreciated as a community success.

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PUBLIC ENTREPRENEURSHIP, THE LITERATURE.

A powerful voice for public service...



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Excerpt From...

Is Public Sector Entrepreneurship the Way to the Future?

By Marvin Pichla

“As all ASPA members look toward the next 75 years, I believe it is critical to begin creating a public sector entrepreneurship “culture.”

To read more, go to: <http://patimes.org/public-sector-entrepreneurship-future/>

Excerpt From... [The GovLab Selected Readings](#)

Hosted by:
NYU| Polytechnic School of Engineering

Public entrepreneurship

“Public entrepreneurship is a term that describes individuals who partner with government offices and agencies to innovate new ways to serve the public. Some public entrepreneurs use nudges (behavioral economics), collaborative creation methods such as crowdsourcing, design thinking or civic technology as tools to achieve their goals.”

To read the full article, go to: http://thegovlab.org/wiki/Public_entrepreneurship



UNIVERSITY OF CAMBRIDGE

Judge Business School

Excerpt From...

Defining public entrepreneurship

Dr. Christos Pitelis, Reader in International Business & Competitiveness at Cambridge Judge Business School, and Professor Joseph Mahoney of the University of Illinois, discuss their award-winning paper on public entrepreneurship.

“Professor Mahoney said: “Public entrepreneurship involves innovations of those who combine public and private resources in pursuit of their social objectives.”

To read the full article, go to: <http://insight.jbs.cam.ac.uk/2011/defining-public-entrepreneurship/>

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What Is Canvs?

Our mission is to make it easier for anyone in Orlando to start and grow a company. We believe Orlando has the potential to be a nationally-recognized center for technology, and we're working to help make that happen.

Our coworking space is home to 45+ companies working in areas of technology and supportive businesses. A healthy startup community doesn't exist in a bubble, and we're working to connect startups to a broader entrepreneurial ecosystem that will help them grow.

Canvs was designed to be the front door to the technology community. Anyone is welcome to stop by and learn more about Orlando's tech startup scene. Canvs is home to the Orlando Tech Association, in addition to dozens of startup companies. Many of Orlando's most active event organizers are Canvs members, and we make a point of knowing what's happening around town.

Our space is located in the Church Street Exchange in downtown Orlando. The Exchange was recently revitalized as a 3-story center for technology in the heart of the entertainment district. Our building is walking distance from the new Dr. Phillips Center for the Performing Arts, the Amway Center, SAK Comedy Lab, CityArts Factory, Mad Cow Theatre, Gallery at Avalon, and plenty of bars and restaurants.

<http://canvs.org/about/>

YP Company Overview

YP is a leading local marketing solutions provider in the US dedicated to helping local businesses and communities grow. Formerly AT&T Interactive and AT&T Advertising Solutions, YP launched in May 2012, bringing the two companies together.

YP's flagship consumer brands include the popular YPSM app and YP.com, which are used by more than 70 million visitors each month in the U.S. and The Real Yellow Pages[®] directory. Connecting consumers with businesses when they're ready to buy is what YP is all about, and we've been doing this for over 100 years. YP solutions include online presence, local search, display advertising, direct marketing, and print directory advertising. YP solutions and services are backed by thousands of media consultants and customer service professionals in local markets across the U.S. with relationships spanning nearly half a million advertisers.

For more information on YP, visit the press center or download the YP by the Numbers document. YP, the even-more-powerful Yellow Pages. YP can do thatSM.

<http://corporate.yip.com/company-overview/>

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The International Business Innovation Association

The International Business Innovation Association (INBIA) is the world's leading organization advancing business incubation and entrepreneurship. Each year, it provides thousands of professionals with information, education, advocacy and networking resources to bring excellence to the process of assisting early-stage companies. An elected, voting board of directors representing the world's leading incubators governs the association. INBIA serves over 2,000 members in across 60 nations. While entrepreneurial support program managers and developers make up a large share of INBIA's membership base, the association also represents other interested individuals and groups. Approximately 27 percent of the INBIA membership is from outside the United States.

INBIA advances the business creation process to increase entrepreneurial success and individual opportunity, strengthening communities worldwide. To accomplish this mission, INBIA serves as a clearinghouse of information on the entrepreneurial support ecosystem. The association engages in many activities that support members' professional development, including

- Organizing conferences and specialized trainings
- Consulting with governments and corporations on incubator development

<http://www.nbia.org/the-international-business-innovation-association>



About GrowFL

GrowFL was created in 2009 by the Florida legislature as an economic development program focused on assisting second-stage growth companies prosper in the state of Florida. By providing strategies, resources and support to second-stage companies for next level growth through Strategic Research, Peer Learning and Leadership Development, GrowFL helps companies overcome obstacles to growth and leads them towards prosperity. Based on the philosophy of Economic Gardening®—to grow existing businesses in a community, region or state—GrowFL, the Florida Economic Gardening Institute, is a critical component to the state's economic development strategy and Florida's entrepreneurial ecosystem. GrowFL is a statewide economic development organization certified by the National Center for Economic Gardening through the Edward Lowe Foundation.

As of June 30, 2014, GrowFL assisted companies represent over 14,000 direct jobs across the state of Florida. In 2014, these companies had an estimated sales output of over \$1 billion and contributed over \$2 billion to the Florida economy. For fiscal years 2013 and 2014, a variety of state, local and private sector funding sources invested \$2.89 million in the GrowFL program. **All dollar amounts have been adjusted to 2015 dollars.* Today, GrowFL has assisted more than 800 companies through our Strategic Research and CEO Roundtable programs and recognized 200 successful entrepreneurs through our annual awards program, [Florida Companies to Watch](#).

<http://www.growfl.com/>

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READINGS.

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2. ***In Search of Excellence : Lessons from America's Best-Run Companies***, Peters, Thomas J. and Robert H. Waterman, Jr, Harper & Row Publishers, Inc., New York, 1982.
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4. ***Playing to Win, How Strategy Really Works***, A.G. Lafley and Roger L. Martin, Harvard Business School Press, Boston, Mass., 2013.
5. ***Social Entrepreneurship for the 21st Century: Innovation Across the Nonprofit, Private, and Public Sectors***, Georgia Levenson Keohane, The MacGraw-Hill Companies, 2013.
6. ***Startup Communities, Building an Entrepreneurial Ecosystem in Your City***, Brad Feld, John Wiley & Sons, Inc., Hoboken, 202 pages, 2012.
7. ***The Art of Being Unreasonable, Lessons in Unconventional Thinking***, Eli Broad, John Wiley & Sons, Inc., Hoboken, NJ, 2012.
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