

Character Towns as Entrepreneurial Cities.

Character Towns are Ideal Entrepreneurial Cities.

Character towns are not just pretty places; when well designed, they accommodate innovators, social and economic adventurers and all sorts of entrepreneurs, some of whom are city employees. Such a city appreciates people interested in doing things in a new and better way. Such a city may use enterprise funds, risk management services and quasi-business ventures within city hall to benefit from the same spirit experienced by the private business community. An atmosphere of innovation and investment, with a responsible understanding of risk, can permeate city hall and the community. Leadership and entrepreneurialism in city hall and on main street are important characteristics of a successful character town that is also an entrepreneurial city.

Entrepreneurs Wanted.

Entrepreneurs are icons of the private sector, particularly the start-ups of the high-tech world. However, as Mitchell 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. There are private venture capitalists, hedge fund managers, infrastructure investment managers, along with the public entrepreneurs who are the social investors, enterprise fund managers, pension fund directors and social entrepreneurs. They all take risks to produce rewards; they leverage assets to create value.

Entrepreneurism is an attitude with many outlets and personalities; all types are important to the entrepreneurial city. The public entrepreneur may have a framework and rewards system that differs from that of the private entrepreneur, but each is still driven by doing new things better, faster or cheaper to create value.

Public Entrepreneurs.

Public entrepreneurs are different than their private counterparts since they are risking the public’s money in a transparent setting. However, the public administrator with an entrepreneurial bent can hyper-advance the town’s agenda by implementing a new idea when armed with a vision-consistent program, a strong value proposition and a competent analysis of risks and rewards. The concept and reality of the “social entrepreneur” has recently been getting a lot of press.

Social Entrepreneurship for the 21st Century: Innovation Across the Nonprofit, Private, and Public Sectors by Georgia Levenson Keohane discusses this new cadre of social innovators. Four activities related to advanced manufacturing are cited below as examples of entrepreneurial activities in the New Innovation Economy. They reflect the fact that city officials, in conjunction with private business leaders are acting entrepreneurially. As Mitchell Weiss goes on to say, “There is, however, a big problem with public entrepreneurs: there just aren’t enough of them.”

Manufacturing Returns to the United States.

Advanced manufacturing is a high-tech process devoid of much of the Second Industrial Revolution baggage. It is clean, technically demanding, compact, sometimes small scale and well-suited for location in small cities and towns. Size and location no longer matter. Recent examples from their respective websites:

- **UI Labs, Chicago.**

“UI Labs is a Chicago-based research and commercialization collaborative, bring[ing] Universities + Industry together to define problems, design partnerships and deliver scalable solutions to tomorrow’s important challenges. UI Labs’ first Lab – the national **Digital Manufacturing and Design Innovation Institute** – has brought together 40+ global manufacturing and technology companies with 30+ university, government and community partners to launch this \$320M institute. DMDII has buy-in from more than 500 supporting organizations, and more than a dozen leading companies have invested over a million dollars.” “City Digital at UI Labs in Chicago innovates at the physical-digital convergence to create smart cities present and future.”

- **National Network for Manufacturing Innovation: A Preliminary Design.**

“The NNMI is an initiative envisioned by President Obama to bring together industry, academia, and government partners to leverage existing resources, collaborate, and co-invest in advanced manufacturing innovation and accelerate commercialization.”

- **The International Consortium for Advanced Manufacturing Research (ICAMR, now BRIDG).**

ICAMR “invites leading global companies with Internet-of-Everything manufacturing endeavors to participate in an industry-friendly consortium for advanced sensors, photonics and optics, and other advanced device manufacturing opportunities. ICAMR is initially targeting the mega-growth technologies that will lead to over 50 billion devices being connected by sensors by the beginning of the next decade. By leveraging unique emerging technology capabilities, ICAMR will develop advanced lab/fab and universal technology platforms with the economy of scale needed for cost-effective manufacturing.”

- **The Advanced Manufacturing and Innovation Academy at Lake Mary High School, Lake Mary, Florida.** Lake Mary High School Advanced Manufacturing & Innovation Academy Ribbon Cutting. **YouTube, Published on Oct 21, 2015.**

“On October 20, Dr. Walt Griffin, several members of the school board, community leaders, and school officials cut the ribbon for Lake Mary High School's new Advanced Manufacturing & Innovation Program. The program is a collaboration of the drafting, carpentry and manufacturing curriculum, to fill the need of the manufacturing industry in the Central Florida area.”

<https://www.youtube.com/watch?v=MiwWh3cZ6w>

Small Cities and Towns and the 'New Innovation Economy'

Every time technology improves the speed of communication, transportation and accessibility to information, a new economy is born. The current New Economy appeared in 1975 with electronic computer kits. The Apple I “kit” followed the next year, succeeded by Apple II. In 1978, the spreadsheet software, VisiCalc, was introduced and changed the personal computer from toy to tool. Data base software followed. The IBM PC was rolled out on August 12, 1981 followed by Windows in 1985. The invention of the internet by Sir Timothy Berners-Lee in 1989 sealed the deal. Speed and accessibility to information and communication accelerated. The newest New Economy was forged in the 1990s and continues into the 21st century.

The characteristics of the New Economy are:

1. “This new economy has three distinguishing characteristics:

- it is global.
- it favors intangible things—ideas, information, and relationships,
- it is intensely interlinked.

These three attributes produce a new type of marketplace and society, one that is rooted in ubiquitous electronic networks.” **New Rules for the New Economy**, Kevin Kelly, 1999.

2. “An Ernst & Young study of 1,400 companies, *Competing for Growth*, notes the changing climate of business as well. In a nutshell, says the EY study, following the massive recessionary period of 2008-2009, organizations were back to business in 2010, but not back to normal. In fact, the concept of ‘normal’ has changed. We are now living and working within a ‘New Economy’ of business that is more competitive than the old, but presents new opportunities. EY’s interviews with 1,400 companies show that successful ventures – those in the top quartile in both revenue and EBITA growth – have focused their efforts during the ‘recovery economy’ on four primary drivers of competitive success:

- Customer reach: to optimize their potential market,
- Operational agility: to maximize their effective response,
- Cost competitiveness: to optimize their profitability,
- Stakeholder confidence: to secure the necessary talent and the need for achieving their goals.”

“**Attracting and retaining talent remains a problem**, both through the downturn and in the emergence of the new economy.” <http://www.forbes.com/sites/cherylsnappconner/2014/03/08/how-to-thrive-in-the-new-economy-of-business-steal-these-tips/>

3. From the perspective of an economic development program serving a small city or town, **the New Economy is:**

- Technology-based demanding infrastructure that supports high-speed internet service.
- Innovation-based needing talented workers versed in the computer and information technology sciences.
- Applications-based and important to all industries from agriculture to space exploration.
- Talent-based with businesses and governments always searching for new “talent” to continue the enterprise’s pursuit of improved quality and reduced prices for its goods and services.
- Locationally-neutral with location of business offices, laboratories and production shops subservient to the locations of customers, employees and suppliers.
- Educationally-driven to keep up with ever-changing technologies, customer needs and global conditions.

As a result, for small cities and towns to compete, they must have technologically strong infrastructure, real-time education and training programs, access to global communication and transportation network and a community environment that appeals to the talented employees required by the New Innovation Economy.

Private Entrepreneurs.

A private entrepreneur generally has freedom of action, few constraints, a broad field of investment opportunities and an adequate compensation package. This is the type of person who can select the big city village or the small town neighborhood as a home base. More and more, small cities are being seen as great venues for the talented professionals of the New Innovation Economy. More and more, start-up business people, small business owners and adventuring capitalists want to live in small character town settings near urban centers with global connections that meet their social, economic and family needs.


Character towns fit the bill for entrepreneurs. They have residential variety, hometown comfort, cultural diversity and strong education systems. Such small cities and towns can also have the networks and facilities that foster and support private entrepreneurship 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; infrastructure, connections and attitude now matter more.

Public Entrepreneurship, The Literature.

Excerpt From...   A powerful voice for public service... PATIMES.ORG

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 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

Excerpt From...  **UNIVERSITY OF CAMBRIDGE**
Judge Business School

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.ibs.cam.ac.uk/2011/defining-public-entrepreneurship/>

Incubators and Accelerators, Examples.

The UCF Business Incubator Program



What is business incubation?

Small businesses are most vulnerable during the early stages of operation. In fact, the U.S. Small Business Administration estimates that only 44% of small businesses continue to operate after four years. To help nurture companies during their most fragile stage, business incubators provide a support process that accelerates the successful development of startup and fledgling companies by providing entrepreneurs with an array of targeted resources and services. The National Business Incubation Association (NBIA) found that 87% of incubated companies are still in business five years after graduating from their program.

A little about us.

The UCF Business Incubation Program is an economic development partnership designed to help create and sustain jobs in the community and spur economic growth throughout the region. This goal is accomplished by helping new and struggling early-stage businesses grow to the point where they need to hire employees in order to continue operating and growing. Since 1999, we have assisted more than 350 early-stage companies, who've sustained nearly 3,700 jobs throughout Central Florida. These companies have also had a total impact on regional economic output (GDP) in the amount of \$2.48 billion.

Who funds the program?

The UCF Business Incubation Program is a university-driven, community partnership between the University of Central Florida, the Florida High Tech Corridor Council, Orange, Osceola, Seminole and Volusia Counties, and the cities of Apopka, Kissimmee, Orlando and Winter Springs.

During the last fiscal year, this publicly-funded program has returned \$7.95 for every \$1.00 invested in the UCF Business Incubation Program.

<https://incubator.ucf.edu/>

YP Company Overview

YP is a leading local marketing solutions provider in the U.S. 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.

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.

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

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.”
<http://canvs.org/about/>



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.

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/>

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. 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>

Conclusions.

1. City programs can encourage and enable public and private entrepreneurs.

The character town's opportunity is to embrace the idea of being a place of innovation that nurtures and grows businesses of the new economy. The character town has two plays for entrepreneurialism: the town can be publicly entrepreneurial; and, the town can appeal to private entrepreneurs looking for a safe, comfortable and connected haven.

2. The city can appeal to both public and private innovators by:

- a. **Valuing the entrepreneurial spirit.** Appreciate public entrepreneurs; accept "measured" risk.
 - b. **Advocating and Supporting Entrepreneurial Education and Training for Startups.**
 - 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 entrepreneur-focused workshops and forums, school programs, service club activities and NGO programs such as Junior Achievement.
 - Entrepreneurial education and training are 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.
 - c. **Providing Globally Connected Infrastructure.** Systems and facilities that connect resident entrepreneurs to global networks are critical. The entrepreneurial city makes, or partners with others who make, 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. Be a connected town.
 - d. **Branding Innovation.** 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 of the New Economy to move to town and remain there.
 - e. **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. Even unsuccessful partnerships are useful if they are learning experiences that do not catastrophically affect the public enterprise.
 - Partnering with business, or anyone else, requires that the city representative be up to the task of securing a good deal for the city. Experience and training are required.
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- 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.
 - f. **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 their businesses, there needs to be programs to ensure they will remain in or near their starting ground once they succeed and expand. An expanding economic base founded on locally grown innovation and entrepreneurship is a key component of a successful town.
 - g. **Understanding “Measured” Risk.** A sophisticated understanding of responsible risk creates an environment that permits city investments, privatizations, private development approvals and partnerships based “measured risk-reward” evaluation.
 - 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. The risk of no action is the biggest risk. When catastrophic risk looms, avoid it.
 - 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 circling; and to have a plan for what to do should failure actually visit the project.
 - 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, be it an exit strategy or a cost recovery plan.
 - h. **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. Libraries make great hosts. Business centers can be provided by direct city investment or by partnering with private vendors.
 - **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.
 - i. **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. Real time events that showcase the people and enterprises that have enhanced the prosperity of the community are useful.
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