REGIONAL ENTREPRENEURSHIP INITIATIVE (REI)

Entrepreneurship & Innovation Investment Strategy

Final Draft
Adopted 10/30/20

**Prepared for the GO Virginia Region 3 Council in Collaboration with
GO Virginia Region 3 Entrepreneurs and Ecosystem Builders
by Mid-Atlantic Broadband Communities Corporation
and Longwood University Office of Community and Economic Development**

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About This Report

This report was commissioned by the GO Virginia Region 3 Council to provide an actionable roadmap for growing the Southern Virginia economy through entrepreneurship and innovation. Mid-Atlantic Broadband Communities Corporation (MBC) and the Longwood University Office of Economic and Community Development were selected to co-lead the development of the strategy, using an approach that focused on entrepreneurship ecosystem building through community engagement with entrepreneurs and ecosystem partners, mapping the ecosystem to determine gaps and opportunities to scale resources, and mapping existing businesses to determine supply chain opportunities, and research into best practices and programs that would be feasible in Region 3. During the timeline of this project, the coronavirus pandemic hit the United States; therefore, the impact of COVID-19 is referenced throughout the report.

GO (Growth and Opportunity) Virginia is a bipartisan, business-led economic development initiative that supports programs to create more high-paying jobs through incentivized collaboration between business, education, and government to diversify and strengthen the economy in every region of the Commonwealth. (www.govirginia.org)

> GO Virginia Region 3 consists of 15 localities in the southern-center of the state of Virginia. Among the nine GO Virginia regions, Region 3 is the largest by square miles and smallest by total population. Region 3 includes one micropolitan area, the City of Danville. Otherwise, Region 3 is largely rural, with the City of Martinsville and each County's small towns serving as hubs of business and community life. (https://govirginia3.org/)

> GO Virginia Region 3 Council is made up of representatives from this region. The regional council submits project ideas to the state GO Virginia Board Board for approval.

Mid-Atlantic Broadband Communities Corporation is a tax-exempt 501(c)(4) Social Welfare organization established in 2004 to improve economic development in Southern Virginia by building and operating an advanced open-access fiber optic middle mile network As part of its nonprofit mission, MBC gives back to the region through its community engagement initiatives, including development of the SOVA Innovation Hub and participation in GO Virginia Region 3 initiatives. (www.mbc-va.org and www.sovainnovationhub.com)

Longwood University Office of Community and Economic Development facilitates conversations among campus and community leaders, challenging both to identify, or even create, projects that strengthen the business and economic development communities throughout Longwood University's service area. Included under the OCED is the Longwood Small Business Development Center, part of the Virginia SBDC network. The Longwood SBDC serves Region 3, Franklin County, and the Crater Planning District. (http://www.longwood.edu/economicdevelopment/ and http://sbdc-longwood.edu)

Executive Summary

This GO Virginia Region 3 Entrepreneurship & Innovation Investment Strategy positions Southern Virginia as a national model for rural entrepreneurship development. This dynamic strategy connects and enhances the **entrepreneurship ecosystem** which is the infrastructure necessary to help entrepreneurs thrive.

Entrepreneurship includes all sizes and types of ventures. **Innovation** is a subset of entrepreneurship representing ventures that bring "a new method, idea, product, etc." to market.

Rural entrepreneurship development has unique characteristics, challenges, and opportunities versus entrepreneurship development in metropolitan cities or areas with immediate access to university research capabilities, federal labs, and density of population and networks. Region 3's greatest opportunity is to connect its existing assets and take a unified approach to building partnerships with resources outside of the region.

This report was developed through a transparent process in which the project partners facilitated in-person and online community engagement sessions. This input guided additional research including national best practices, leading to identification of the recommended strategies, actions and outcomes that are feasible and relevant for Region 3.

This report includes three key deliverables:

1. Map of the Entrepreneurial Ecosystem (SOVA Entrepreneurs Resource Hub)
The SOVA Entrepreneurs Resource Hub is an online resource directory powered by Startup Space, a cloud-based ecosystem management software. This tool is a living database of local, regional, state, and national resources that can be filtered by location, industry, or type of service the entrepreneur needs. By providing a free-to-use, publicly available directory of resources, this online tool will help entrepreneurs connect to the right people and find the resources they need faster than ever before. SOVA Entrepreneurs Resource Hub can be embedded on the websites of any resource provider to maximize availability for entreprenuers throughout the region.

2. Map of Existing Businesses (R3B Map)
The Region 3 Business Map ("R3B Map") is a set of evergreen, functional tools, including a comprehensive, searchable database and ArcGIS visual maps. The database integrates timely, credible data from JobsEQ and ReferenceUSA/InfoSource. The R3B Map can be used by regional economic developers and Planning District Commissions to support enhanced Business Retention and Expansion (BRE) programs by identifying supply chain opportunities and increasing intraregional trade. The R3B Map components need to be maintained and updated regularly. Training should be provided to end users to maximize usefulness.

3. Investment Strategy
The investment strategy is intended to provide actionable strategies to guide a potential investor (i.e. GO Virginia) to fund entrepreneurship, innovation, and ecosystem development. This dynamic strategy identifies six key opportunities intended to be implemented comprehensively.

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The six investment opportunities are:

1. **Connect entrepreneurship resources** by leveraging the investment in the digital SOVA Entrepreneurs Resource Hub and by convening regional ecosystem builders on a regular basis for professional training, action-oriented work groups, and adoption of a transparent regional entrepreneurship scorecard. This group would leverage connections to create a region-wide mentor network.
2. **Support existing business growth and innovation** by leveraging the investment in the R3B Map and by formalizing referral pipelines among economic development partners to develop a robust business retention and expansion (BRE) program.
3. **Develop entrepreneurship training programs to nurture aspiring entrepreneurs.** Specific actions include creation of a region wide youth entrepreneurship program and a training pipeline for adult learners that has levels to meet entrepreneurs where they are in the process of business creation, expansion, or commercialization. Training programs should be designed to serve underrepresented populations. Training programs should prioritize product and technology business development, with specific programming aligned with Region 3's target sectors.
4. **Expand access to capital** by facilitating a regional angel investor network (not a fund), creating a region-wide revolving loan fund, and engaging traditional lenders in a community development fund.
5. **Expedite broadband expansion** by funding middle mile expansion projects that support the regional growth and diversification plan and by facilitating local and regional efforts that will build leadership capacity to partner with ISPs and successfully obtain federal and state grants for last mile efforts.
6. **Fund a Regional Entrepreneurship Navigator to facilitate implementation.** This individual would be focused on convening regional ecosystem builders and scaling the regional ecosystem by facilitating communication and collaboration among support providers.

For successful implementation of this strategy, collaboration is essential - and the time to start is now. Especially with the rural nature of the Southern Virginia region, sharing resources and creating synergies wherever possible is necessary to scale the regional ecosystem, leverage supply chain opportunities, and maximize support for entrepreneurs. Given the onset of the coronavirus pandemic in early 2020, the time for innovative strategy development and deployment is now! Region 3 is home to talented ecosystem builders who are ready to engage and get to work.

Introduction: The Ecosystem Building Approach

The GO Virginia Region 3 Entrepreneurship and Innovation Investment Strategy is intended to be a draw upon best practices from across the nation and Southern Virginia's unique assets, including existing entrepreneurs and ecosystem builders from throughout the region, to propose a comprehensive investment strategy that will result in enhanced entrepreneurial and innovation activity.

Entrepreneurship and Innovation

Entrepreneurship is "the activity of setting up a business or businesses, taking on financial risks in the hope of profit." (Oxford definition from Google)

Innovation is a subset of entrepreneurship representing startups that bring "a new method, idea, product, etc." to market. Innovation may happen within an existing business ("intrapreneurship"), as indicated when the term "Innovation Ecosystem" is used. Innovation typically refers to a technology-based business and one that is scalable. (Oxford)

The entrepreneurial stack includes a comprehensive view of types of businesses.

1. Microprenreuers, Gig Workers and Main Street businesses ("lifestyle entrepreneurs")
2. First stage businesses, including those that want to grow
3. Second and third stage businesses that want to grow
4. Fourth stage and fifth stage businesses that are mature
5. High growth scalable startups ("innovation-driven entrepreneurs")
6. Innovative capital vehicles ("capital entrepreneurs")

Another way to categorize entrepreneurial ventures:
1. Technology
2. Products
3. Services
4. Retail

This strategy attempts to support entrepreneurs of all types, ie. anyone taking risk to form any type of venture, while also acknowledging that high-growth, scalable startups in the innovation space are heavily weighted towards technology and products.

Some entrepreneurs prefer to identify as small business owners. This differentiation can lose its purpose when using the SBA definition, which says small businesses are any businesses with 500 or less employees.

Entrepreneurship and Economic Development

Entrepreneurship development, at least in the context of business creation, is a fundamental component of economic development. Traditional economic development is often described as a "three-legged stool" made of business attraction, business retention and expansion (BRE), and business creation (including entrepreneurship).

1. **Business attraction/recruitment** - includes new business startups as well as relocating or expanding businesses from out of the area to here, which may result in a new Virginia entity
2. **Business retention and expansion (BRE)** - this includes retaining and growing businesses located in an area; includes scaling 1st and 2nd stage businesses
3. **Business creation/start-up** - includes new business startups from the entire entrepreneurial stack from micro-enterprise to small business to innovative companies that seek venture funding

There can be a perception that the stool has been unbalanced, with a heavy lean towards business attraction. Professional economic developers employed by local governments or regional economic development organizations may be compelled to prioritize business attraction to show results in the form of new jobs created, leaving little time and resources to focus on BRE or entrepreneurship. Nationally, there is a trend towards investing in entrepreneurship development, as demonstrated by the commissioning of this report by GO Virginia.

❖ **COVID-19 Impact:** At the time of this writing, one impact of COVID-19 is a shift towards elevating the collective focus on BRE to help spur economic recovery. Meanwhile, the popularity of the entrepreneurial ecosystem continues to grow. The net effect is a more balanced stool where business attraction, BRE, and entrepreneurship are part of an integrated economic development strategy.

With an ecosystem building approach in mind, the traditional three-legged stool of economic development can be reframed for the 21st century as a broader community-economic development paradigm:

1. **Economic Development**
   a. Business Attraction/Recruitment
   b. Business Retention and Expansion (BRE)
   c. Business Creation/Start-Up (Entrepreneurship)
2. **Talent Development (Workforce Development)**
   a. Talent Recruitment
   b. Talent Development
   c. Talent Retention
3. **Placemaking (part of Community Development)**
   a. Support for Talent
   b. Support for Business
   c. Tourism

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While the focus of this report is entrepreneurship, it is important to keep the broader community-economic development ecosystem in mind. For any business to start or grow, it needs talent. Talent is attracted and retained by placemaking.

Entrepreneurial Ecosystems and Ecosystem Builders

"An <u>entrepreneurial ecosystem</u> or entrepreneurship ecosystem is the social and economic environment affecting local or regional entrepreneurship. Businesses located within places serving as incubators for creativity, innovation, and entrepreneurship have a greater chance of success." (Wikipedia)

An ecosystem is part organic - an accumulation of community's existing resources and businesses - but must be nurtured to grow. Knowing how to grow an ecosystem is a skillset that is emerging among people across the country. These people are ecosystem builders, and there are many of them here in Region 3, although this report may be the first time some will hear the term.

The work of ecosystem builders is not altogether new, although its popularity is rising just as the language around it continues to emerge and evolve. "Ecosystem builder" refers to any individual or organization that supports entrepreneurs. Ecosystem building as a profession is emerging, thanks to the national leadership of organizations like the Kauffman Foundation and Startup Champions Network. Hosted by the Kauffman Foundation and "launched in 2017, the ESHIP Summit is a three-year initiative designed to bring together builders of entrepreneurial ecosystems to help accelerate the emerging field of ecosystem building by collaboratively creating tools, resources, and knowledge to better support communities that empower the makers, doers, and dreamers in our communities" (https://www.kauffman.org/eship-summit/). As the field of ecosystem building grows, Startup Champions Network was created to be a national network of peers and source of ongoing professional training (http://startupchampions.co).

To scale entrepreneurship and innovation within its mostly rural ecosystem, Region 3 should focus on building on its strengths and collaborate to efficiently solve gaps, hence the importance of the ecosystem building approach.

Connecting Entrepreneurial Ecosystems to Innovation Ecosystems

In the context of this report, an innovation ecosystem refers to innovation that happens within existing firms. "Entrepreneurial ecosystems refer to the human, financial and professional resources and institutional environment which support and nurture new ventures in a specific geographic location" while "innovation ecosystems refer to a network of interconnected organizations that are linked to or operate around a focal firm or a platform." (https://www.researchgate.net/publication/304674196_Linking_entrepreneurial_and_innovation_ecosystems_The_case_of_AppCampus)

The primary focus of this report is to connect and scale the entrepreneurial ecosystem in Region 3; this is foundational to the growth of innovation ecosystems within existing firms.

Community Engagement and Research

As part of this study, the project team conducted extensive community engagement with stakeholders throughout the region. Community engagement activities included:

1. Numerous meetings with dozens of organizations, from economic developers to chambers and tech councils to rural innovation hubs and ecosystem thought leaders (Appendix 2)
2. Roundtable meetings across the region with small and traded sector businesses (Appendix 3)
3. Online survey to determine demand for coworking and makerspace (https://drive.google.com/drive/u/0/search?q=coworking%20study)

Community engagement had multiple purposes:

1. To gather input from entrepreneurs and ecosystem resource providers on needs and opportunities to enhance the regional ecosystem
2. To help regional stakeholders generate common understanding, establish priorities, and anticipate and adapt to changes in entrepreneurship ecosystem building
3. To gather input that would then direct research to support or disprove suggested target areas and potential programs to include in the overall entrepreneurship and innovation investment strategy

Overall, ecosystem partner participation was strong throughout the study. As noted in the TEConomy report, there are pockets of activity around entrepreneur development, but there is a disconnect among resources and service providers. In some cases there are noticeable barriers to collaboration due to lack of communication and perception of competition among resources.

- ❖ **COVID-19 Impact:** Prior to the onset of the coronavirus pandemic in mid-March 2020, the project team intended to host additional meetings and events to gather input and feedback from entrepreneurs, small businesses, and ecosystem partners - and to bring all of these stakeholders together in a common space. One such event was held in Farmville in late February, but it was unable to be repeated across the region due to the COVID-19 social distancing requirements. Ecosystem partner meetings were held by live video conferences using Zoom; these were well attended, but the project team believes that a blend of online and in-person meetings will be valuable moving forward.

Research Process

Through the process of developing this strategy, the project team researched national best practices in rural entrepreneurship development and studied the existing regional entrepreneurial ecosystems. Research included literature review, investigations into other regional ecosystems, and participation in relevant training, conferences, and professional ecosystem builder networks. Specific research areas were identified based on national best practices and stakeholder input through community engagement activities.

Mapping the Region 3 Entrepreneurship Ecosystem

As a required deliverable within the scope of this project, an online entrepreneurship ecosystem map was built and published. This deliverable takes the form of an online resource directory, which is a living database of local, regional, state, and national resources to help Southern Virginia entrepreneurs start and grow businesses. The resource directory enables online visitors to filter business support resources by location and by type of services they need. By providing a free-to-use, publicly available directory of resources, this online tool will help entrepreneurs and small business owners connect to the right people and find the resources they need faster than ever before.

Due to the unprecedented challenges that businesses are facing as a result of COVID-19, the resource directory includes a COVID-19 page to curate local, regional, and national resources to help small businesses respond, recover and rebuild from this crisis.

The resource directory is currently embedded on MBC's SOVA Innovation Hub website at http://www.sovainnovationhub.com/resource-compass.

➔ **Next step:** It is recommended that GO Virginia Region 3 add the resource directory to its website. Other Region 3 community-economic development partners and entrepreneurship support organizations are invited to embed the resource directory on their websites. To begin this process, contact lauren.mathena@mbc-va.com.

The resource directory is powered by Startup Space, a nationally known, web-based, entrepreneurship ecosystem management platform (http://startupspace.us). As a result of this project, MBC entered a three-year contract with Startup Space, which expires April 2023. During this contract period, Startup Space will provide up to 20 hours a month of technical support, and MBC will continue to provide in-kind staff time to support the ongoing implementation of the platform, in collaboration with the Longwood SBDC and other regional partners.

The resource directory only begins to tap the potential of the Startup Space platform. Resource providers, entrepreneurs and investors can create logins to access a virtual community to connect with each other using a variety of features, including a knowledge library, events calendar, and mentor platform. Ongoing implementation of Startup Space is recommended within the Investment Strategy itself.

Scaling the Ecosystem

Prior to the Region 3 entrepreneurship initiative, Southern Virginia has not identified single entity or point of contact to coordinate economic development of entrepreneurship ecosystem building efforts across GO Virginia Region 3, which includes 15 localities: the Counties of Amelia, Brunswick, Buckingham, Charlotte, Cumberland, Halifax, Henry, Lunenburg, Mecklenburg, Nottoway, Patrick, Pittsylvania, and Prince Edward, and the Cities of Danville and Martinsville.

A collaborative, consistent, and consolidated approach will assist the Southern Virginia region in identifying its entrepreneurial strengths, including the identification of talents and resources that make the region a unique

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place to grow entrepreneurial and innovation based businesses. This will be further addressed in the Investment Strategy itself.

Discovery Process

Prior to building the online resource directory, the project team studied the components of an entrepreneurial ecosystem and searched for relevant resources across Region 3 and the Commonwealth of Virginia.

Every Community Has an Entrepreneurial Ecosystem
In the context of rural economic development, it is especially important to take an inclusive definition of entrepreneurship and include all types of businesses. With this in mind, each locality within Region 3 has its own local entrepreneurship ecosystem.

At a minimum, each locality's ecosystem includes the local entrepreneurs, the local government, the nearest community college, the school system, and the library. Libraries being public facilities with WiFi access are potential entrepreneurial hubs, especially in the most rural localities.

Currently 14 of the 15 localities in Region 3 provide funding to the Longwood SBDC, meaning that the SBDC's business consulting services are offered at no charge to those localities' entrepreneurs and small businesses. Most localities also include a local Chamber of Commerce and access to a regional economic development organization (i.e. Virginia's Growth Alliance or Southern Virginia Regional Alliance).

Each local ecosystem has an additional mix of assets based on what has organically or institutionally been created, such as a farmers market to support agriculture micro-businesses or a Main Street organization to focus on downtown redevelopment.

The locality's ecosystem may have more or less capacity based on the structure and staffing levels of its local government's office of economic development and its membership in a regional marketing organization. The elected officials, local policy, existing businesses, and the entrepreneurs who lead them, also influence each local ecosystem and its capacity to support new business creation and existing business growth.

Entrepreneurs are the center of the ecosystem. In this spirit, the research and recommendations that comprise this report are to support the success of Region 3's existing and aspiring entrepreneurs.

Gaps in the Entrepreneurial Ecosystem
The gaps in Region 3's entrepreneurial ecosystem can be summarized as:
1. Lack of connectivity among resource providers; in some cases, lack of openness to collaboration
2. Lack of awareness of entrepreneurship resources, among providers and potential resource users
3. Lack of pride in entrepreneurship (i.e. some business owners do not self-identify as entrepreneurs)
4. Lack of a robust training pipeline for aspiring entrepreneurs
5. Lack of youth entrepreneurship training
6. Lack of risk capital, including an angel network
7. Lack of ubiquitous broadband that supports access to training, remote work and business opportunities

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Gaps in the Innovation Ecosystem

An innovation ecosystem refers to innovation that happens within existing firms. Drawing from the experience of GENEDGE and the Longwood SBDC working with Stage 1 and Stage 2 businesses in Region 3, there are three principal gaps in innovation ecosystems:

1. Product Differentiation
2. Sales & Marketing
3. Innovation Mindset

Item 3 is linked to Item 1. In nearly all cases, small businesses are unable to staff to create or sustainably implement the processes necessary to fill the aforementioned gaps. The challenge of hiring enough of the right people to design a process for product differentiation/innovation and having enough of the right people to sustain the process and drive sales and marketing of the differentiated or innovative product(s) are difficult on several fronts – not the least of which is having a business model that generates sufficient revenue and margin to support these activities. Most small businesses have "their products/services" that they are used to providing and often get stuck in the same-old-same-old rut because they don't "see the need" or the "opportunity" for something else. Since differentiation and innovation are by definition different from "what we do today," some businesses often chug along until they get stuck and left behind when someone else captures the customer's attention.

- ❖ **COVID-19 Impact:** The disruptiveness of COVID-19 has served as a catalyst and helped some businesses to innovate and pivot, because there was no choice. Innovate or die!

Entrepreneurial Ecosystem Concept Map

Community Roles

In addition to acknowledging that many organizations are part of an ecosystem, there are also many community roles that are needed. Co.Starters has created the visual below as one illustration of ecosystem roles. Especially in the context of a rural region, collaborating to maximize impact is essential. Across Region 3, a role might be filled by a different organization, based on the specific talents and skills of individuals in an area. In identifying ecosystem builders across the region, an individual's job title may be a place to start, but that should matter less than the skills and talents they are willing to contribute to the collaborative effort.

Source: https://costarters.co/community-roles/

Region 3 Longwood SBDC Map

Longwood SBDC Western Region
Longwood SBDC Central Region

1. Central Region Office (HQ) - Farmville
2. Western Region Office - South Boston
3. Danville Office (DCC)
4. Martinsville Office (PHCC Dalton IDEA Center)
5. Consultant at Lake Country Advanced Knowledge Center

Region 3 Chambers Map

Region 3 Libraries Map

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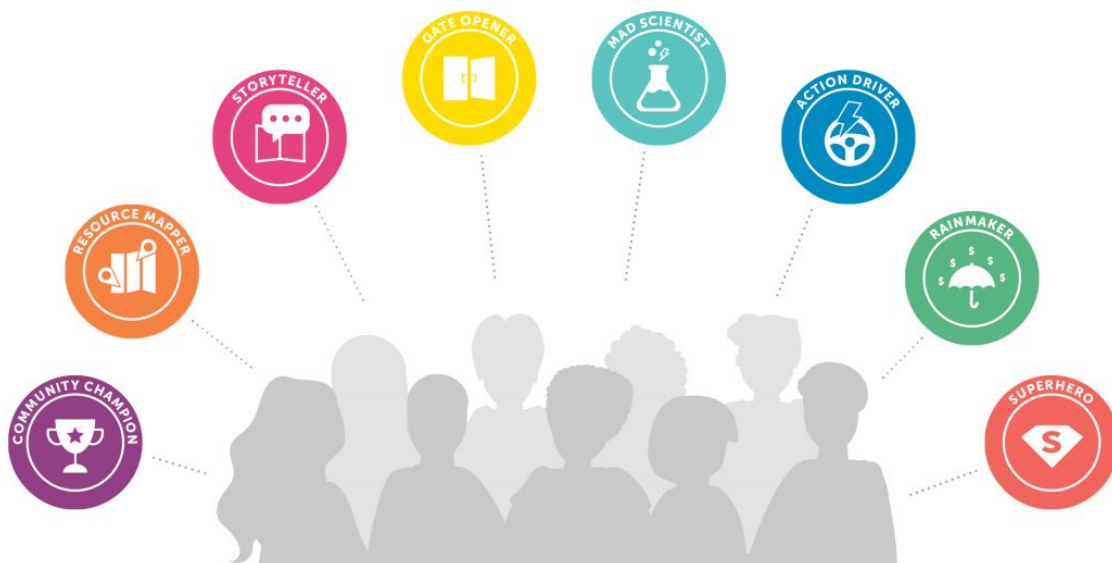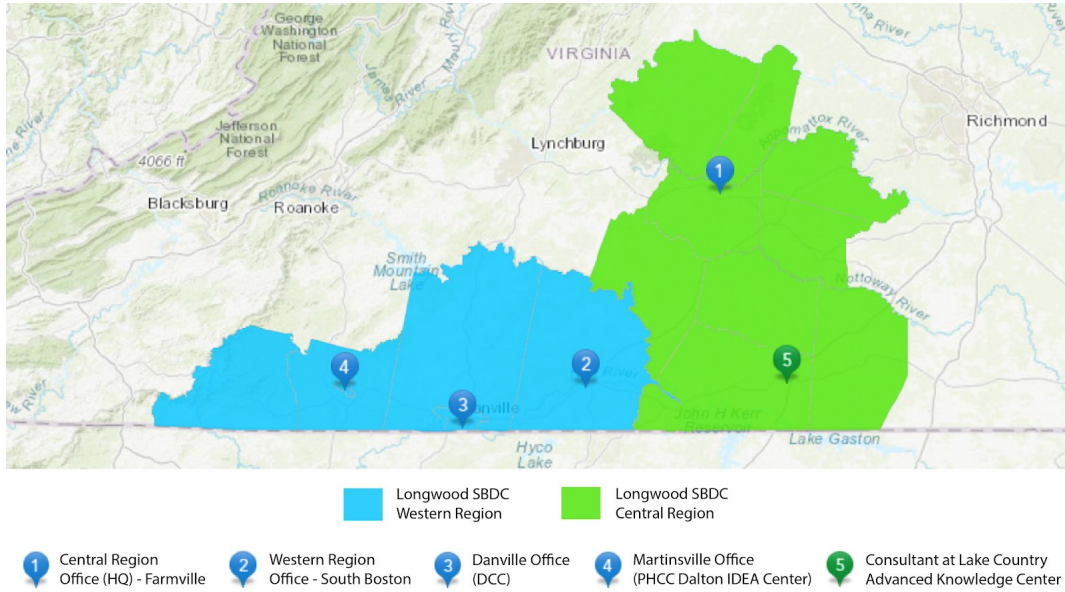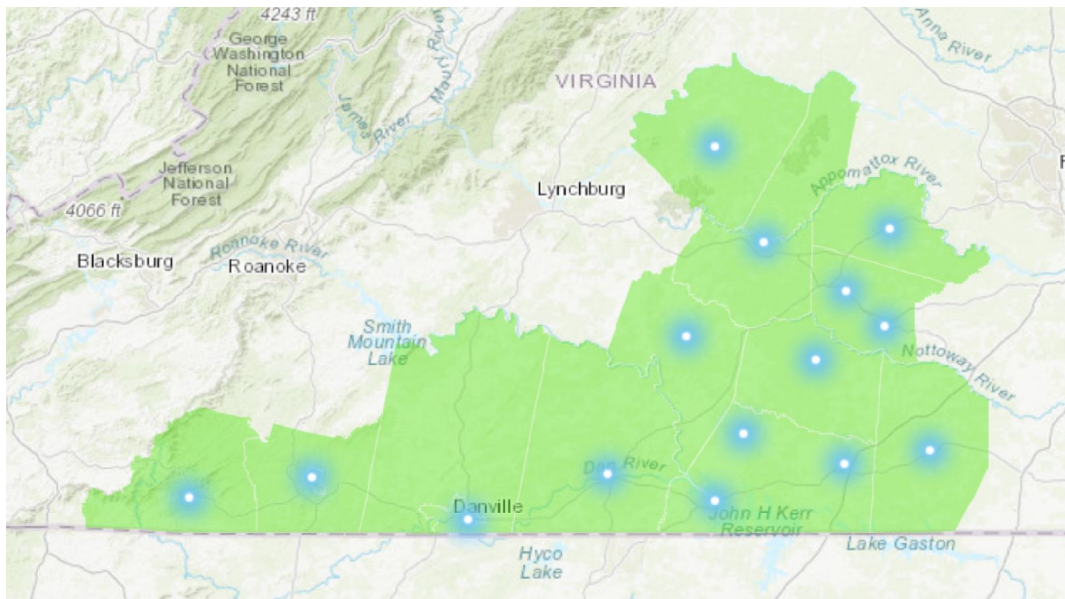
Subregions Exist Within Region 3

This study engaged Region 3 stakeholders within four subregions, generally referred to as North, East (or TechSpark), Dan River, and West. The subregions were identified based on geography and population, with the goal of understanding the assets, opportunities, and challenges in each sub-region in order to build towards a broad regional strategy that also integrates well into statewide strategies. Each locality's alignment with a planning district commission (PDC) and regional economic development organization (REDO) was also considered. For a detailed analysis of the ecosystem assets and gaps in each subregion, reference Appendix 4.
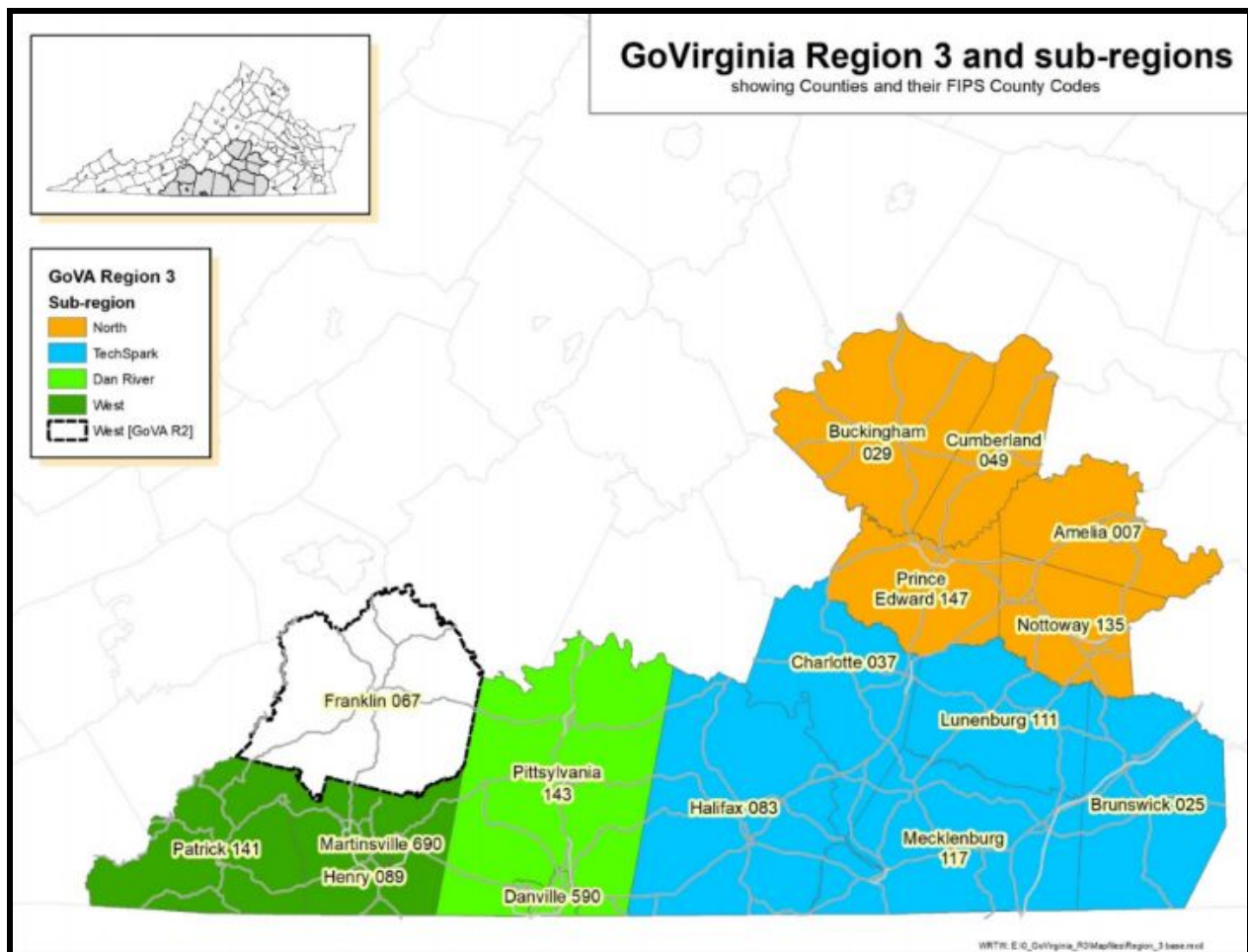
Note: Franklin County is not part of Region 3, but is part of the Western Piedmont PDC and is part of the Longwood SBDC Western Region.

The Role of Higher Education

Scalable, high-growth startups are more likely to occur inside or in proximity to research universities or academic medical centers or federal labs. From this standpoint, Region 3 is at a disadvantage because it is not home to any major research universities or federal labs; this forces the Region to leverage relationships with statewide entities and universities located outside of the Region.

Region 3 is home to nine higher education organizations. While none of these are research universities with a history of technology transfer, they do play vital roles in the regional entrepreneurship and innovation ecosystem in various ways.

- Three higher education institutions: Averett University, Hampden-Sydney College, and Longwood University
- Three community colleges: Danville Community College (DCC), Patrick Henry Community College (PHCC), and Southside Virginia Community College (SVCC; multiple locations).
- Three higher education centers: New College Institute (NCI), The Institute for Advanced Learning and Research (IALR), and Southern Virginia Higher Education Center (SVHEC)

Important to the growth of Region 3's ecosystem is connectivity to higher education institutions, both in Virginia and in bordering North Carolina. In terms of entrepreneurship, the four entities most primed for partnership with Southern Virginia are: Virginia Tech, the University of Virginia, Old Dominion University, and Virginia Commonwealth University. Southern Virginia's geographical position on the border of North Carolina should be looked at as a major asset; connecting to research universities and other resources across statelines is a largely untapped opportunity.

- ❖ **COVID-19 Impact:** The Center on Rural Innovation (CORI) issued a new report titled "Higher ed's key role in rural innovation ecosystems" in June 2020. Access the report here: https://ruralinnovation.us/rural-ihe-report/

Region 3 Higher Education Map

| | Higher Education Institutions | | Higher Education Centers | | Community Colleges | | Higher Education Institutions (outside region) |
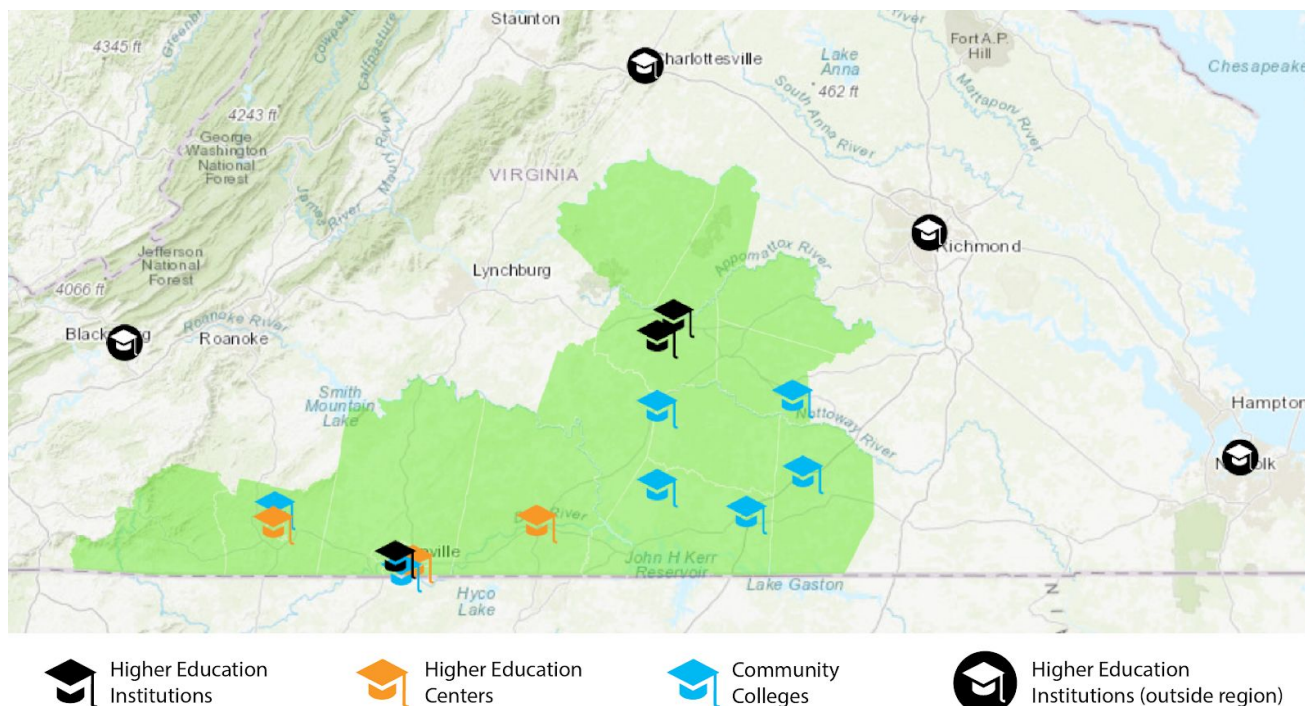
Higher Education Institution

Higher Education Institutions refers to colleges and universities. At the time of this writing, there are entrepreneurship initiatives in the planning stages at Averett, Hampden-Sydney and Longwood.

- **Longwood University's College of Business and Hampden-Sydney College's Center for Entrepreneurship and Innovation are jointly planning an entrepreneurship curriculum and an entrepreneurship center**. At the onset of this strategy development, both schools had each recently hired a full-time entrepreneurship faculty member, and these two individuals are actively collaborating with each other and other ecosystem builders. While in the early stages of planning, this new endeavor is likely to include a jointly-hosted, multidisciplinary entrepreneurship/innovation curriculum. The two schools are also in early stages of developing a concept for an entrepreneurial center in Downtown Farmville that would be open to students and community members alike. This represents a future entrepreneurship hub that would serve the localities in this part of the region and offer connectivity to the nearby Richmond.
- **Longwood's School of Continuing and Professional Studies division is exploring offering a for-credit entrepreneurship curriculum** available to multiple audiences: college students, incumbent workers and interested community members, and possibly high school students. This curriculum could be developed with rural entrepreneurship in mind, differentiating it from other offerings and maximizing benefit to Region 3.
- In June 2020, **Averett University** announced the creation of its Center for Entrepreneurship and Innovation under the leadership of experienced entrepreneur and Averett alumnus John Vigouroux. According to a press release, "Set to launch early in the fall semester, the Center will serve as an

academic/learning lab and entrepreneurial gateway for students, connecting them with the region's economic environment while accelerating and supporting the entrepreneurial ecosystem in Southern Virginia. Vigouroux and Averett faculty members will work to create new multidisciplinary learning methods with an intense entrepreneurship focus in classrooms and featuring hands-on work with businesses, organizations and other regional partners." (https://www.averett.edu/about-us/news-events/averett-university-hires-distinguished-entrepreneur-creates-new-center-for-entrepreneurship-and-innovation/)

Community Colleges

The Region 3 community colleges, part of the Virginia Community College System (VCCS), each provide two-year associates degrees as well as targeted workforce training. Most relevant to the traded sector focus of GO Virginia, the community colleges provide workforce training for advanced manufacturing, IT, welding, and other trades that are necessary to keep the Southern Virginia economy competitive.

DCC is a participating member of the Dan River Region Entrepreneur Ecosystem (DRREE). Entrepreneurship programs include:

- Two-year associates degree in Venture Creation
- Annual small business competition for students
- Barkhouser Free Enterprise Center, a center on-campus which sponsors entrepreneurship training
- Provision of the Danville office location for the Longwood SBDC consultant (available by appointment)
- Regional Center for Advanced Training and Technology (RCATT) with 3D printers, etc.

PHCC has made a public commitment to being an entrepreneurial college and has developed a strong menu of entrepreneurship programs for students, community members, and existing business, including:

- A concentration in entrepreneurship and small business management
- The Big Idea Challenge, an annual business pitch competition open to students and community members
- Startup and Grow Martinsville-Henry County, annual cohort style training programs for new and existing businesses, offered in partnership with the Martinsville-Henry County Chamber of Commerce
- Thomas P. Dalton IDEA Center, which includes an MIT Fab Lab
- Provision of space and resources for the Martinsville area Longwood SBDC consultant
- High-bay/Flex space/Training space at its manufacturing and engineering technology complex ("The MET") for manufacturing businesses to quick start and train staff on new equipment (helpful to new and expanding businesses)

SVCC does not currently have an entrepreneurship-specific curriculum. The college has indicated a willingness to work with partners to develop a menu of offerings. In April 2020, the SVCC Foundation applied for a Rural Development grant to elevate the Lake Country Advanced Knowledge Center's current computer lab/meeting space to a coworking space for entrepreneurs and telecommuters, and to leverage its onsite manufacturing training area for additional use as community makerspace; a decision is expected in mid-July 2020.

Higher Education Centers

Virginia has five higher education centers; three of them are located in Region 3.

New College Institute offers the Center of Advanced Manufacturing for technology education, manufacturing training, and consulting services that contribute to continuous workforce and technology development and business success. On June 22, 2020, NCI announced a partnership with Old Dominion University's Institute for Innovation & Entrepreneurship that will deliver programming to help Government Contractors and Subcontractors develop commercial lines of business.

Southern Virginia Higher Education Center (SVHEC) offers its Research & Development Center for digital renderings of designs and producing prototypes. The R&D is available to support students, community members and existing business.

Institute for Advanced Learning and Research (IALR) offers rapid-launch space, applied research services, and access to nationally renowned training programs as well as world-class meeting space, catering and technology.

Regional Ecosystem Assets

Within Region 3, there are a limited number of organizations that are wholly focused on entrepreneurship and small business development. These entrepreneurship support organizations (ESOs) include:

- Dan River Business Development Center
- Dan River Region Entrepreneurship Ecosystem
- Longwood SBDC
- The Launch Place
- The Launch Place Seed Fund
- Thomas P. Dalton IDEA Center
- West Piedmont Business Development Center
- SCORE Martinsville Chapter

However, there are an abundance of organizations that play a role in the entrepreneurship ecosystem. These include, but are not limited to:

- Local economic develop offices, including IDAs/EDAs/EDCs
- Regional economic development organizations
- Planning District Commissions
- Chambers of Commerce
- Main Street organizations
- Community colleges (Danville Community College, Patrick Henry Community College, and Southside Virginia Community College)
- Higher education centers (Institute for Advanced Learning and Research, New College Institute, and Southern Virginia Higher Education)
- Four-year colleges and universities (Averett University, Longwood University, and Hampden-Sydney College)
- K-12 schools
- Public libraries
- Local governments
- Agriculture support organizations, including Farmers Markets, the Virginia Cooperative Extension, and the SOVA Makers Market
- Southern Piedmont Technology Council

All of the above organizations, and more, are included in the online resource directory. Representatives from each of the organizations have been invited to create a profile on Startup Space in order to maintain their organization's listings, publicize their events, and engage with entrepreneurs as the virtual ecosystem grows.

➔ **Next step:** Continue to socialize the SOVA Entrepreneurs Resource Hub and the Startup Space platform as the shared digital infrastructure for the Region 3 ecosystem.

State and National Resources

Included in the online resource directory are statewide and national resources will be included in the online resource directory. These include, but are not limited to:

- Center for Innovative Technology (CIT)
- CIT GAP Funds
- GENEDGE
- Lighthouse Labs
- Startup Virginia
- SCORE
- Virginia Community Capital
- Virginia Council of CEOs
- Virginia is for Entrepreneurs (VA4E)
- Virginia Innovation Commercialization Assistance Program (ICAP)
- Virginia Small Business Development Center (SBDC)
- Virginia Economic Development Partnership (VEDP)
- VEDP Business Retention and Expansion (BRE) Division
- VEDP Economic Gardening Program
- VEDP International Trade Division
- VEDP Virginia Leaders in Export Trade (VALET) Program
- Virginia Department of Housing and Community Development (DHCD)
- Virginia Department of Small Business and Supplier Diversity (SBSD)
- Virginia Tobacco Region Revitalization Commission (VTC or VTRRC)

Coinciding with development of this strategy, a statewide coalition has been successful in gaining legislative support for the new Virginia Innovation Partnership Authority (VIPA) (https://www.commerce.virginia.gov/innovation/).

- ❖ **COVID-19 Impact:** One positive impact of the COVID-19 crisis is the explosion of online resources, which helps increase access to resources that are not physically based in Region 3. For example, SCORE does not have a deep presence across Southern Virginia (there is a chapter in Martinsville), but at a national level is now offering online mentoring sessions. Another example is the Virginia ICAP program, which has historically offered location-specific cohorts, will begin its second statewide, virtual cohort in July 2020. Of course, access to online resources, many of which are in the form of video conferences, is dependent upon access to high speed broadband. In this way, COVID-19 is demanding an expedited expansion of broadband, which will be discussed further in the Investment Strategy itself.

Ecosystem Metrics

The purpose of mapping the Region 3 ecosystem is to identify assets and gaps. The purpose of metrics is to measure progress. As assets are strengthened and gaps filled, the results should improve. These gaps helped develop the investment opportunities discussed in the final sections of this report. Determining what specific metrics to monitor progress is important to ensure investments made into the ecosystem are generating a return.

The Kaufman Foundation published a report in 2015 titled "Measuring Entrepreneurial Ecosystems." The report is available on their website with the disclaimer: "There must be some middle ground between trying to capture every dimension of an entrepreneurial ecosystem and overly focusing on only one or two indicators."

Additional in-depth research into metrics was conducted by Brandon Hennessey of Longwood University. The bulk of which resided in developing a strategy to conceptualize and implement region specific metrics. To start, existing rural entrepreneurial ecosystems were inventoried; publications, resources, toolkits, and strategies were reviewed from all parts of the United States. This was done as a measure to understand how each community planned on meeting the needs of their ecosystem and to draw contrast and parallels between strategies. This review process resulted were the following key findings:

1. Systematic change in an entrepreneurial ecosystem takes time to develop.
   a. Scorecards, and their underlying metrics, pave the path for understanding, aligning, and sustaining an ecosystems' objectives and goals.
      i. Alternatively, it's incredibly difficult to associate economic development success with any sort of transparency without them.
2. An ecosystem requires a multi-layered viewpoint for holistic understanding, measurement, change, and sustainability.
   a. Understanding the scale in which to collect and measure data is essential to effective interpretation.
   b. To reinforce the excerpt from the Kauffman Foundation report, being inundated with accumulating massive amounts of data points is equally as pointless as only viewing progress through one economic lens.
      i. For instance, the state of Michigan produces an annual entrepreneurship scorecard. For 2019, it entailed an exhaustive 148 page narrative and analysis of the state.
      ii. The report is broken into subsections to highlight the metrics/indexes per category:
         1. Climate: The factors that support the entrepreneurial economy
         2. Change: The directions and momentum of growth in the entrepreneurial economy
         3. Vitality: The level of entrepreneurial activity relative to that in other states
      iii. The report itself is an excellent exemplar of statewide investment in scorecard development.
         (https://drive.google.com/drive/folders/1U8CbHeJ6-R4wiEufd0AS7WFJvVK9YFdT)

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3. Reliable, accurate, and concurrent data is crucial.
   a. There is a wealth of amazing data accessible to the public via federal agency programs that collect, analyze, and disseminate statistical data and information. However, navigating the data can be challenging given it is often outdated and comes from a macroeconomic perspective.
      i. This proved evident when trying to understand the minority owned business population of regions, because the dataset (Census.gov Quickfacts 2012) is approximately eight years old. With this in mind, it's difficult to discern a true measure of minority firms within the region. If diversification of business ownership is a key component of the region, then the collection of said data needs to be collected on a more localized scale.

Regional Entrepreneurship Scorecard

Within the scope of this project, members of the team participated in the Startup Champions Ecosystem Health Challenge under the leadership of Tom Chapman (https://www.chapmanandcompany.co/) to develop a scorecard to measure and monitor the health of the Region 3 entrepreneurial ecosystem. The metrics included are:

- Total Businesses
- High Growth Firms
- Small Business
- Diversity & Inclusion
- Knowledgeable Community (active ecosystem)
- Connecting Activities
- Talent
- Funding
- High Speed Broadband
- Innovation
- Entrepreneurial Spaces
- Number of Technology Jobs in Region

➔ **Next Step:** Adopt a regional entrepreneurship scorecard and begin tracking progress. A partially populated version of this scorecard with data effective July 1, 2020, can be found here: https://docs.google.com/spreadsheets/d/1_ih_U99Kzo4n1DRHBrFahHlSsxX30mC7r7QPpXkLqAU/edit#gid=28350400

Regional Entrepreneurship Scorecard - DRAFT		
Metric	**Desired Trend**	**Measure (Data Source)**

Total Businesses	Increase	# of Businesses (Reference USA)
High Growth Firms	Increase	# of Stage 1: 1-9 employees and <$1M Revenue (Reference USA)
		# of Stage 1.5: 10-99 employees, <$1M Revenue (Reference USA)
		# of Stage 1.5: <10-99 employees, >$1M Revenue (Reference USA)
		# of Stage 2: 10-99 employees, $1M+ Revenue (Reference USA)
		# of Stage 3: 99+ employees, $1M+ (Reference USA)
Small Business	Increase	# of businesses with 500 or fewer employees (Reference USA)
Diversity & Inclusion	Increase to align with community demographics	% of women owned businesses (Census.gov QuickFacts, 2012)
		% of minority owned businesses (Census.gov QuickFacts, 2012)
Knowledgeable Community (active ecosystem)	Increase	# Programs/events hosted annually (self-reported by support orgs) # Events on StartupSpace (have to add events to show results; other metric is annual self-reporting by business orgs)
		# of entrepreneurial training events ongoing
Connecting Activities	Increase	Social network analysis - e.g. LinkedIn social network analysis (ex. how connected is your Chamber director?); Startup Space Active Users or Startup Space Resource Compass views
Talent	Improve	Workforce metric TBD - choose a KPI that K12/workforce dev are focused on, that also relates/ties to entrepreneurship - e.g. educational attainment by region, WBL, CTE degrees, CC completers/grads (workforce availability); survey of 7th/9th graders, high school 11th & 12th who dream of entrepreneurship (partner with GOTEC)
Funding	Increase	SBA loans (SBA amounts, 2010+)
High Speed Broadband	Would like to hit 98% access	% of population with access to >25mbps - Broadbandnow.com
Innovation	Increase	Patents
Innovation	Increase	SBIR companies (SBDC)
Entrepreneurial spaces	Increase	# of accelerators, incubators, coworking spaces, quick start high bays, pop up market, farmer's markets, etc.
Number of Technology Jobs in Region	Increase	Technology jobs location quotient (LQ)

Mapping Region 3 Existing Businesses

The planning project scope included development of a traded sector business map for Region 3. The map and associated database will provide a tool supporting research, identification and development of supply chain opportunities.

Supply chain opportunities broadly refers to potential areas where a business' supply chain can be optimized to reduce costs, maximize efficiency, and add value to the customer. The following are categorizations of supply chain opportunities:

1. Procurement
2. Inventory management
3. Warehousing
4. Transport and freight management
5. Logistics outsourcing
6. Customer service
7. Digital transformation

In the context of Region 3's economic development goals, supply chain opportunities refers to possible areas to drive innovation by creating synergies and to grow **intraregional trade** by connecting existing businesses with each other and with ecosystem assets. The ultimate goal is to grow and diversify the regional economy.

❖ *COVID-19 Impact:* Due to the onset of COVID-19 and its potential restructure of the global economy, existing businesses must adapt, innovate, and change to survive and succeed. VEDP has identified reshoring of manufacturing of personal protective equipment (PPE) and other essential goods as a key opportunity and is dedicating resources to developing leads.

Within the scope of this project, we did not seek to identify specific supply chain opportunities, either for specific businesses or for growing intraregional trade. This is a crucial next step, and part of an ongoing, continuous effort to be led by the regional economic development organizations as part of a comprehensive business retention/expansion (BRE) strategy; this is included in Investment Strategy Opportunity 2. Key state level partners include VEDP; the Port of Virginia; GENEDGE, which has an office in Martinsville; and the Longwood University Logistics Center, a partner in the Commonwealth Center for Logistics (CCALs).

To achieve our deliverable, we developed the Region 3 Business Map, or "R3B Map" which includes a set of online tools. Combined, these tools provide a trusted, efficient data source which can be used to conduct analysis for specific existing businesses or economic development prospects (e.g. to identify clusters, supply chain opportunities, etc.). To develop the R3B Map, we utilized ReferenceUSA, JobsEQ, and ArcGIS, and engaged Walter Witschey, Ph.D., Research Fellow and GIS expert at Longwood University.

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❖ ***COVID-19 Impact:*** The R3B Map was expanded in scope to include both traded sector and non-traded sector existing businesses in Region 3 to help enable the map's users to better support all businesses.

R3B Map Tool 1: ReferenceUSA Spreadsheet Database
First, a spreadsheet was created using data from ReferenceUSA (http://resource.referenceusa.com), a subscription-based data source that is updated weekly. Access is available to Region 3 through the Longwood SBDC. The dataset includes traded sector and non-traded sector businesses of all sales and employee sizes. Then the spreadsheet was developed into a database which can be filtered, searched, and sorted by multiple variables including: location, planning district, employee size, sales volume, and year established. The dataset includes the exact address of each business, along with the executive's contact name. The dataset itself is locked to avoid unintentional changes to the source data.

➔ ***See the Online Database:***
   https://drive.google.com/file/d/17IT55mdM0wNtXmnYRwQ9oHDdEjdzLHjt/view?usp=sharing

R3B Map Tool 2: ReferenceUSA Map Visualizations
The ReferenceUSA spreadsheet database referenced above was uploaded to ArcGIS Online, a cloud-based GIS mapping software that connects people, locations and data using interactive maps (http://arcgis.com). The Longwood SBDC, MBC, the regional PDCs, and other regional organizations are known to have access and expertise with this subscription-based software. The maps are currently hosted by the Longwood ArcGIS account, and can be accessed by anyone with the link. The link could be password protected if there is a desire to limit access to these maps to certain organizations, e.g. regional EDOs and PDCs. The maps are currently set up to filter by location, employee size, or sales volume. Industry-specific maps are available by NAICS code for manufacturing, business services, and agriculture; with further analysis, maps could be set up for additional industries or NAICS codes.To access the map, a free ArcGIS account is needed (*https://doc.arcgis.com/en/arcgis-online/get-started/create-account.htm#ESRI_SECTION1_D91DD2A709AE4F B68A9CC095F1688E05*).

➔ ***See the Online Mapping Tool:*** *https://arcg.is/0DqPTW*

R3B Map Tool 3: JobsEQ Map Visualizations
First, a spreadsheet was created using data from JobsEQ (http://www.chmuraecon.com/jobseq), a subscription-based data source available to Region 3 through the Longwood SBDC and possibly other partners. The dataset was generated using city/county-level data by 2-digit NAICS, and can be mapped using ArcGIS to compare industry metrics by county within a PDC or Regional EDO. The user can apply filters so the user can run queries on numbers of businesses by NAICS code, employment size, average annual wages, 5-year change in employment, and one-year change in employment.

➔ ***See the Maps and Data:***
   https://drive.google.com/drive/u/0/folders/1pzB9c_mpKBjbCyT6oPEYBMMB-_wdscM9

Note: Franklin County data was included because it is in the Western Piedmont PDC and is served by the Longwood SBDC. Emporia and Greensville data was included because these localities are part of the Virginia Growth Alliance.

Sample R3B Map: Agriculture Businesses (NAICS 11) - Sales

Total Businesses: 219
(As of July 2, 2020)
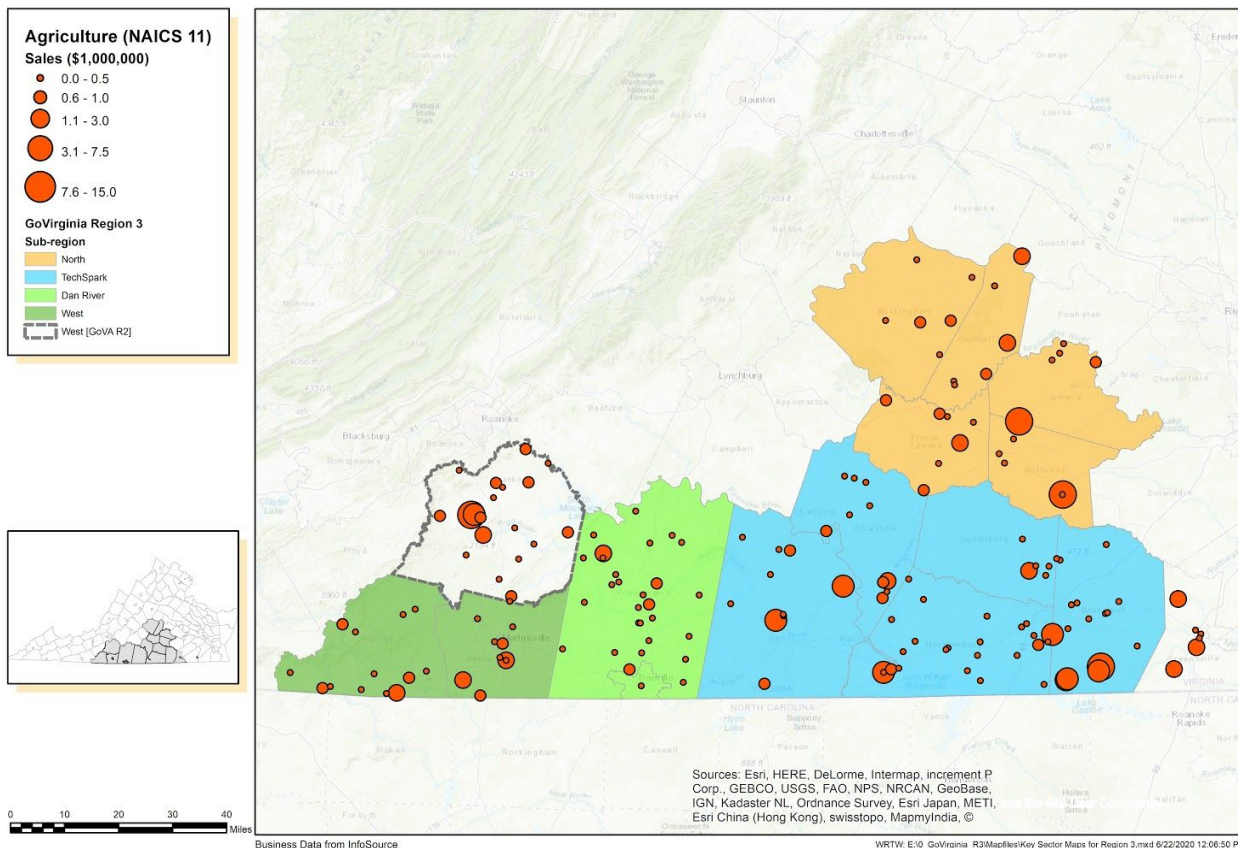
Sample R3B Map: Info Tech Businesses (NAICS 51) - Sales

Total Businesses: 380
(As of July 2, 2020)
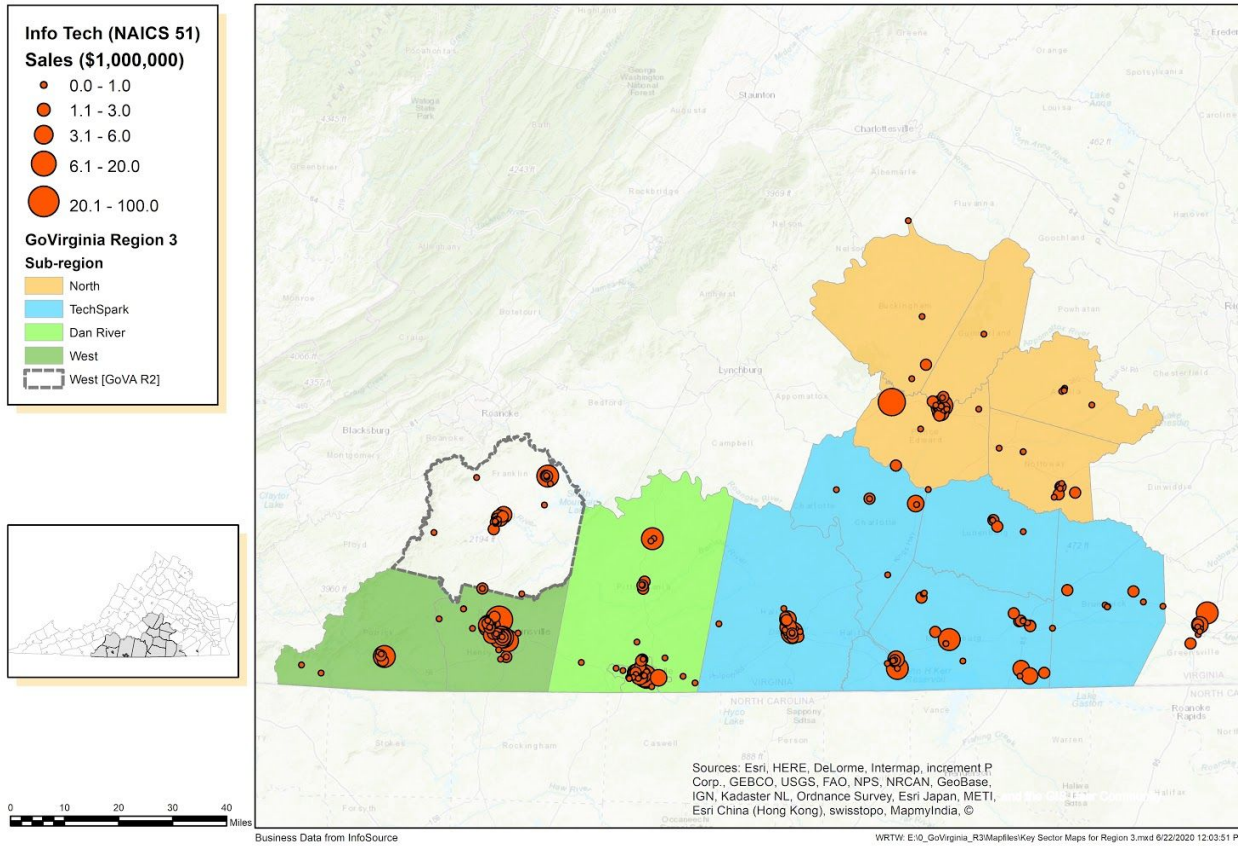
Sample R3B Map: Manufacturing Businesses (NAICS 31) - Sales

Total Businesses: 169
(As of July 2, 2020)
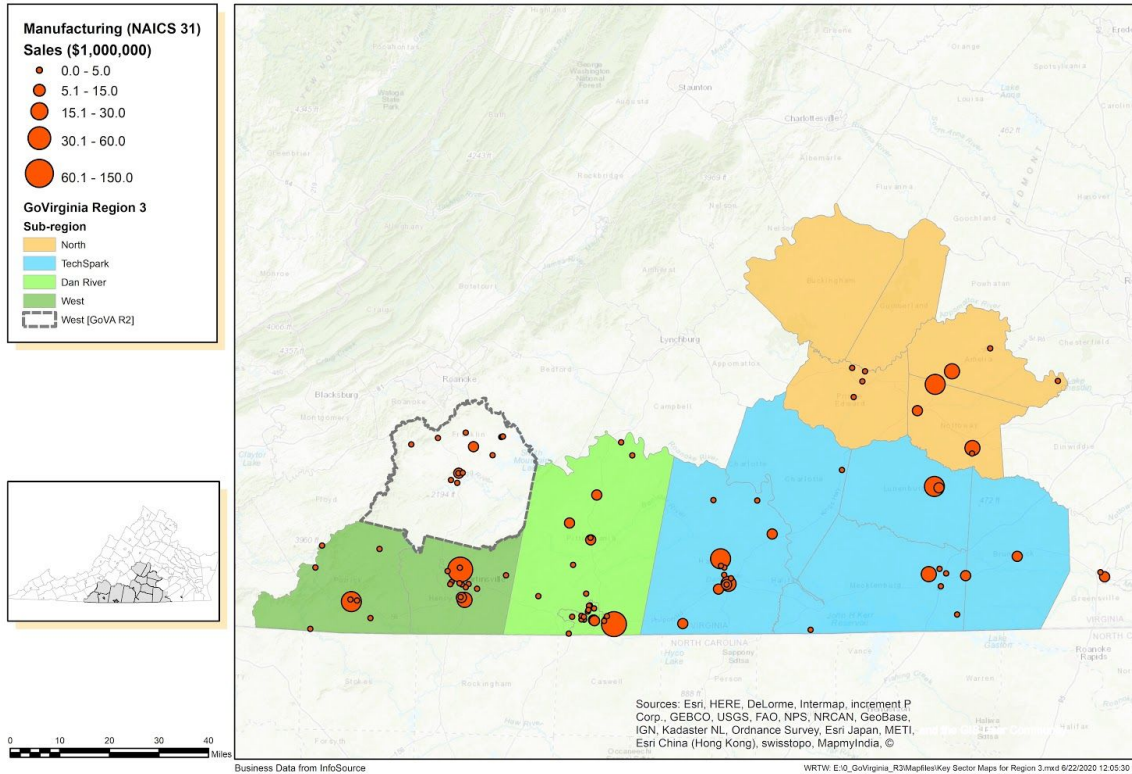
Sample R3B Map: Healthcare Manufacturing and Suppliers (NAICS 325-327, 331-332, 334-335, 337, 339112, 339113)

Total Businesses: 319
(As of July 2, 2020)
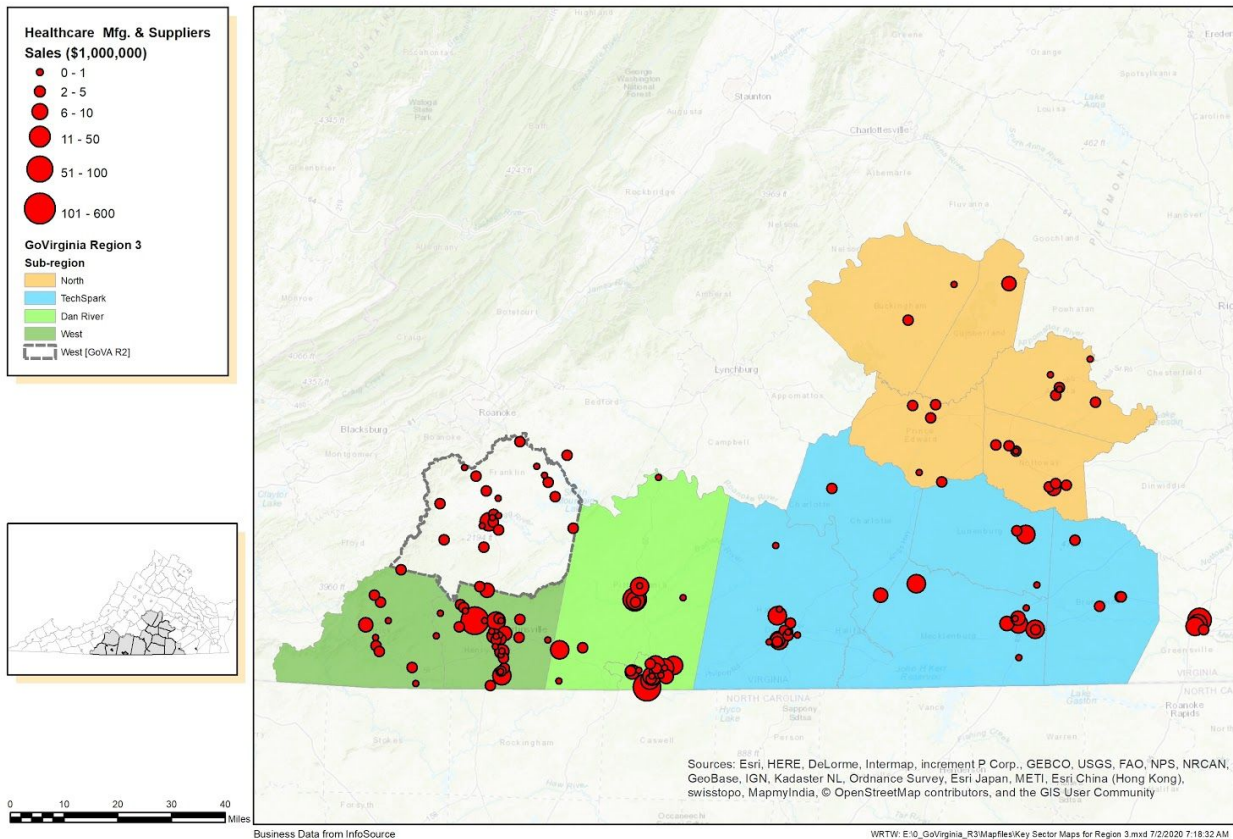
Sample R3B Map: Healthcare Businesses (NAICS 62) (Non-Traded Sector)

Total Businesses: 2909
(As of July 2, 2020)
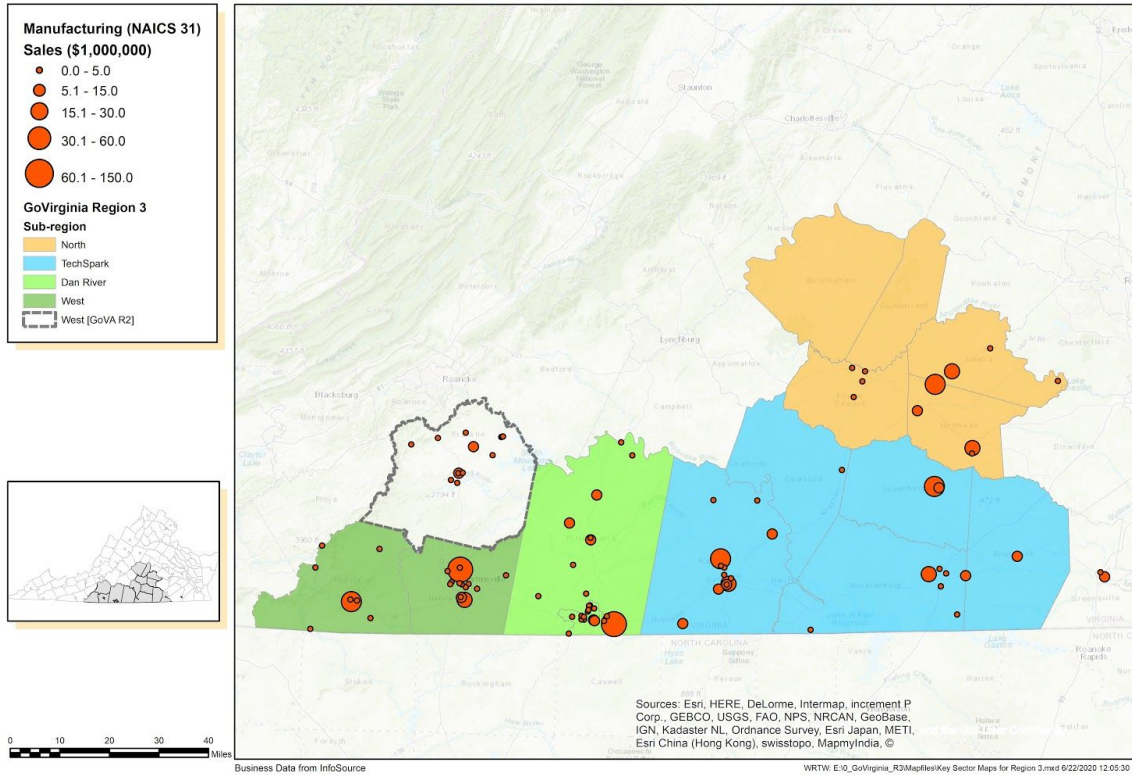
Potential Users
Primary potential users of the tool are expected to be economic developers (local and regional) and PDCs. For each of the R3B Map tools, the data can be sorted by specific localities, Region 3 sub-regions, PDCs (West Piedmont, Southside, or Commonwealth), or Regional EDOs (SVRA or VGA; using the service area set by VEDP). Training should be provided to potential users.

➔ **Next Step:** Share the mapping tools with PDC and ED partners for piloting. Share mapping capabilities with existing businesses.

Ongoing Map Maintenance
The tools are recommended to be updated quarterly and redistributed, under an MOU between Region 3 and Longwood University Office of Community and Economic Development. The quarterly update can be expected to take 10-15 hours of work. These tools are designed to be self-serve by the end users, however, additional time may be expended to run queries on behalf of businesses or economic developers on an ad hoc basis. Resources required: Subscription to JobsEQ, ReferenceUSA, and, ArcGIS; analysis skills; GIS mapping skills;

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time to dedicate to this; and a customer service attitude. Ongoing costs include subscriptions to the databases that feed the maps and staff time for refining, maintaining, and hosting the tools and for providing training to users.

➔ **Next Step:** MOU between Region 3 and Longwood University Office of Community and Economic Development for R3B Map administration.

Key Assets

Below are some of the key assets available to businesses and economic developers in Region 3 to support continued work to identify supply chain opportunities for specific businesses and to grow **intraregional trade.** Each of these has been included in the SOVA Entrepreneurship Resources Hub as part of mapping the ecosystem.

VEDP Business Retention and Expansion (BRE)
As part of this strategy development, the project team engaged with the Virginia Economic Development Partnership (VEDP) Business Retention and Expansion (BRE) division. The VEDP BRE division (https://www.vedp.org/businesses) offers support to local and regional economic developers through the deployment of seven BRE managers with geographic territories covering the Commonwealth. This division offers the Virginia Leaders in Export Trade (VALET) to assist Virginia businesses with increasing global sales (http://exportvirginia.org/services/programs-grants/). The VEDP BRE division also offers a formal Economic Gardening Program to Stage 2 companies that meet the eligibility criteria (https://www.vedp.org/virginia-economic-gardening-program).

➔ **Economic Gardening** is a formal strategy to "grow your own" through "leveraging research using sophisticated business intelligence tools and databases that growth companies either aren't aware of or cannot afford. Research specialists typically assist in four key areas: strategic market research, geographic information systems, search engine optimization and social media marketing" (https://www.nationalcentereg.org/). To best leverage the VEDP BRE and Economic Gardening programs, the Region 3's regional and local economic developers should work in collaboration to develop a pipeline program that will help more companies reach the eligibility criteria to access state resources.

GENEDGE
GENEDGE is Virginia's public resource to help manufacturing and industry innovate, compete, and grow (http://genedge.org). GENEDGE has an office in Region 3 in Martinsville. GENEDGE's business model requires either client funding/grant funding to provide the services; very different from the SBDC model. There is an opportunity to raise awareness of GENEDGE within the broader ecosystem so that economic developers, Chambers, etc. know what GENEDGE can do and how it can help. It is more focused on Stage 2 companies but could be a great resource to ramping up Stage 1s.

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In response to COVID-19, GENEDGE has launched a new feature on its website, called the supply chain connector, focused on helping Virginia businesses with existing or potential capabilities to help with the PPE shortage. This feature asks for businesses to self-report these capabilities. In the future, this feature could be expanded to identify opportunities to induce more intraregional trade and reshore manufacturing of other specific goods.

❖ **COVID-19 Impact:** GENEDGE has created an online supply chain connector (https://supplychain.genedge.org/) to identify and connect Virginia businesses with capacity and interest in producing personal protective equipment (PPE). In June 2020, the U.S. Department of Commerce National Institute of Standards and Technology awarded $876,000 to GENEDGE to support Virginia-based U.S. small- and medium-sized manufacturers, including rural manufacturers, in response to the coronavirus pandemic.

Regional EDOs

Regional economic development organizations (REDOs) are regional coalitions to coordinate and lead economic development efforts, with a focus on marketing regional assets for business attraction. Region 3 is served by two REDOs: Southern Virginia Regional Alliance (SVRA) and Virginia Growth Alliance (VGA). Martinsville-Henry County Economic Development also functions as its own REDO. VEDP works with REDOs and their member localities on business attraction and BRE efforts. A locality typically contributes financially to officially be a member of a REDO.

❖ **COVID-19 Impact:** SVRA launched the SOVA COVID-19 Task Force, including economic development partners and Chambers of Commerce from across its service area. SVRA is now working to expand its efforts and create a joint program with VGA to regularly convene regional economic developers and Chamber of Commerce leaders for the purpose of enhancing communication and connecting existing businesses with subject matter experts/consultants who can assist with specific needs of existing businesses.

Local Economic Developers

Local economic developers are often the linchpin in connecting the existing industry base to resources within regional and statewide networks. In Region 3, there is variability in the formality and capacity of local economic development, often determined by available funding. Some localities designate economic development duties to their County Administrator; some employ professional economic development staff directly through the local government; many have created separate Industrial Development Authorities (IDAs) or Economic Development Authorities (EDAs); some IDAs/EDAs are supported by the local government staff, versus others that have direct employees. Regardless of the structure, the primary focus of economic development has historically been on business attraction, with business retention receiving few resources (time or funding) and those limited resources being focused on keeping major employers in place. In some localities, the Chamber of Commerce and/or Main Street organization may help enhance capacity for supporting existing businesses by hosting networking, training, and leadership development programs for business owners and their employees.

❖ **COVID-19 Impact:** Some localities are choosing to direct existing budgets and/or some of their CARES Act funding towards small business support in the form of emergency loans and rent relief. Long-term impacts on locality budgets are yet to be seen, but reduction in resources can be expected. This emphasizes the need for regional collaboration to efficiently scale resources.

Commonwealth Center for Advanced Logistics (CCALs)

CCALS "is an applied research center that bridges the gap between fundamental research that is typically performed at universities, and product development that is routinely performed by companies" (https://www.ccals.com/). CCALs has a history of working directly with VEDP and the Port of Virginia on specific economic development projects. CCALs could be better connected to the Region 3 ecosystem to participate in broader supply chain development and specific economic development projects, both for business attraction and business retention/expansion (BRE). The Longwood Logistics Center is a member of CCALs.

Additional Assets

Additional assets include, but are not limited to:

● **Warehouse space** is widely available throughout Region 3. Access to Highways 58 and 29 and Interstates 95 and 85, combined with innovative IT and advanced manufacturing training programs, Region 3 could differentiate itself as a hub of smart distribution in addition to advanced manufacturing. Warehouse spaces that are commercially owned should be included in the R3B Map, but there are likely warehouse spaces that are off the radar.

● **Transportation and trucking** are easy to access in Region 3, versus more congested areas of the state. Southside Virginia Community College hosts a commercial drivers license (CDL) training.

● **Global Center for Automotive Performance (GCAPS)** located in Halifax County is on the cutting edge of autonomous vehicle research. (https://gcaps.net/)

● **Institute for Advanced Learning and Research (IALR)'s Applied Research and Rapid Launch Facility** (https://www.ialr.org/accelerating-industry/)

● **Patrick Henry Community College The MET Complex's Flex Space** (https://www.wsls.com/news/2017/10/26/ribbon-cut-for-patrick-henry-community-colleges-new-manufacturing-complex/)

● **Infinity Global** is an international company headquartered in Danville that advertises its "strategically designed global logistics platform and customized data management system" (https://www.infinityrp.com/).

● **Supply Resources Inc.** is a private company headquartered in Danville that advertises its "consultative approach to your packaging and supply chain needs" (https://www.sripackaging.com/).

● Two suppliers have a sales presence in the region and manufacturing presence in Roanoke: DS Smith (formerly Corrugated Container) and Packaging Corporation of America

Other Considerations

As COVID-19 expedites the transition to the digital economy, the digital transformation area of supply chain opportunities is dependent on 1) access to high speed, reliable broadband to support automation and IoT for manufacturing and distribution; and 2) a workforce equipped with critical thinking and IT skills. There is potential to integrate the supply chain conversation into both the broadband/infrastructure development component of GO Virginia as well as the development of a youth entrepreneurship initiative. Both of these opportunities are discussed later in the investment strategy.

Common Language

To foster a collaborative approach to continued work on this initiative, a common language is needed. Below are a few of the key terms relevant to this topic. This glossary can be expanded over time.

- "The **tradable sector** of a country's economy is made up of the industry sectors whose output in terms of goods and services are traded internationally, or could be traded internationally given a plausible variation in relative prices." (https://en.wikipedia.org/wiki/Tradable_sector) Within the context of the GO Virginia program, the traded sector refers to sectors with output that can be traded out of the Commonwealth, and in turn bring "new dollars" into the state and each of its regions.

- "A **supply chain** is a network between a company and its suppliers to produce and distribute a specific product to the final buyer. This network includes different activities, people, entities, information, and resources. The functions in a supply chain include product development, marketing, operations, distribution, finance, and customer service." (https://www.investopedia.com/terms/s/supplychain.asp)

- "**Supply chain management** (SCM) is the centralized management of the flow of goods and services and includes all processes that transform raw materials into final products. By managing the supply chain, companies are able to cut excess costs and deliver products to the consumer faster." (https://www.investopedia.com/terms/s/scm.asp)

- "**Logistics** refers to the overall process of managing how resources are acquired, stored, and transported to their final destination. Logistics management involves identifying prospective distributors and suppliers and determining their effectiveness and accessibility... The term is now used widely in the business sector, particularly by companies in the manufacturing sectors, to refer to how resources are handled and moved along the supply chain." (https://www.investopedia.com/terms/l/logistics.asp)

- "**Small and mid-size enterprises (SMEs)** are businesses that maintain revenues, assets or a number of employees below a certain threshold. Each country has its own definition of what constitutes a small and medium-sized enterprise (SME). Certain size criteria must be met and occasionally the industry in which the company operates in is taken into account as well. Though small in size, small and mid-size enterprises (SMEs) play an important role in the economy. They outnumber large firms considerably,

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employ vast numbers of people and are generally entrepreneurial in nature, helping to shape innovation." (https://www.investopedia.com/terms/s/smallandmidsizeenterprises.asp)

Investment Strategy

The following pages outline a dynamic investment strategy, with the following key investment opportunities:
1. Connect entrepreneurship resources
2. Support existing business growth and innovation
3. Develop entrepreneurship training programs to nurture aspiring entrepreneurs
4. Expand access to capital
5. Expedite broadband expansion
6. Hire a Regional Entrepreneurship Navigator to facilitate implementation

Each investment opportunity was identified based on community engagement, research, and relevance to Region 3. Under each key investment opportunity area, there are specific activities, outputs and outcomes, whereas:
- Activities = What we are doing
- Output = What we are producing
- Outcome = Why we are doing it; the results we seek
- We = Region 3 Ecosystem Builders (Entrepreneurs, Service Providers, and Investors)

This investment strategy is intended to be implemented comprehensively, under a collaborative leadership model, with progress measured and shared on a regular basis using a regional entrepreneurship dashboard.

Given the reality of tension in funding models and limited time and financial resources of many support organizations in the region, it's imperative GO Virginia Region 3 not depend solely on "good will" for potential participation in the collaborative's activities and outputs. If the region wants these efforts to be more than just convening conversations, it must be prepared to offer financial support so that outputs will be sustainable.

To coordinate the collaborative leadership model, we recommend the creation of a new full-time position, whose sole focus it is to ensure the various stakeholders within the ecosystem are connected to each other and to outside resources so that investment opportunities are maximally achieved. This individual's highest priority is to build unity among leaders across the many organizations that make up the entrepreneurial ecosystem in Region 3, allowing each organization to swim in its own lane while aligning on big picture outcomes and strategically addressing issues along the way.

Convening and enhancing the ecosystem should be this person's priority, not an add-on that will be inventiablity overrun by other responsibilities. A job title for this position could simply be "Regional Entrepreneurship Navigator." This concept is discussed in depth at the end of the Investment Strategy section, following a review of the other Investment Opportunities.

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Investment Opportunity 1: Connect Ecosystem Resources and Entrepreneurs

To increase entrepreneurship and innovation activity in Southern Virginia, the first step is to connect existing resources, both within the region and outside. As part of the scope of this project, MBC and Longwood partnered with Startup Space, an ecosystem management SaaS, to build and publish the online SOVA Entrepreneurs Resource Hub. This only begins to tap into the potential of the Startup Space platform, which is available to Region 3 at no additional cost through April 2023.

To build upon foundational investment in the online ecosystem platform, it is essential to begin regularly convening ecosystem builders under a collaborative leadership model to enhance overall capacity of the ecosystem and better leverage existing assets to support entrepreneurs.

Critical Mass Versus Connectivity
Ecosystems rely on a critical mass of entrepreneurs and resources to grow, but this is all relative. Urban ecosystems and rural ecosystems look different because they have different assets and needs based on the mix and volume of people and businesses in the entrepreneurial stack. Rural ecosystems tend to lack deal flow and competitive connectivity to innovation institutions like federal labs, universities, and academic medical centers. On the other hand, rural ecosystems can benefit from great personal connectivity among small town residents and resources.

❖ **COVID-19 Impact:** Tim Sands, President of Virginia Tech, opened the Vibrant Virginia plenary session held June 12, 2020 with a call to action to change the discussion from "urban or rural" to "urban and rural," stating that in some ways, COVID-19 has done some reframing for us: Rural may reopen before urban. Teleworking has increased dramatically. There may be more opportunities for urban-rural partnerships for work.

Abundance Mindset
Rural ecosystem building requires an intentional emphasis on leveraging unique, existing, natural and built assets - i.e. "working with what you have." It is common in rural areas to fall into a "scarcity mindset" where there is a belief that there are not enough resources available to lead to success. By connecting existing resources and entrepreneurs across Region 3, the goal is to help shift the culture towards an "abundance mindset." It is not the number of resources available, but connectivity among them, that can improve rural ecosystems.

❖ **COVID-19 Impact:** The stay-at-home and social distancing mandates required to manage the coronavirus pandemic have let to expedited adoption of video meetings and virtual events, in some ways creating efficiencies (saving travel time and costs) and enhancing opportunities for collaboration by reducing the effect geographic distances. In other ways, this sudden change in the nature of work has worsened the digital divide for those without access to increase in demand for high speed broadband.

Collaboration Over Competition

A more proactive and integrated approach would be helpful both to the support providers and the business community. That should enhance visibility of the service(s) provided and make more business owners and leaders available to receive such services. However, there appears to be some business model alignment concerns - i.e., there can be tension among organizations that is due to differences in funding models (some organizations charge for services, others rely on grants and/or locality support, etc.). This is something that can be overcome with some adjustments to the paradigm that support organizations presently have. In the recent instances where GENEDGE and Longwood SBDC have worked together, there has been some success to both organizations and the client company and that should be repeatable.

Given the reality of tension in funding models and limited time and financial resources of many support organizations in the region, it's imperative GO Virginia Region 3 not depend solely on "good will" for potential activities and outputs. If the region wants these efforts to be more than just convening conversations, it must be prepared to offer financial support so that outputs will be sustainable.

Convening for Collaboration

In parts of the region, there may not be an organization that does entrepreneurship as its sole focus. There are organizations with diverse resources and talent spread across the region. In a connected region, entrepreneurs throughout Southern Virginia will have the power and connections of every incubator. A collaborative leadership model is needed to build shared capacity around a vision of the whole region being connected, so people in one part of the region have access to all resources in the region. Representatives from state level resources (GENEDGE, VEDP) should be invited and integrated into the regional efforts.

The regional ecosystem initiative would include:
- Training for ecosystem builders from reputable providers such as Startup Champions Network, Co.Starters, Rural Rise, InBIA, etc.
- Collaborative development of training for entrepreneurs (see section Nurture Aspiring Entrepreneurs)
- Travel/field trips to visit and build relationships with ecosystems in surrounding areas or nationally, to explore rural ecosystem building best practices
- Annual region-wide entrepreneurship week celebration coinciding with Global Entrepreneurship Week held annually in November
- Curated story-telling campaign to showcase entrepreneurship success in the region
- Creation and support of a region-wide business mentor network
- A hosted blend of in-person and online events to reduce barriers to in-person participation
- Fully implemented Startup Space platform to connect entrepreneurs with resources
- Tracked metrics designed to measure the progress and health of the ecosystem

The content of the quarterly meetings would be participant-driven and focused on building capacity among ecosystem builders, e.g. training on technical assistance topics and best practices in the emerging field of ecosystem building, exploring specific topics such as the demand and design of coworking spaces or commercial kitchens, input into the development of entrepreneurship training programs and creative financing

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vehicles, etc. The <u>purpose</u> of convening is to leverage shared resources/learnings and to keep open conversation across the region for the purpose of scaling resources for the benefit of entrepreneurs.

The <u>participants</u> in these meetings would be key ecosystem builders from each of the four sub-regions. There may be more than one builder representing each ecosystem. Through this EII process, we hope to identify the appropriate point people from each sub-region with capacity to participate. We expect that some sub-regions may have one obvious point person (e.g. the Dan River Ecosystem Principal Coordinator), while other subregions may want/need to have multiple representatives.

The planning team suggests an advisory board structure consisting of ecosystem builders and partners.   (See illustration of ecosystem partners). If feasible, we recommend including a financial incentive for participating organizations.

The regional ecosystem builder collaborative would be convened by the designated Region 3 Ecosystem Navigator; filling this role is further discussed in the final section of this Investment Strategy.

Activities, Outputs, and Outcomes

Table 1A. Connect Entrepreneurship Resources - INITIATIVES	
Activities	*Output (Product/Service)*
A. Convene regional ecosystem leaders regularly	Training, networking, and work groups facilitated for ecosystem builders at regular intervals (e.g. quarterly in-person, monthly online meetups)
B. Promote the SOVA Entrepreneurs Resource Hub (Startup Space) platform as the region-wide ecosystem management tool	Implementation and ongoing maintenance of the Startup Space platform
C. Create a region-wide business mentor network	Online directory of mentors is accessible, with specific areas of expertise and contact information
D. Identify entrepreneurship success stories and fail-fast stories representing diversity of people, business type, and location	Entrepreneur success stories are shared in an ongoing, coordinated campaign, across multiple platforms, including traditional media, social media, the SOVA Entrepreneurs Resource Hub, etc.
E. Identify opportunities to scale existing programs and resources to reach a broader audience	Programs and resources tailored specifically to meet the needs of people/businesses, with increased diversity in demographics, business type and location
F. Identify opportunities for peer networking among entrepreneurs and businesses	Weekly or monthly peer networking events are facilitated for entrepreneurs and businesses (e.g. 1 Million Cups)

G. Regional entrepreneurship scorecard is maintained and updated	Entrepreneurship scorecard is publicly available

Table 1B. Connect Entrepreneurship Resources - OUTCOMES	
Impact	*Correlated Metric(s)*
1. Increased entrepreneurial activity in the region	# New businesses started # New businesses assisted # Existing businesses assisted $ Amount investment assisted % Rate of 5-year establishment survival
2. Increased transparency and coordination among resource providers in service to individual entrepreneur level	# Embeds # Website visits # Active users on the SOVA Startup Space # Community presentations/events
3. Increased accessibility to a knowledge base for entrepreneurs to collaborate	# Businesses mentors # Mentor sessions
4. Increased visibility of entrepreneurial diversity and activity within the region	# Stories per region # People reached with stories
5. Increased diversification of businesses and individuals assisted	# Increased number of population-specific programs held # Increased number of minority owned businesses assisted # Increased number of women owned businesses assisted

Resources for Ecosystem Builders

- Kauffman Foundation, 2019, Entrepreneurship Playbook 3.0
- Kauffman Foundation, 2015, Measuring Entrepreneurial Ecosystems
- E2 Entrepreneurial Ecosystems, 2020, Funding Entrepreneurial Ecosystem Building [PDF download]
- E2 Entrepreneurial Ecosystems, 2011, Transfer of Wealth in Rural America – Understanding the Potential, Realizing the Opportunity and Creating Wealth for the Future [PDF download]
- Brad Feld, (2012), Startup Communities: Building an Entrepreneurial Ecosystem in Your City
- Appalachian Regional Commission, 2018, Entrepreneurial Ecosystems in Appalachia
- Startup Champions Network: A national network of ecosystem builders, currently building out an online platform for ecosystem builder training: http://www.startupchampions.co/

- Rural Rise: A national network of rural ecosystem builders; host of annual conference and national ecosystem building calendar: https://www.ruralrise.org/
- Ecosystem Builder Hub: an online hub or clearinghouse of stories, articles, interviews and more about startup and entrepreneurial ecosystem building: https://ecosystembuilderhub.com/

Investment Opportunity 2: Support Existing Business Growth and Innovation

Support for existing businesses, or Business Retention and Expansion (BRE) is an accepted component of professional economic development. However, it is commonly accepted that BRE has been second in priority behind business attraction, as demonstrated by lack of BRE resources (time, funding, and formalized programs).

❖ **COVID-19 Impact:** Due to the onset of COVID-19 in early 2020, there is an elevated focus on BRE from state, regional, and local economic developers. Beyond emergency financial assistance through grants and loans, there is an opportunity to develop infrastructure in the form of economic gardening, networking, and other supports that will benefit existing businesses and continue to provide benefit after the crisis has subsided.

Traded Sector Roundtables

As part of this strategy development, the project team hosted a series of six roundtables across the region, including one that focused on agriculture businesses, in fall 2019 (see Appendix 3 for a list of participants). Existing traded sector firms expressed needs in the following areas: workforce hiring and retention (31%), market research assistance (23%), and expansion of their business outside of the region (10%). There was significant interest in being part of a mentorship network that meets regularly to discuss topics of interest (8.5%).

❖ **COVID-19 Impact:** Through the CARES Act and the SBA, the Longwood SBDC has received funding to facilitate additional traded sector roundtables, as an avenue to offer small group business consulting and peer support to existing businesses. These roundtables meet a need for peer networking previously identified through the business engagement conducted in fall 2019. Going forward, these roundtables will serve two purposes:
1. Provide business owners and managers in the traded sectors with a forum to network and share insights in the form of peer mentoring
2. Provide Region 3 with ongoing research and a feedback loop on programming supporting existing businesses

Scaling Resources Through Collaboration

To scale the impact of BRE, this strategy suggests supporting a coordinated effort that leverages capacity of existing economic development organizations (local, regional, and state) to create transparent processes for referral pipelines among business service providers and to market a menu of support services available for the growth and expansion of Stage 2 businesses. Enhanced communications and leveraged efforts by all of these organizations together will result in a more connected system of support for existing traded sector businesses as well as the business population in general. Traded sector businesses which generate new wealth for the region should be prioritized in accordance with GO Virginia's charter to diversify the Commonwealth's economy and create less reliance on federal jobs.

Activities, Outputs, and Outcomes

Table 2A. Support Existing Business Growth - INITIATIVES	
Activities	*Output (Product/Service)*
A. Expand utilization of and maintain updated versions of the business listing database/map to support the work of regional economic developers	Local and regional economic developers are able to identify supply chain opportunities to grow businesses within the region and growth potential for existing businesses
B. Identify changes in the R3B Map for mapping on a quarterly basis	Business database/mapping are updated on a quarterly basis and shared with REDOs/PDCs
C. Identify opportunities to scale the impact of existing programs for business expansion	Implementation of a formal, coordinated approach to address the needs of existing traded sector businesses that are positioned for growth
D. Support regular convening of regional EDOs, economic developers and Chamber executives, via the SVRA/VGA task force members and workgroups	Create and document transparent, formal processes for economic gardening and referral pipelines among business support providers, to include statewide resources such as VEDP, GENEDGE, and ICAP
	Document and market a menu of support services
E. Monitor the region(s) sales revenue for year-to-year comparative analysis.	Spreadsheet of ongoing sales figures for each region and the collective

Table 2B. Support Existing Business Growth - OUTCOMES	
Impact	*Correlated Metric(s)*
1. Regional economy is diversified and job growth is strong	# Jobs created # Jobs retained
2. Traded sector businesses are better informed, supported, and equipped for growth	$ Revenue growth for traded sector(s) # Employment growth for traded sector(s) # Businesses past $1M in annual revenue
3. Increased number of businesses able to transition from stage 1 to 2	# Stage 1 businesses per region # Stage 2 businesses per region % Change in growth of stage 1 and 2 business
4. Establishment of transparent coalition/network of partner organizations that support BRE	# Ecosystem meetings # Referrals among business support providers # R3B Maps generated

Resources for Ecosystem Builders

- Southern Virginia Regional Alliance: https://www.gosouthernvirginia.com/
- SOVA COVID-19 Task Force Resources: https://www.gosouthernvirginia.com/covid-19-resources
- Virginia Growth Alliance: http://www.vagrowth.com/
- Longwood SBDC: https://sbdc-longwood.com/
- Virginia SBDC: https://www.virginiasbdc.org/
- US Small Business Association (SBA): https://www.sba.gov/
- SBA Coronavirus Resources: https://www.sba.gov/page/coronavirus-covid-19-small-business-guidance-loan-resources
- VEDP Business Retention and Expansion division: https://www.vedp.org/businesses
- VEDP Economic Gardening: https://www.vedp.org/virginia-economic-gardening-program
- National Economic Gardening Center: https://www.nationalcentereg.org/
- GENEDGE (manufacturing and operational consulting): https://genedge.org/
- The Launch Place: http://thelaunchplace.org
- Center for Innovative Technology (CIT) : https://www.cit.org/

Investment Opportunity 3: Develop Training Programs for Aspiring Entrepreneurs

Programming, which refers to training and education, is essential for the development of entrepreneurship and innovation. Aspiring entrepreneurs may include:

1. Young people who are exploring career pathways
2. People who dream of starting a business, but need support and training on business basics
3. People who have a innovative concept that can be commercialized, but need to identify and validate customers

Scaling Resources Through Collaboration
To scale the regional ecosystem, expanding programs can be expanded and new programs should be developed in collaboration, not competition. To be successful, Southern Virginia needs to act like a region versus a group of siloed localities. This is important both to develop networks, industry clusters and supply chain opportunities as well as to avoid unnecessary duplication of services while leveraging talents, funding opportunities, and in-region and out-of-region resources to increase access to quality programming across the region. Regardless of what entity hosts the regional training, funding would be needed to outsource curriculum development and delivery.

Importantly, when assessing the success of programs, people deciding NOT to start a business (failing early) is as important as those that launch.

Youth Entrepreneurship Programs
Today's students are the future entrepreneurs of Region 3. Investing in youth entrepreneurship programs not only supports future entrepreneurs, but it teaches critical thinking, design thinking and problem solving that will support students in any career path they follow. To scale and be successful, a youth entrepreneurship program needs to have:

1. In-school components (e.g. curriculum-based instruction or school-based events or clubs),
2. Community-based components (e.g. partner with Chambers and community marker spaces, libraries, etc.)
3. A regional infrastructure to efficiently leverage time and funding resources
4. Intentional inclusion of ALL students through population-specific outreach or programming

Existing Programs
The only known, substantial youth entrepreneurship program in Region 3 is at Cumberland County Schools, where they have adapted WagiLabs (https://www.wagikids.org/) for their Elementary and Middle School students. The curriculum itself focuses on developing the entrepreneurial mindset at a young age; the pillars of which include curiosity, compassion, and courage to come up with ideas that "do good" to help people, animals, and the environment. Building on Cumberland's experience, there is an opportunity for Region 3 to support expansion of this program.

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There are additional scattered youth entrepreneurship offerings in Region 3, some led by schools, some led by Chambers of Commerce:

- Patrick County offers the Rise and Shine youth entrepreneurship community-based program
- The PHCC Thomas P. Dalton IDEA Center offers youth camps in the makerspace
- At least one high school Virtual Enterprise class is offered using a set curriculum that costs $2,500 per class with additional fee for each class offered. The students and teacher raised around $12k to take a trip to NYC as part of this program.
- At least one high school offers VDOE approved entrepreneurship courses, but they have not run due to lack of students signing up. Further research is needed to know if this due to lack of interest or lack of availability in student schedules.
- At least one Chamber has hosted a youth entrepreneurship day, but the event has not repeated.
- At least one school organizes a "market day" program where fifth grade students create and showcase product ideas.
- One Chamber previously hosted the out-of-school Youth Entrepreneurship Academy (YEA), but it has not been offered for several years.
- CTE trade courses each include a small entrepreneurship component (reference VDOE curriculum site)
- FBLA and/or DECA active at some high schools
- FFA has an ag-entrepreneurship component
- FIRST Robotics intentionally teaches entrepreneurial thinking
- Junior Achievement is a youth program that some Chambers once ran

Ideas to Explore

Additional opportunities to integrate entrepreneurship programs into middle school and high school curriculum, may include:

1. Replicate the WagiLabs model used in Cumberland County across the Region.
2. Intentionally integrate entrepreneurial thinking into GO TEC curriculum. For example, the GO TEC 8th grade curriculum includes a final project that could be set up as a business pitch using Project Based Learning (PBL) and the GO TEC middle school labs as maker spaces.
3. Integrate entrepreneurship experiences as Work Based Learning (WBL), helping schools meet the requirements for WBL set forth by the Virginia Department of Education. This may require school systems to apply for an exception to DOE graduation requirements to do a pilot with an entrepreneurship career pathway for high school students by developing innovative thinking courses for juniors and seniors who have taken business courses; this could be developed as a pilot program with VDOE. As part of this, also expand upon entrepreneurship basics included in existing CTE education.
4. Integrate entrepreneurship education with Computer Science (CS) education. CodeVA and CSTA SOVA can facilitate coding camps with curriculum that could be built around entrepreneurship/business themes.
5. Build upon the Personal Finance course required for all ninth graders to be part of a broader entrepreneurship curriculum. This may be limited in value as the personal finance course focus is being

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changed to include how to apply for FAFSA. Longwood offers an online personal finance course that is dual enrollment, and could include entrepreneurship.

6. Partner with a national resource provider for curriculum. Options include: The Startup Experience (https://startupexperience.com/), which is used in Region 8; Invention Convention (https://inventionconvetion), which is a STEM-based entrepreneurship education with a competition component to drive K-12 engagement; or The EdVenture Group, which works with 11th and 12th graders, in and out CTE programs, and offers an optional third year program post high school (https://www.theedventuregroup.org).

Resources Needed

To implement any of the ideas discussed above, funding will be needed for curriculum development or purchase, purchase of supplies/materials, teacher stipends if programs are offered as after/out of school activities, and prize money if there is a pitch competition component. Regional businesses could be solicited for corporate sponsorship as a match to GO Virginia funding.

Adult Entrepreneurship Programs

Below is a list of known entrepreneurship programming available in Region 3:

- Longwood SBDC offers ongoing, one-off workshops on topics including marketing and business start-up. They are currently working with Letterpress Communications and the SOVA Innovation Hub to develop a small business marketing training series. The Longwood SBDC offered the UpStart Entrepreneurship Bootcamp in 2016, but it was not repeated.
- Patrick Henry Community College and the Martinsville-Henry County Chamber of Commerce offer Startup and Grow Martinsville-Henry County
- The Danville River District Association was in its second year of Dream Launch when COVID-19 hit; the pitch component was postponed.
- The Danville-Pittsylvania County Chamber of Commerce was planning to launch training programs with pitch components in fall 2020; these have been postponed due to COVID-19.
- The Virginia Growth Alliance hosted a pitch competition in 2018 but it has not been repeated. The Town of South Boston, which participated in the VGA's competition, is interested in hosting its own competition.
- New College Institute announced in June 2020 a new partnership with the ODU Center for Entrepreneurship and Innovation to provide training to existing businesses.

Programs for Communities of Interest

In Region 3, there are no known programs that are designed and offered for specific populations, including people of color, women, veterans, English Language Learners (ELLs) or other minorities or underserved communities. It is also noted that the majority of ecosystem builders idneitifed within the region are a hetergenous group; while there is gender diversity, few non-white individuals are involved. There needs to be intentional effort to engage people of color, other minorities and underserved communities in the work of ecosystem building. Programs for everyone don't reach everyone.

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On-Demand vs. Live and Cohort Based Training

Some programming should be "on-demand" meaning an entrepreneur can access it whenever he/she is ready, versus waiting for cohort training to start. As on-demand training is developed, it can live on the SOVA Startup Space Entrepreneurs Hub using the Knowledge Library feature of StartupSpace.

There is value in cohort based training, which allows for more peer networking as entrepreneurs proceed through a program together.

A cost-effective, well-respected curriculum partner is Co.Starters (https://costarters.co/), a national training provider with a focus on underrepresented entrepreneurs. Co.Starters charges an initiation fee and annual membership fee to access its curriculum. It offers a train the trainer model, so that local ecosystem builders would lead and provide the training. This localized delivery is important to success. The SOVA Innovation Hub, based in South Boston, is currently considering investing in this program and implementing it in partnership with the Longwood SBDC. If this moves forward, this could serve as a pilot for deploying the program across all of Region 3 using a combination of virtual and in-person training.

Another option is to partner with The Advancement Foundation (TAF) (https://theadvancementfoundation.org/), which offers The Gauntlet: a multi-site, cohort based training program in the Roanoke region (GO Virginia Region 2). The Gauntlet is an annual business pitch competition with prize funds, wherein regional business support providers play a role in supporting the competitors. TAF has expanded its program to one locality within the Region, but does not have existing relationships in Region 3. Building upon The Gauntlet, the TAF has also launched The Innovation Mill as a next-level program/incubator for companies from The Gauntlet (and others) that are scalable. Per this strategy, Region 3 needs to implement foundation level programming (like Co.Starters or The Gauntlet) before jumping into a program like The Innovation Mill.

Another potential partner, recommended by InBIA (International Business Incubation Association) is Entrepreneur Ready (https://entrepreneurready.com/), a SAAS (software as service) that tracks movement of participants through the program. Incentive to progress: When traction is gained, an entrepreneur is matched with a mentor.

Training Tracks and Target Sectors

A challenging aspect of entrepreneurship training programs can be that the participants come from different levels/places. Trainees will be better served if training meets them where they are. The Co.Starters model has intake and various tracts within the cohort.

When designing a Region 3 training pipeline, there should be programs that serve all types of businesses, and others with an explicit emphasis on product and technology entrepreneurship, which drive innovation versus retail and service businesses. These tracks should be further customized for target sectors in Region 3.

One program to watch and learn from is the Startup Shenandoah Valley Program (S2V), a program in GO Virginia Region 8 that received funding approval in June 2020. S2V will be hosted by the Shenandoah Creative

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Community Fund (http://stauntonfund.org/), which began as a regional revolving loan fund and has evolved to serve the role of regional ecosystem convener (SCCF is currently undergoing a rebrand). S2V includes funding for a virtual acceleration program focused on its region's targeted traded sections: food processing, light manufacturing, information technology, cybersecurity, and biomedical and biotechnical.

The Richmond region also obtained funding in June 2020 for a project called the Idea Factory that will offer five-week instructional programs to aspiring entrepreneurs who want to start businesses, particularly in technology and manufacturing. The nonprofit business incubator Startup Virginia is working with the Richmond-based product development agency, BLDR, on the curriculum.

Virginia SBDC's ICAP Program
"Based on the National Science Foundation's I-Corps™ program for Lean Startups, ICAP helps inventors and entrepreneurs take the right first steps in bringing new technologies and innovations to market. ICAP includes FREE introductory training programs and counseling services offered through ICAP instructors and local SBDC counselors. ICAP helps startups identify potential customers and develop successful business models based on that knowledge. It is an ideal program for early-stage companies trying to prepare for eventual venture investment." (https://www.virginiasbdc.org/programs/icap/)

Longwood SBDC plans to launch the first Region 3 cohort of ICAP in early 2021 from the SOVA innovation Hub in South Boston, leveraging the Microsoft TechSpark program and the SVHEC R&D center.

- ❖ **COVID-19 Impact:** Due to COVID-19, the Virginia SBDC is offering virtual ICAP cohorts, making the program more available to entrepreneurs throughout Virginia. (https://www.virginiasbdc.org/icap-lean-startup-introductory-course-virtual-cohort/)

Pitch Competitions vs. Programs Without Prize Funds
How important is it that prize money is attached to the end of a training? There are differences in opinion on this topic. In one view, the pitch and prize money component is important for two reasons: practice for investment pitch, and retention through the program. On the other side, alternative strategies to encourage retention through a training program is to charge a nominal fee for participation and/or to offer a certification or college credit for the course. For participants unable to pay for training, a sliding scale, scholarship, and/or bartering program can be built into the program. There could also be milestones by which an entrepreneur unlocks certain resources, similar to how Entrepreneur Ready matches entrepreneurs with mentors based on progress through its training program.

This strategy does not recommend that every training program has a pitch component or prize funds. However, as the pool of investment-ready entrepreneurs grows within the region, there is an opportunity to develop a region-wide pitch competition that recruits participants from regional training programs. If successful at the community level, new business owners could be encouraged to pitch at the regional level. (Or it could be a prerequisite that the competitor has gone through training either locally or virtually.) This could create a sense of friendly competition among sub-regions and create opportunities for entrepreneurs to network to find

mentors, investors, and supply chain opportunities (this is further discussed in the investment opportunity around expanding access to capital).

➔ GOVA funds could be used to provide part of the prize money. Regional banks and professional services firms that want to build relationships with new business owners could be invited to sponsor the competition to raise the matching funds. (Cross-reference Investment Opportunity 4)

DHCD's Community Business Launch Program
The Department of Housing and Community Development (DHCD) offers a program called the Community Business Launch (CBL), which offers up to $45,000 in match funding towards entrepreneurship training programs that culminate in a pitch competition. According to the DHCD website, "local governments (city, county or town), local or regional economic or industrial development authorities, or regional or local economic and community development organizations may apply for the funds" (https://www.dhcd.virginia.gov/cbl).

The only localities within Region 3 that have completed the CBL are the City of Danville, Martinsville-Henry County, the Town of South Boston, and Clarksville, South Hill, and Emporia (jointly through theVirginia Growth Alliance).

A function of the entrepreneurship ecosystem collaborative could be to support additional localities in their application to the CBL. Support may come in the form of completing the application, developing the training component, and identifying sources for the local match. GOVA funds can not be used as a match for this program because both GOVA and CBL funds are state monies distributed by DHCD. Scaling the training component would make it more feasible for more localities to participate.

Other localities that would be strong applicants include: Farmville, Blackstone, and anywhere with a strong Chamber. A successful program will depend on leadership continuity, buy-in from local government, and real estate availability in the chosen geographic area (program application must engage building owners/landlords).

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Activities, Outputs, and Outcomes

Table 3A. Develop Entrepreneurship Training - INITIATIVES	
Activities	**Output (Product/Service)**
A. Develop a youth entrepreneurship program that can be scaled across the region to maximize reach	A youth entrepreneurship curriculum available to students across the region (e.g. Wagi Labs, The Startup Experience)
B. Develop an adult learning training pipeline of on-demand and live, multi-level programming that can be accessible to, yet flexible and customized to, the needs of individual entrepreneurs and local communities/ecosystems	101 curriculum to develop the entrepreneurial mindset, to include Lean startup, business concept validation, innovation, and personal finance
	201 curriculum that helps entrepreneurs on implementation of their business model
	301 curriculum to help entrepreneurs prepare to pitch for risk capital (see Opportunity 4)
	Virginia SBDC ICAP program, using blended learning to scale the program across the region
C. Identify needs and opportunities to develop community-specific programs for people of color, women, veterans, non-English speakers, etc.	On-demand training is translated for English Language Learners
	New and expanded population-specific programs and resources (such as mentorship and support groups) for minority, women-owned, and veteran entrepreneurs (dedicated resources to augment general programming)
D. Identify and connect areas of research/expertise throughout the region	Leverage higher education centers, colleges, and universities
E. Develop a regional business pitch competition independent of a training program.	Create a business pitch competition that draws from entrepreneurs who have completed training
F. Provide support to eligible localities to apply for the DHCD Community Business Launch (CBL) program	Additional localities apply for and are successful in participating in the DHCD CBL program

Table 3B. Develop Entrepreneurship Training - OUTCOMES	
Impact	*Correlated Metric(s)*
1. Increased number of people participating in entrepreneurship training (include those who start and those who "fail early")	# Entrepreneurial training events
2. Increased number of businesses started	# New businesses started
3. Increased existing business growth	$ Sales increase % Change in sales # New employees % Change in employment
4. Increased resources invested for programming and training to meet diversified entrepreneurs within the region	# New programs per region # Diversified programs per region
5. Increased number of women-owned businesses	# New women owned businesses % Change in women owned business year-to-year
6. Increased number of minority-owned businesses	# New minority owned businesses assisted % Change in minority owned businesses year-to-year

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Opportunity Area 4: Expand Access to Capital

Capital of all types is essential to increase the number and success of entrepreneurial endeavors that start and grow in Southern Virginia. The TEConomy report for Region 3 included a recommendation to increase access to risk capital, which includes angel investing, venture capital, and private equity, which is typically needed by high growth startups. This strategy ranks this opportunity below those previously discussed, because lack of risk capital is difficult to solve when there are not businesses that are ready for it. This strategy also expands the need to expand access to all types of capital, to meet the needs of all types of entrepreneurs.

Strategies to increase access to capital should focus on enhancing capital markets infrastructure.
Instead of "creating and growing specific investment vehicles to invest directly into entrepreneurs… organizations with influence – such as large institutions, foundations, and governments… [can] build market infrastructure that enables the marketplace of entrepreneurs and capital entrepreneurs to solve problems." (Source: Kauffman Foundation, "Capital Report," March 2019)

Capital needs, and ease of access, may vary by the type of business and by the entrepreneur.
- There is a need to increase access to capital for all types of businesses from high-growth start-ups to existing businesses looking to expand to small businesses hoping to launch.
- There is a need to increase access to capital for all types of entrepreneurs, regardless demographic characteristics, including women and people of color.

Capital can be equity or debt. Sources of capital may include:
- Personal and family/friends (bootstrapping)
- Angel investing (individuals)
- Venture capital funds
- Crowdfunding
- Alternative lending, including revolving loans, microlending, CDFIs, grants/incentives
- Bank and credit union lending (traditional loans)

The only venture capital fund in Southern Virginia is The Launch Place Seed Fund (Appendix 5). This strategy does not recommend creating a new region-wide venture capital fund at this time.

There is opportunity to increase access to capital through education and training, from personal finance to pitch prep (cross-reference Investment Opportunity 3).

This strategy recommends the creation of a region-wide revolving loan fund, to leverage local contributions with GO Virginia funds.

The greatest opportunity that Southern Virginia has to expand access to capital for entrepreneurs is to facilitate the formation of an informal angel investors network. This is not referring to creating an investment fund, but instead bringing together individuals who have experienced financial success, have business expertise, and have funds available to invest in startup businesses. To be successful:

1. **Entrepreneurial support organizations (ESO or ECO)**: To do this as a region, we need a process and a group of organizations to be trained and learn a protocol by which startup companies are trained and prepped towards an angel investor pitch. The goal is to minimize the burden on the angel investor by having availability of investable projects and therefore not wasting their time.
2. **Entrepreneurs:** The entrepreneurs have to be prepared and understand what is needed to be ready for an angel investor pitch.
3. **Space and Timing:** Bringing the angels together is essential. It is recommended to bring investors together to have a common pitch experience. Organizations and entrepreneurs have to be in place to share the experience, whether in-person or online. Angels will likely not continue participating if they hear business pitches that are low quality or that include poorly prepared financials. By the nature of these investors, not all of them want to collaborate. They are independent people that are not looking for a community group to facilitate their deals. *To increase access to capital through **banks and credit unions**, strategies may include:*

While is also an opportunity is to engage banks and financial institutions in ecosystem work:

1. **Engage banks and credit unions in regional entrepreneurship development activities.** The SOVA ecosystem leadership could create and maintain a contact list of commercial lenders at banks and credit unions, utilizing the StartupSpace platform to make this information publicly available in a centralized place. The SOVA ecosystem leadership could conduct an ongoing outreach campaign to connect lenders with ecosystem activities by inviting lenders to events and to serve as mentors.

2. **Educate lenders about SBA loan products and processes.** A nationally accepted measure of ecosystem health is the number of SBA loans generated in a geographic area. Prior to the CARES Act which created new types of SBA lending, the Southern Virginia region did not utilize SBA loans at a high frequency. Post-COVID-19, the Longwood SBDC could prioritize outreach to lenders and entrepreneurs to encourage continued utilization of SBA loan products.

3. **Consider forming a bank-led community development fund.**
   Case Study: In Mississippi, Dr. Godwin created a type of community development fund called the Semcic Fund. where 8 banks contributed an equal, set amount with a 5-year commitment (started at $12.5k, went up to $50k, average $25k/year). Each bank had a representative on the advisory board to make recommendations. (Martinsville has a community investment fund, banks participate but are not led.) The fund made low interest loans. Bankers were paying for a seat at the table. It takes strong leadership to influence banks to participate; appeal to marketing needs. Applicants were not bankable (due to either the entrepreneur or the industry, but had a solid business plan; this gave them a way to have a banking track record). Many applicants came back repeatedly. (Source: Interview with Dr. Angeline Godwin, 6/1/2020)

Activities, Outputs, and Outcomes

Table 4A. Expand Access to Capital - INITIATIVES	
Activities	**Output (Product/Service)**
A. Increase capacity among regional ecosystem builders/entrepreneur support organizations (ESOs) to support entrepreneurs with investable ventures	Training (possibly certification) for ecosystem builders on how to support and prepare entrepreneurs to pitch to investors
	Set of regional training materials to establish shared standards
B. Provide programming that helps entrepreneurs on the path to becoming investor-ready	See Opportunity 3 (training)
	Mini-grant is available for an entrepreneur pitch kit (professional logo, branded attire; not startup funds)
C. Activate private investors by creating a informal angel network (not a fund)	Training is provided to potential investors on liabilities, etc.
	Pitch nights are well-facilitated on regular schedule (monthly or quarterly)
D. Create a regional revolving loan fund	GO Virginia Region 3 provides matching funds towards a region-wide revolving loan fund, administered by a contract organization (e.g. a PDC - TBD by RFP)
E. Engage banks, credit unions, and CDFIs in regional ecosystem building activities	Lenders create and maintain profiles on the SOVA Startup Space online directory
	Lenders are educated about SBA loan products and processes
	A lender-led community development fund is created to provide loans to unbankable entrepreneurs
F. Raise awareness of venture capital funds/firms outside of Region 3	Statewide resources such as VA4E are included in the SOVA Startup Space online directory
G. Educate entrepreneurs on the types of crowdfunding, and resources available for each	Training is provided to help entrepreneurs evaluate and launch successful crowdfunding campaigns

Table 4B. Expand Access to Capital - OUTCOMES	
Impact	*Correlated Metric(s)*
1. Increased capability of ecosystem builders/entrepreneurial support organizations better to serve their region financially.	# Training/certificates per region # Amount invested in regional ventures
2. Increased angel network activity, whether technical assistance or financial	# Angel assisted start-ups $ Amount of angel investment $ Amount in sales growth # New employees
3. Increased entrepreneurial awareness and access to financing options	# Financial institutions listed per region on directory # SBA loan training sessions # SBA loans $ CDFI funds # CDFI loans $ CDFI loans # Venture capital loans $ Venture capital loans
4. Increased entrepreneurial competency in the realm of finances	# Personal finance training sessions offered # Business finance training sessions offered

Common Language

- **Personal and family/friends money:** This refers to personal funds or funds borrowed from people in the entrepreneur's close personal network. Because many entrepreneurs begin financing their venture this way, personal finance education is essential to include or offer as a prerequisite to entrepreneurship training. This topic is discussed further in the "Nurture Aspiring Entrepreneurs" section of this report. Given record unemployment, the COVID-19 impact is likely that personal and family/friends money is more limited than before.

- **Venture capital (VC) funds or firms:** VC funds or firms private institutional capital through investing other people's money (which they hold in a fund) into companies, in exchange for an equity stake. VC firms are not typically involved in the company and place high value on the company's management

team. VC firms expect high ROI. The impact of COVID-19 on VC fund investing is yet to be known; the VC industry will look very different post-COVID-19.

- **Angel investing**: This is a form of private capital that is not institutional. Angel investors are wealthy individuals (or groups of wealthy individuals) who invest their own money into companies. Unlike VC firms, angels typically are involved in the company in some capacity (e.g. active advising); they still expect a ROI, but may have other drivers (e.g. social impact). Angel money is "patient money" that is willing to do good and do well. Most angel investors are high net worth individuals. Time is the most valuable asset anyone has. It's hard to keep angels connected because their time is very precious. Another problem is not having enough deal flow to keep angels' attention. Angel investors would be more interested in products and technology, over retail and services.

    - ❖ **COVID-19 Impact:** The impact of COVID-19 on angel investing is yet to be seen. Considering the COVID-19 impact on the stock market, many portfolios took a hit, although now the stock market is coming back. According to a Forbes article published March 31, 2020, "Some angels will be slightly more hesitant about dumping millions of dollars into companies, at least for the time being, thanks to the COVID-19 crisis. However, seasoned investors actively working with investment groups have made investing a habit. They are not oblivious to concerns around COVID-19, nevertheless, they may look for opportunities to enhance their portfolio as more novice investors are sitting on the sidelines." (Source: *Forbes*, "The face of angel investing is changing. Here's what you need to know." https://www.forbes.com/sites/jiawertz/2020/03/31/face-angel-investing-changing-what-you-need-to-know/#dc1dcce6ba3c)

- **Crowdfunding** is a form of private capital that may be deployed in one of four main ways: donation, rewards, equity, or debt. (source: https://www.crowdfundinsider.com/2014/09/50628-equity-vs-debt-crowdfunding/)

- **Revolving loans** refer to "an arrangement which allows for the loan amount to be withdrawn, repaid, and redrawn again in any manner and any number of times, until the arrangement expires. Credit card loans and overdrafts are revolving loans. Also called evergreen loan." (source: www.businessdictionary.com). Sources of revolving loans include: Banks and credit unions that offer a revolving line of credit, credit cards; and governmental or community-economic development entities.

- **Microloans** refer to "a small sum of money lent at low interest to a new business," including peer-to-peer loans loan funds established by governmental or community/economic development organizations.

- **Community Development Financial Institutions (CDFIs)** are "private financial institutions that are 100% dedicated to delivering responsible, affordable lending to help low-income, low-wealth, and other disadvantaged people and communities join the economic mainstream." (source: www.ofn.org)

Examples of CDFIs serving the Southern Virginia region include
1. Virginia Community Capital (https://www.vacommunitycapital.org/)
2. People Incorporated (https://www.peopleinc.net/)

- **Grants and incentives** are funds that do not have to be repaid but are often subject to clawbacks in accordance with performance agreements made prior to distribution of funds. Individual localities offer grants and incentives to help attract and grow businesses. There is a perception among local existing businesses that these funds are available to new businesses coming in to the region and are harder to access by local entrepreneurs.

- **Pitch competitions** with prize money are a type of grant funding. DHCD's Community Business Launch (CBL) program offers match funding to Main Street communities. A locality is only eligible for this funding one time. Examples of pitch competitions held in Southern Virginia include:
  1. Start Martinsville (winner gets a seat in Grow Martinsville)
  2. Grow Martinsville
  3. Danville River District Dream Launch
  4. Danville Pittsylvania County pitch competitions (planning phase)
  5. PHCC Big Idea Challenge (winner automatically gets a seat in Startup Martinsville)
  6. DCC's Small Business Competition
  7. IdeaFest
  8. Big Launch Challenge

- **Bank and credit union lending** provides private, institutional, traditional capital through loan products (debt), including SBA loans. There are multiple local, regional, and national banks serving Southern Virginia. Traditional lenders tend to be risk averse, preferring not to invest in start-up companies without proven cash flow or substantial collateral; nonetheless, they should not be ignored in the overall effort to increase access to capital. The rural nature of Southern Virginia may prove to be an advantage because relationships can be easier to form and maintain.

Resources for Ecosystem Builders

- Kauffman Foundation, 2019, The State of Access to Capital for Entrepreneurs
- E2 Entrepreneurial Ecosystems, 2020, Funding Entrepreneurial Ecosystem Building [PDF download]

Investment Opportunity 5: Expedite Broadband Implementation

The onset of the coronavirus pandemic has only exacerbated the digital divide, which determines access to entrepreneurship on top of impacting education, health, and economic outcomes on individual, community, and regional levels. For the Southern Virginia economy to fully recover and gain new strength post-COVID-19, broadband expansion must be the top priority.

Broadband expansion must be a top priority

Lack of equitable, ubiquitous access to broadband is the single largest factor inhibiting economic progress in Region 3. Broadband is widely accepted as essential to improving business, education, and healthcare. With specific relevance to entrepreneurship and innovation, limited access to residential broadband is a barrier to entry for entrepreneurs wanting to start an online or e-commerce business from home. The expense of a brick and mortar location and lack of access to co-working space are also barriers that economic development organizations must consider enabling access to broadband. As more businesses deploy automation, AI, and cloud computing into manufacturing and distribution, synchronous high speed broadband is a requirement.

Middle mile expansion projects are eligible for GO Virginia funding

Middle mile expansion projects are eligible for GO Virginia funding (GO Virginia Policy Directive #8). Middle mile extension projects that help multiple businesses should be prioritized over projects that will only serve one specific business. As long as there are existing and/or prospective businesses willing to sign up for service, fiber companies can fund lateral extensions through future earned revenue. Speculative builds are not feasible for telecommunications providers to undertake without support from grant funding or other subsidy efforts.

Region 3 is home to Mid-Atlantic Broadband Communities Corporation(MBC), a tax-exempt 501(c)(4) Social Welfare organization established in 2004 to improve economic development in Southern Virginia by building and operating an advanced open-access fiber optic middle mile network. As of June 2020, MBC owns and operates 1,900 miles of fiber and continues to expand its network by leveraging its unique business model. MBC regularly evaluates requests from local and regional economic developers to subsidize fiber lateral builds (middle mile extensions) as part of incentive packages for businesses that are creating new jobs in the Southern Virginia footprint.

Last mile expansion is happening - but more visibility is needed to track progress

Last mile projects, i.e. extension to residences, are ineligible for GO Virginia funds. However, Internet Service Providers (ISPs) have access to multiple grant funding sources, including the Virginia Telecommunications Initiative (VATI) funds administered through the Department of Housing and Community Development (DHCD), the Federal Communications Commission (FCC) Connect America Funds, and the Rural Digital Opportunity Fund, as well as other Federal loan and subsidy programs from Rural Utility Service and the US Department of Commerce. In most cases, these funds are dependent upon FCC mapping data that is outdated and is typically contested by both small and large telecommunications companies. Guidelines and measurable data are needed to adequately determine what areas are "served" versus "unserved." Many of the funding sources require the ISP to partner with a locality, following an RFP process being conducted by the locality - i.e. the efforts need to be spearheaded by local leadership. Even after grant funding is awarded, it can take significant

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time before businesses and citizens notice the results; strong leadership and project management are needed to keep momentum through planning, permitting, and implementation.

Undoubtedly, there are many more people connected now than there were two years ago. However, there are still many people without broadband, whether due to availability, affordability, or other factors. Going forward, progress should be measured and tracked to hold local leaders and ISPs accountable to apply for and implement available funding. Commonwealth Connect is a resource for data to incorporate into a Region 3 broadband scorecard.

- ❖ **COVID-19 Impact:** COVID-19 is widening the digital divide with each passing day among individuals and among communities. The demand for access has increased, as work, education, and healthcare move online - and move to video. This challenge also represents an opportunity: some schools and libraries have made free WiFi available in their parking lots. Some ISPs have also added hotspots in various locations. This type of community outreach should be expanded upon to bring more WiFi hotspots to towns and community centers throughout the Region. As local school systems prepare to reopen schools in fall 2020, access to broadband will be even more essential.

Funding is a barrier to broadband expansion, but the largest impediment is sheer willpower. At the local level, communities that are well-coordinated and relentless in their partnership efforts with ISPs can be successful in accessing funding at the federal and state levels that have already been allocated towards broadband expansion.

During the Vibrant Virginia plenary session held June 12, 2020, broadband was cited as a top priority for expediting economic recovery due to its impact on education, healthcare, and business. VEDP President Stephen Moret stated, "The amount of money that's involved now, while it's substantial, is relatively small compared to the benefits."

GO Virginia funding can only be used for middle mile fiber, not last mile expansions, GO Virginia Region 3 can help facilitate local and regional efforts that will build leadership capacity. A sense of urgency should be applied to supporting community efforts to partner with ISPs that seek to deploy last mile funding.

Activities, Outputs, and Outcomes

Table 5A. Expedite Broadband Implementation - INITIATIVES	
Activities	*Output (Product/Service)*

A. Partner with Commonwealth Connect to track broadband access in the Region	Transparent dashboard to monitor progress in broadband access, helping to hold local leaders and ISPs accountable.
B. Track the funds awarded and implemented, e.g. the amount for VATI, federal funds, etc. that have gone into recent broadband announcements.	
C. Partner with national or state resources (e.g. CIT, BroadbandUSA) to host regional workshops to increase local capacity to seek broadband funding.	Increased quantity, quality, and success of grant applications from Region 3 localities to state and federal broadband funding sources
D. Record "speed testing" protocols that can be used by localities to determine "unserved areas"	
E. Create a "how to" resource guide for local leaders and citizens to encourage embark upon activating their communities to work together to increase last mile broadband development	
F. Engage with public organizations, like schools, higher education centers, and public libraries to provide incremental improvements in access	More WiFi access for students, entrepreneurs, and all Region 3 residents who cannot access it at home.
G. Support the development of entrepreneurial spaces, as destinations for WiFi access.	

Table 5B. Expedite Broadband Implementation - OUTCOMES	
Impact	**Correlated Metric(s)**
1. More Region 3 businesses are able to compete globally	# Increased number of Stage 2 businesses # Increased number of Stage 3 businesses

2. Businesses are able to startup in Region 3	# Increased number of new businesses
3. Businesses are able to hire remote/teleworkers who live in Region 3	# Increased income per capita
4. More people in Region 3 have access to high speed broadband	# Increased number of WiFi hotspots available per capita # Increased percentage of population with access to high speed broadband at home

Resources for Ecosystem Builders

- **Commonwealth Connect i**s the Commonwealth of Virginia's comprehensive effort to achieve universal broadband access, a goal set by Governor Ralph Northam in July 2018. Find the full plan, a broadband toolkit, locality survey, and more resources at https://commonwealthconnect.org
- Map of **Virginia WiFi Hotspot Locations**, powered by Virginia Tech and Commonwealth Connect: https://www.arc**gis.com**/apps/webappviewer/index.html?id=825546b05bba47048470e1cfa7364de3
- The **Center for Innovative Technology (CIT)'s Broadband Program** has as its mission "to accelerate the socio-economic growth of Virginia's rural and under-served areas through the application and use of broadband telecommunications." https://www.cit.org/broadband.html
- **BroadbandNow** is a website that helps consumers find and compare Internet service providers in their area. The website also has a zip code lookup feature that measures the percentage of population without access to high speed broadband. https://broadbandnow.com/
- The **Rural Opportunity Map** was created by the Center on Rural Innovation and the team at Rural Innovation Strategies, Inc. as a public tool to provide data to help policymakers, investors, nonprofits, academics, and journalists could use to better inform their work. https://ruralopportunitymap.us/maps/
- The **National Telecommunications and Information Administration's (NTIA) BroadbandUSA** program promotes innovation and economic growth by supporting efforts to expand broadband access and meaningful use across America. The BroadbandUSA website includes a searchable directory of funding opportunities and access to monthly webinars: https://broadbandusa.ntia.doc.gov/
- The **Virginia Telecommunications Initiative (VATI)** extends broadband service to currently unserved areas. VATI prepares communities to build, utilize, and capitalize on telecommunications infrastructure with the goal of creating strong, competitive communities. The 2021 application will be posted on August 24, 2020. https://dhcd.virginia.gov/index.php/vati
- **Public Library Association (PLA) and Microsoft Public WiFi Access Micro Grant Program**, created in response to COVID-19, closed applications June 10, 2020. Watch the program website for future opportunities: http://www.ala.org/pla/initiatives/publicwifi
- **USDA Broadband ReConnect Program** closed applications for its pilot round on April 15, 2020. Watch the program website for future opportunities: https://www.usda.gov/reconnect
- **Planning District Commissions:** "Pursuant to the Regional Cooperation Act, Virginia has 21 planning district commissions (PDCs), voluntary associations of local governments intended to foster

intergovernmental cooperation by bringing together local elected and appointed officials and involved citizens to discuss common needs and determine solutions to regional issues. Another purpose of PDCs is to encourage and facilitate local government cooperation in addressing, on a regional basis, problems of greater than local significance. This is accomplished through the development of a regional strategic plan and through the various other duties assigned to PDCs in the Regional Cooperation Act." (https://www.dhcd.virginia.gov/pdcs)

- ○ **Southside Planning District Commission:** Serving Halifax, Mecklenburg, and Brunswick Counties; also serves as the support organization for GO Virginia Region 3. https://www.southsidepdc.org/
- ○ **West Piedmont Planning District Commission:** Serving the City of Danville, the City of Martinsville, and Pittsylvania, Henry, Patrick, and Franklin Counties. http://www.wppdc.org/
- ○ **Commonwealth Regional Planning District Commission:** Serving Prince Edward, Brunswick, Cumberland, Nottoway, Amelia, Charlotte, and Lunenburg Counties. http://virginiasheartland.org

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Investment Opportunity 6. Fund a Regional Ecosystem Navigator

The Investment Opportunities outlined previously are intended to be implemented simultaneously, with time for planning and program development before launch. To maximize success, it is recommended that the GO Virginia Region 3 Council fund a full-time Regional Ecosystem Navigator to facilitate collaboration, lead new program development, and have responsibility for ongoing maintenance of the entrepreneurship scorecard.

We do not recommend using the language of "quarterback" suggested in the TEConomy report, as that verbiage implies hierarchical leadership that defies the very nature of ecosystem building and collaborative leadership. This person's role is a convener, collaborator, and coordinator.

The tables that follow provide a proposed responsibility, timeline and budget matrix to accompany the activities and outputs discussed in each Investment Opportunity.

➔ **Next Step:** Budget for specific activities and outputs. If a support organization is playing a key role in the delivery of an output, funds must be budgeted to sustain that organization's participation.

Table 6A. Connect Entrepreneurship Resources - IMPLEMENTATION				
Activities	*Output (Product/Service)*	*Responsibility*	*Timeline*	*Budget*
A. Convene regional ecosystem leaders regularly	Training and networking provided for ecosystem builders at regular intervals (e.g. quarterly in-person, monthly online meetups)	Ecosystem Navigator with support from host institution and Ecosystem leaders.	Immediate/ Regular (Quarterly/ Monthly)	Training and speaker costs Meeting Supplies Video Platform
B. Promote the SOVA Entrepreneurs Resource Hub (Startup Space) platform as the region-wide ecosystem management tool	Implementation and ongoing maintenance of the Startup Space platform	Ecosystem Navigator AND Ecosystem leaders who will help disperse and promote the tool; SBDC will trial with consulting/training; SOVA Innovation Hub will trial for coworking space	Immediate/ Regular	Future Startup Space Subscriptions/ Development Marketing

Table 6A. Connect Entrepreneurship Resources - IMPLEMENTATION - Continued				
Activities	*Output (Product/Service)*	*Responsibility*	*Timeline*	*Budget*
C. Create a region-wide business mentor network	Online directory of mentors is accessible, with specific areas of expertise and contact information	Ecosystem Navigator with support from host and Ecosystem leaders utilizing Startup Space.	Immediate	Marketing
D. Identify entrepreneurship success stories and fail-fast stories representing diversity of people, business type, and location	Entrepreneur success stories are shared in an ongoing, coordinated campaign, across multiple platforms, including traditional media, social media, the SOVA Entrepreneurs Resource Hub, etc.	Ecosystem Leaders as part of regular meeting activities, coordinated by Ecosystem Navigator. Secure assistance to build and facilitate a marketing plan. (Budget item required)	Ongoing	Marketing
E. Identify opportunities to scale existing programs and resources to reach a broader audience	Programs and resources tailored specifically to meet the needs of people/businesses, with increased diversity in demographics, business type and location	Ecosystem Navigator with support from host and Ecosystem leaders	6 month evaluation/ planning	Marketing
F. Identify opportunities for peer networking among entrepreneurs and businesses	Weekly or monthly peer networking events are facilitated for entrepreneurs and businesses	Ecosystem Navigator in consultation AND coordination with Ecosystem leaders to spread responsibility	Immediate planning and implementation	Event Costs
G. Regional entrepreneurship scorecard is maintained and updated	Entrepreneurship scorecard is publicly available, with data sources secured and navigable	Ecosystem Navigator	Immediate implementation	

Table 6B. Support Existing Business Growth - IMPLEMENTATION				
Activities	*Output (Product/Service)*	*Responsibility*	*Timeline*	*Budget Item*
A. Expand utilization of and maintain updated versions of the business listing database/map to support the work of regional economic developers	Local and regional economic developers are able to identify supply chain opportunities to grow businesses within the region and growth potential for existing businesses	Longwood with SBDC, PDC and EDOs	Immediate: training for EDOs. 1-6 months: Test with PDC/EDO's Ongoing	Subscription databases Staff support for maintenance, refining, and training users
B. Identify changes in the R3B Map for mapping on a quarterly basis	Business database/mapping are updated on a quarterly basis and shared with regional economic developers and planning district commissions	Longwood with SBDC, PDC and EDOs	Ongoing quarterly	
C. Identify opportunities to scale the impact of existing programs for business expansion	Implementation of a formal, coordinated approach to address the needs of existing traded sector businesses that are positioned for growth	EDO Task Force with support from Ecosystem	Immediate: Cross attendance of Ecosystem meetings and EDO Task Force meetings. Connected planning and implementation	Meeting Costs Proposed "Bridge to Recovery" Program Costs (e.g. Consultant Fees)

Table 6B. Support Existing Business Growth - IMPLEMENTATION - Continued				
Activities	*Output (Product/Service)*	*Responsibility*	*Timeline*	*Budget Item*
D. Support regular convening of regional EDOs, economic developers and Chamber executives, via the SVRA/VGA task force members and workgroups	Create and document transparent, formal processes for economic gardening and referral pipelines among business support providers, to include statewide resources such as VEDP, GENEDGE, and ICAP	EDO Task Force with support from Ecosystem	Ongoing	Meeting Costs Possible Subsidy to Support to GENEDGE Fees
	Document and market a menu of support services	EDO Task Force with support from Ecosystem		
E. Monitor the region(s) sales revenue for year-to-year comparative analysis.	Spreadsheet of ongoing sales figures for each region and the collective	Longwood with SBDC, PDCs, EDOs	Quarterly	

Table 6C. Develop Entrepreneurship Training - IMPLEMENTATION				
Activities	**Output (Product/Service)**	*Responsibility*	*Timeline*	*Budget Item*
A. Develop a training pipeline of on-demand and live, multi-level programming that can be accessible to, yet flexible and customized to, the needs of individual entrepreneurs and local communities/eco systems	101 curriculum to develop the entrepreneurial mindset, to include Lean startup, business concept validation, innovation, and personal finance	Ecosystem Navigator and SBDC	6 month launch	Curriculum Materials Staff Support
	201 curriculum that helps entrepreneurs on implementation of their business model	Ecosystem Navigator and SBDC	6-12 month plan/ launch	Curriculum Materials Staff Support
	Virginia SBDC ICAP program, using blended learning to scale the program across the region	Ecosystem Navigator and SBDC	12 months plan/ launch (series implement ation)	
	Region-wide youth entrepreneurship program (e.g. The Startup Experience, Wagi Labs)	Ecosystem Navigator and Local Partners	12 months plan/ launch	Curriculum Materials Staff Support
B. Identify needs and opportunities to develop community-specific programs for people of color, women, veterans, non-English speakers, etc.	New and expanded population-specific programs and resources (such as mentorship and support groups) for minority, women-owned, and veteran entrepreneurs (dedicated resources to augment general programming)	Ecosystem Navigator and SBDC with Local Partner Support	6-12 months	Marketing Materials Meeting Costs

Table 6C. Develop Entrepreneurship Training - IMPLEMENTATION - Continued				
Activities	**Output (Product/Service)**	*Responsibility*	*Timeline*	*Budget Item*
C. Identify and connect areas of research/expertise throughout the region	Leverage higher education centers, colleges, and universities	Ecosystem Navigator	Immediate	Incidental meeting/travel costs
D. Develop a regional business pitch competition independent of a training program.	VA business pitch - encompassing K-12 and workforce age adult	Ecosystem Navigator with support from Ecosystem Leaders, Local Partners and Region 3	24 months (in series with courses)	Staff Support and Grant Award Funding
E. Provide support to eligible localities to apply for the DHCD CBL program	Outreach programs, training, and partnerships with localities	Ecosystem Navigator with resource partners and ecosystem partners to create awareness	6 months in and ongoing	Incidental meeting/travel costs

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Table 6D. Expand Access to Capital - IMPLEMENTATION				
Activities	**Output (Product/Service)**	**Responsibility**	**Timeline**	**Budget Item**
A. Increase capacity among regional ecosystem builders/ entrepreneur support organizations to support entrepreneurs with investable ventures	Training (possibly certification) for ecosystem builders on how to support and prepare entrepreneurs to pitch to investors	Ecosystem Partners (participate in training)	12 months	Training Costs
	Set of regional training materials to establish shared standards	Coordinated by Ecosystem Navigator	12 months	Material Costs
B. Provide programming that helps entrepreneurs on the path to becoming investor-ready	Becoming investor ready curriculum is included in entrepreneurship training	Ecosystem Partners	12 months	Material Costs
	A cohort of the Virginia ICAP program is hosted in the region annually	Longwood SBDC	12 months	Meeting Costs
C. Activate private investors by creating a informal angel network (not a fund)	Training is provided to potential investors on liabilities, etc.	Coordinated by Ecosystem Navigator	24 months	Training Costs
	Pitch nights are well-facilitated on regular schedule (monthly or quarterly)	Coordinated by Ecosystem Navigator	24 months	Meeting Costs
D. Create a regional revolving loan fund	Region 3-wide revolving loan fund managed by a designated entity, in partnership with regional and local economic developers and Ecosystem	GOVA Region 3 and contracted entity	TBD - Prioritize Ecosystem Infrastructure prior to implementation	Management Fee Loan Pool Funds

Table 6D. Expand Access to Capital - IMPLEMENTATION - Continued				
Activities	**Output (Product/Service)**	**Responsibility**	**Timeline**	**Budget Item**
E. Engage banks, credit unions, and CDFIs in regional ecosystem building activities	Lenders create and maintain profiles on the SOVA Startup Space online directory	Coordinated by Ecosystem Navigator	12 months	Marketing Materials
	Lenders are educated about SBA loan products and processes	Ecosystem Navigator and Ecosystem Partners such as SBDC	12 months	

Regarding Investment Opportunity 5: Expedite broadband expansion, the Ecosystem Navigator could serve as a liaison between the entrepreneurship ecosystem collaborative and a Region 3 broadband work group.

Entrepreneurial Ecosystem Navigator Job Duties	Part time (20 hours)	Full time* (40 hours)
Coordinate and convene regional ecosystem leaders regularly	x	x
Fully implement the Startup Space platform to connect entrepreneurs with resources	x	x
Coordinate training for entrepreneurs by connecting with learning platforms such as Co.Starters		x
Coordinate training for ecosystem builders from reputable providers such as Startup Champions Network, Co.Starters, Rural Rise, InBIA, etc.		x
Coordinate travel/field trips to visit and build relationships with ecosystems in surrounding areas or nationally, to explore rural ecosystem building best practices		x
Coordinate annual entrepreneurship week celebration in partnership with ecosystem builders		x
Curated story-telling campaign to showcase entrepreneurship success in the region		x
Creation and support of a region-wide business mentor network	x	x
Coordinate a blend of in-person and online events to reduce barriers to in-person participation		x
Tracking of metrics designed to measure the progress and health of the ecosystem (scorecard maintenance)	x	x
Approximate cost including benefits (based on similar positions researched)	$45,000	$85 - 95K depending upon benefits

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Summary of Next Steps for Region 3

The list below are the recommended next steps as this strategy moves from development into implementation.

- Fund the creation of a Region 3 Ecosystem Navigator, either directly or in partnership with a regional entrepreneurship support organization ($85,000 to $95,000 inclusive of salary and benefits). This supports Investment Opportunities 1-4. Before defining the recruitment process and beginning talent search, the employment relationship must be defined; options include:
    - Directly by GO Virginia Region 3, reporting to the Region 3 Director
    - Directly by a regional entrepreneurship organization, with MOU with GO Virginia Region 3 to include funding, reporting, and collaboration (most effective)
    - Cost and time share between Region 3 and a regional entrepreneurship organization (least effective)
- Negotiate budget for activities of the Region 3 Ecosystem Collaborative (anticipated budget of $50,000 to $100,000 annually for programs, marketing, etc.). Housing the Navigator position within a regional ESO could lead to further leveraging of funds by aligning mission and activities.
- Issue an RFP and budget funds for a regional entity to develop and manage a R3-wide revolving loan fund in partnership with regional and local economic developers and Ecosystem Navigator; establishment of this fund is prioritized after ecosystem collaborative infrastructure is implemented.(Investment Opportunity 4)
- Budget funding for a lender-led community development fund created to provide loans to unbankable entrepreneurs; establishment of this fund is prioritized after ecosystem collaborative infrastructure is implemented. (Investment Opportunity 4)

The following activities can begin with existing resources:
- Socialize the SOVA Entrepreneurs Resource Hub to increased embeds. (Investment Opportunity 1)
- Socialize the R3B Maps with economic developers and PDCs in support of BRE. (Investment Opportunity 2)
- Begin convening the Region 3 Ecosystem Collaborative; adopt scorecard and shared vision. (Investment Opportunity 1)
- Begin storytelling campaign (integrate "featured entrepreneur" in R3 newsletter, repost SBDC client stories, etc.), to be expanded and transitioned to the Ecosystem Navigator upon hire. (Investment Opportunity 1)
- Continue exploring curriculum options for youth entrepreneurship and adult entrepreneurship training programs. (Opportunity 3)
- Consider facilitating capacity building for community-led broadband efforts. (Investment Opportunity 5)

Appendices

Appendix 1: Project Selection Process & Project Team

In spring 2019, the GO Virginia Region 3 Council published a Request for Interest to develop a regional strategy to support entrepreneurship and innovation investment (EII) for Region 3. The Longwood Office of Community and Economic Development (LOCED) and Mid-Atlantic Broadband Communities Corporation (MBC) were among the applicants. The LOCED and MBC were invited to manage the Region 3 EII strategy together. Work commenced in summer 2019 and continued through spring 2020. The combined approach leveraged the technical skills of the two managing partners (i.e. community engagement facilitation, small business technical assistance, mapping, and virtual communication).

The GO Virginia state board authorized each of the nine regions to develop an Entrepreneurship and Innovation Investment Strategy. In spring 2019, the Region 3 Council published a request for Letters of Interest in completing this strategy document. Among the respondents, the Region 3 Council invited two of the applicants to partner on the project: Mid-Atlantic Broadband Communities Corporation (MBC) and Longwood University's Office of Community and Economic Development, which includes the Longwood Small Business Development Center. MBC and Longwood agreed to partner, and submitted a combined proposal for review. Upon approval, MBC served as the fiscal agent for this grant-funded project, with Longwood acting as a subcontractor to MBC. A project plan was agreed upon among all parties and implemented by MBC and Longwood starting in July 2019, extending through June 2020.

Project Managers:
- Sheri McGuire, Associate Vice President of Community and Economic Development, Longwood University and Executive Director, Longwood University SBDC
- Lauren Mathena, Director of Economic Development and Community Engagement, Mid-Atlantic Broadband Communities Corporation (MBC)

Team Members:
- Lin Hite, Longwood SBDC Regional Director
- Michael Duncan, Longwood SBDC Lead Consultant and Entrepreneur
- Brandon Hennessey, Longwood SBDC Business Analyst
- Samuel Torpy, Longwood SBDC Intern
- Ilsa Loeser, SBDC Consultant and Principal, Letterpress Communications
- Liz Smith, Marketing Manager, MBC
- Maddie Harrover, GIS Analyst, MBC
- Daniel Lloyd, Senior Director of Finance and Administration, MBC
- Walter Witschey, Longwood Professor and SBDC GIS Consultant

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Trainings and Conferences:

The following trainings and conferences were attended by members of the project team in support of the regional strategy development:

- Rural Rise Conference (Arkansas, September 2019)
- Governor's Conference on Rural Prosperity (Blacksburg, September 2019)
- Virginia Rural Healthcare Association Conference (Martinsville, November 2019)
- JobsEQ FIT & Maps Certification (November 2019)
- IEDC Entrepreneurial and Small Business Development Strategies Online Course (December 2019)
- DHCD Small Scale Manufacturing on Main Street (December 2019)
- InBIA Regional Innovation Strategies Webinar (December 2019)
- Startup Champions Ecosystem Health Challenge (September 2019 - February 2020)
- Startup Champions Network Spring Summit (March 2020)
- IEDC Online Course: Technology Led Economic Development (April 2020)
- IEDC Webinar: The Great Reset - Strategies For Our Recovery (April 2020)
- IEDC Webinar: COVID-19: Keeping Entrepreneurship Agile and Small Businesses Afloat (May 2020)
- IEDC Webinar: Rethinking BR&E in the COVID-19 Era (May 2020)
- Virginia Economic Development Professional ImpactEd COVID-19 Webinars (April - June 2020)
- InBIA Webinar with "Building Entrepreneur Impact at Scale in a Virtual World" (June 2020)
- Vibrant Virginia: Vibrant Virginia Virtual Forum Series: Engaging Communities & Higher Education for Shared Recovery & Prosperity (June 2020)

Appendix 2: List of Participating Ecosystem Builders

- Danville-Pittsylvania Chamber of Commerce
- The Launch Place
- Danville River District Association
- Institute for Advanced Learning and Research
- City of Danville, Office of Economic Development
- Pittsylvania County Economic Development
- Dan River Entrepreneurship Ecosystem
- Longwood SBDC
- Danville Science Center
- Danville Public Schools Administration
- Pittsylvania County Schools Administration
- GO TEC Staff
- Southern Virginia Regional Alliance

- Southern Virginia Higher Education Center
- Halifax County Chamber of Commerce
- Halifax County IDA
- Town of Halifax
- Town of South Boston
- Mecklenburg County Economic Development
- Lunenburg County Economic Development
- South Hill Chamber of Commerce
- Clarksville Chamber of Commerce
- Mecklenburg County Public Library
- Southside Virginia Community College
- Southside Planning District Commission
- Charlotte County Administration
  - Longwood SBDC

- Patrick Henry Community College
- Dalton IDEA Center
- Martinsville-Henry County Economic Development
- Martinsville-Henry County Chamber of Commerce
- West Piedmont Business Development Center
- Patrick County Chamber of Commerce
- Patrick County Economic Development
- Longwood SBDC

- Longwood University Community Relations
- Longwood University College of Business
- Longwood University Cormier Honors College
- Hampden-Sydney College Fleming Center for Entrepreneurship
- Farmville Downtown Partnership
- Farmville Area Chamber of Commerce
- Buckingham Library
- Farmville/Prince Edward Community Library
- Prince Edward County Public Schools
- Cumberland County Schools Administration
- Commonwealth Regional Council PDC
- Town of Farmville
- Prince Edward County Economic Development
- Longwood SBDC

Appendix 3: List of Participating Businesses and Summary of Roundtables

W.C. Newman	434-392-4241	Construction/Concrete	Prince Edward
Kinex Telecom	434-392-4804	Broadband	Prince Edward
Creative Electrical	434-392-3802	Construction/Electrical	Prince Edward
Greenfront	434-3925943	Mass Retail	Prince Edward
Tharpe Trucking	434-767-4384	Trucking	Prince Edward
Yak Attack	434-392-3233	Manufacturing	Prince Edward
Ballad Brewing/Weyanoke	804-925-0109	Property Dev./Brewing	Prince Edward/Danville
Cape Education	434-969-5016	Pro. Educational Services	Buckingham
Paddle VA	434-392-6645	Mass Retail - Water craft	Cumberland
Eclipse Tools	804-561-2610	Tools - Wholesale Distribution	Amelia
Keystone Vintage Lumber	804-561-3700	Wood Products/Furniture	Amelia
Benchmark Community Bank	434-676-5116	Financial Services	Lunenburg/Prince Edward
Richlands Dairy	804-895-0696	Food Manufacturing - Dairy	Nottoway
Waverly Farms	214-914-0323	Farm Products - Agriculture	Nottoway
Springfield Distillery	434-575-9317	Distillery	Halifax
Historic Housing, LLC	804-683-9280	Property Development	Prince Edward/Richmond
International Veneer Co Inc	434-447-7100	Construction	Mecklenburg
Coopers Landing	434-374-2866	Venue/Hospitality	Mecklenburg
Virginia Marble	434-676-3203	Res& Com Marble	Lunenburg
Nipro Glass Americas/Pharma Packaging	434-372-5113	Production/Glass Tubes	Mecklenburg
B&B Consultants	434-447-7621	Engineering/Planning	Mecklenburg
Virginia Quilting	434-447-5091	Consumer Products	Mecklenburg

Benchmark Community Bank	434-676-5116	Financial Services	Lunenburg/Prince Edward
BGF Industries	434-447-2210	Plastic Fabrication	Mecklenburg
Virginia Homes		Home Construction	Mecklenburg
Hayes Construction	336-613-6623	Construction	Mecklenburg
Paint+ Lighting and Design	434-584-9397	Paint and Lighting	Mecklenburg
Kilian Engineering Inc	252-438-8778	Engineering	Mecklenburg
Kilian Engineering Inc	252-438-8778	Engineering	Mecklenburg
Springfield Distillery	434-575-9317	Distillery	Halifax
VIR	434-822-7700	Racing	Alton
Bright Meadows Farm	434-349-5349	Farming	Nathalie
Hunting Creek (Tentative)	434-454-9219	Farming	Clover
City Coal and Crating (tentative)	4345724692	Wood Manufacturing	South Boston
Kenbridge Construction - maybe	(434) 676-8221	Construction	Kenbridge
R.O. Harrell Trucking	434-572-1100	Trucking	Halifax
ChemQuest Technology Institute	434-570-1400	Chemical Consultants	Halifax
Presto Products	434-572-6961	Plastic Mfrs	Halifax
Rogers Heating and Cooling	434-575-7285	Contractor	Halifax
Berry Hill Resort	434-517-7000	Resorts	Halifax
Abbott Farm Suppliers	(434) 476-7333	Farm Supply	Halifax
Camp Chemical Corporation	(434) 572-4424	Farm Supply	Halifax
Foster Fuels Inc.	(434) 376-2322	Fuel Mfrs	Campbell
Huber Engineered Woods LLC	(434) 476-6628	Wood Mfrs	Halifax
Lewis Metal Works, Inc.	(434) 572-3043	Metal Mfrs	Halifax
RTP Company - South Boston Facility	(434) 572-3925	Plastic Mfrs	Halifax

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Roundtable Executive Summary

Workforce recruitment retention and development was a major issue in all three of the focus groups and were a constant source of barriers for businesses. It was apparent in discussion 30% of the time in Farmville, 52% in South Hill, and 36% in South Boston. In total, 39% of small businesses in the GOVA focus groups saw workforce recruitment retention and development as a major barrier to growth potential.

Market Research which includes industry data, target markets, demographic research, and marketing ideas was a major service that small businesses felt they needed. In discussion, market research came up as a major service need 38% in Farmville. 33% in South Hill (South Hill views labor retention and recruitment as their most relevant service at 66%), and 44% in South Boston. In total, market research came up as a major service in discussion 40%.

Methodology

The initiative began in understanding the framework diagnostically assessed in the findings of the TEConomy Regional Entrepreneurial Assessment Project: Final Briefing Report for GOVA Region 3. The potential priority action, as identified by the Teconomy Partners LLC report, was to support scaling of early- and second-stage companies through economic gardening and first-customer orientation.

At first, the identification of early stage and second stage businesses within the region was important to cultivate for initial contact. This was done by utilizing in-network referrals and exporting filtered (10-99 employee & select industries) queries through ReferenceUSAGov. Once a rather robust list of potential businesses was identified, contact was initiated by phone, which enabled our team to gauge business participation per county associated with GOVAR3. From there, it was deemed pertinent to host regional focus groups generated per concentrated ecosystem. Given a verbal commitment to partake, each business was extended an invitation to these respective focus groups, which were meant to bring entrepreneurs across the region together for networking and firsthand input on ways to support their businesses. At the focus group meetings, businesses were asked both specific and open-ended discussion questions relative to their business and involvement in the region. In turn, this would allow our team to analyze the current business landscape, understand the unique needs of the region, and begin formulating potential solutions.

After hosting focus groups geared toward the actual businesses, we then scheduled ecosystem meetings throughout the region to identify applicable assets and resources for the development of the Region 3 Entrepreneurship and Innovation Investment Strategy. The purpose of these meetings is to align the entrepreneurial assessment with impactful and sustainable strategies.

Lastly, ecosystem meetings were scheduled to bring both entrepreneurs and resource providers (ecosystem builders) together to discuss their role in shaping the landscape. Main discussion points included: accessibility to capital, inspiring potential entrepreneurs, supporting growing businesses, and all other ideas meant to support and engage the ecosystem.

Outcomes

After compiling the responses from the focus groups, there were five major themes that were consistently mentioned as services desired by the companies. The five major outcomes of the focus groups were centered around the themes of Hiring and Retention, Market Research, Economic Community Development, Expansion of Business Outside the Region, and Mentorship and Certification. Each one of the major themes consists of different services that companies want in terms of developing their business for long-term success.

The most prominent theme was **Hiring and Retention** which accounted for 30.2% of all focus group discussion. Businesses in Region 3 noted having difficulty finding and retaining quality talent. Unfortunately, many small businesses are seen as merely a stepping stone for many business professionals, and they typically do not plan on staying with the business long-term. One source of mitigation for this problem of voluntary turnover is the process of leadership development from within the company. Many small businesses in Region 3 feel if they are able to create a process to develop each employee into a leader, they would be more likely to stay with the company long-term.

Economic and Community Development accounted for 26.3% of focus group discussion. For small businesses, a sense of community is crucial for development and success. Many of the businesses in Region 3 desired an environment where communication is free flowing from economic development as well as the chamber of commerce. Within Region 3, small businesses wanted to create an environment of collaboration where companies develop relationships with one another and want to share information without the pressure to sell an item or idea.

Market Research accounted for 22.4% of all focus group discussion. As a small business, it is crucial to stay updated with the constantly changing market because trends and consumer preferences change rapidly, and if a business does not adjust to those changing preferences, they will be replaced by other businesses that do make that adjustment. Providing small businesses with the necessary access to market research will allow them to determine target markets, trends of their industry, which marketing strategy is most effective for the demographics of their region, and even financial breakdowns of peers in the industry for comparison.

Expansion of the Business Outside the Region accounted for 10.2% of the discussion. Many small businesses that see success look toward expanding their business, however, they find it difficult to find another market that is tangential to their existing one. So many businesses look for services that help them make a plan as to how they will expand their market so that they can continue to have success down the road.

Mentorship and Certification accounted for 8.3% of discussion. Many new businesses felt that they needed some form of mentorship as to how they would go about running their business. The aspect of mentorship ties into the previous theme of Economic and Community Development and the idea of more established companies mentoring those that are emerging into the market. Many new companies want help with certification because the regulatory environment is constantly changing and morphing. So, it is important for small businesses to access those services to help them keep up to date with all of the changes.

Appendix 4: Analysis of Regional Ecosystems

This study analyzed the existing ecosystem resources and gaps available across each of Region 3 localities and engaged stakeholders within four subregions, generally referred to as North, East (or TechSpark), Dan River, and West. The subregions were identified based on geography and population, with the goal of understanding the assets, opportunities, and challenges in each sub-region in order to build towards a broad regional strategy that also integrates well into statewide strategies. Each locality's alignment with a planning district commission (PDC) and regional economic development organization (REDO) was also considered.

Subregion	Locality	REDO Service Area	PDC Service Area	Population	% of Total R3
North	Prince Edward	Va Growth Alliance	Commonwealth PDC	23,368	6%
North	Cumberland	Va Growth Alliance	Commonwealth PDC	10,052	3%
North	Amelia	Va Growth Alliance	Commonwealth PDC	12,690	3%
North	Nottoway	Va Growth Alliance	Commonwealth PDC	15,853	4%
North	Buckingham	Va Growth Alliance	Commonwealth PDC	17,146	4%
			SUBTOTAL Pop	**79,109**	**21%**
East	Lunenburg	Va Growth Alliance	Commonwealth PDC	12,914	3%
East	Charlotte	Va Growth Alliance	Commonwealth PDC	12,586	3%
East	Brunswick	Va Growth Alliance	Southside PDC	17,434	5%
East	Mecklenburg	Va Growth Alliance	Southside PDC	32,727	9%
East	Halifax	Southern Va Regional Alliance	Southside PDC	36,241	9%
			SUBTOTAL Pop	**111,902**	**29%**
Dan River	Danville	Southern Va Regional Alliance	West Piedmont PDC	43,055	11%
Dan River	Pittsylvania	Southern Va Regional Alliance	West Piedmont PDC	63,506	17%
			SUBTOTAL Pop	**106,561**	**28%**
West	Martinsville	Southern Va Regional Alliance	West Piedmont PDC	13,821	4%
West	Henry	Southern Va Regional Alliance	West Piedmont PDC	54,151	14%
West	Patrick	Southern Va Regional Alliance	West Piedmont PDC	18,490	5%
			SUBTOTAL Pop	**86,462**	**23%**
			TOTAL Pop	**384,034**	**100%**

North Ecosystem: Prince Edward, Cumberland, Amelia, Buckingham, and Nottoway

The Farmville Area Ecosystem includes the five localities in the northern area of Region 3: Prince Edward, Cumberland, Amelia, Buckingham, and Nottoway Counties. This ecosystem does not have an official name; we refer to this subregion of Region 3 as the "Farmville Area" because Farmville is a hub of activity among the northern end of Region 3. Prior to participating in the EII process, entrepreneurs and business service providers were not formally organized into an entrepreneurial ecosystem or using a common language around entrepreneurship.

Engagement Activities

1. Entrepreneurs roundtable at Hotel Weyanoke in Farmville 9/25/19
2. Ecosystem builder event at the Virginia Wine Cellar in Farmville 12/12/19
3. Ecosystem builder and entrepreneur event at Hotel Weyanoke in Farmville 2/27/20
4. Ecosystem builder Zoom call scheduled 5/20/20
5. Ongoing engagement between the Longwood OCED/SBDC and locality partners

Ecosystem Assets

Ecosystem assets from this part of Region 3 have been added to the SOVA Entrepreneurship Resources Hub via Startup Space. Ecosystem assets include, but are not limited to:

- **Farmville** is a unique small town located in both Prince Edward County and Cumberland County. Dubbed "America's First Two College Town," Farmville is home to Longwood University and Hampden-Sydney College.
- **Longwood University** is a public university, traditionally focused on liberal arts and teacher education.
- **Hampden-Sydney College** is a private, all-male college located close to Downtown Farmville. Longwood University is a public university, traditionally focused on liberal arts and teacher education.
- Downtown Farmville and Downtown Blackstone (in Nottoway County) are each **Virginia Main Street communities**.
- **Visit Farmville** is a coordinated effort to develop tourism activities; in addition to the colleges, unique attractions include Greenfront Furniture, Appomattox River Company, High Bridge Trail State Park, and The Weyanoke historic boutique hotel. The investment in tourism marketing creates opportunities for entrepreneurs to develop lifestyle businesses that cater to residents and tourists alike.
- **Longwood University's Office of Community and Economic Development** ensures that the University is engaged and involved in the surrounding communities in authentic and meaningful ways. For instance, Longwood's ever-expanding campus borders Downtown Farmville; a representative from Longwood is consistently on the board of the Farmville Downtown Partnership.
- Longwood is also home to the **Longwood Small Business Development Center (SBDC)**, part of the Virginia SBDC network. The Longwood SBDC territory includes all of Region 3, along with Franklin County (Region 2) and the localities in the Crater Planning District (Region 4). Having its headquarters in Farmville means that this part of Region 3 benefits from a larger SBDC presence.

- Within **Farmville and Prince Edward County** a functional business support network has organically evolved including the Longwood SBDC, the [Farmville Area Chamber of Commerce](#), the [Farmville Downtown Partnership](#), the [Commonwealth Regional Council](#), [Longwood University](#), [Hampden-Sydney College](#), and local government representatives. These stakeholders meet and convene regularly to support their shared community-economic development goals.
- The locality-specific ecosystems in Cumberland County, Amelia County, Buckingham County, and Nottoway County are not as vibrant on the surface, however, each of these rural localities has **foundational ecosystem components**, e.g. local government, education, library, and a Chamber of Commerce. Each of these counties is also served by the Commonwealth Regional Council (Planning District Commission).
- **[Virginia's Growth Alliance (VGA)](#)** serves the localities in this part of Region 3. As a Regional Economic Development Organization (EDO), the VGA markets the area to help attract new business to the region and represents the area to the Virginia Economic Development Partnership business attraction team. Among the localities in this area, only Prince Edward has a full-time economic development position. Each of the localities has an Industrial Development Authority (IDA). This area of Region 3 benefits from **proximity to larger urban hubs**. This area could (and sometimes does) just as easily identify with Central Virginia as with Southern Virginia. Charlottesville, Richmond, and Petersburg are each only a 60-75 minutes drive from this part of Region 3.
- **[Longwood Logistics Center](#)** is to develop logistics professionals who will design and lead the future of supply chain. The LLC serves as an academic research partner to the **[Commonwealth Center for Advanced Logistics Systems (CCALS)](#)**.
- **[Southside Virginia Community College (SVCC)](#)** serves this part of Region 3. Amelia County is served additionally by John Tyler Community College.
- Virginia National Guard and Maneuver Training Center **[Fort Pickett](#)**, located in Nottoway County, is home to the new [Foreign Affairs Security Training Center (FASTC)](#). FASTC is currently the largest facility dedicated to overseas safety and security training in the United States. https://www.nbc12.com/2019/11/14/us-department-state-opens-new-state-of-the-art-training-facility-va/
- VGA drone program - Located in Brunswick County at the former Saint Paul's College campus. https://www.globenewswire.com/news-release/2020/05/06/2028742/0/en/Virginia-Growth-Alliance-Supporting-Unmanned-System-Innovation-and-COIVD-19-Research-and-Response-in-Rural-Virginia.html

<u>Unique Opportunities</u>

1. **Longwood and Hampden-Sydney are jointly planning an entrepreneurship curriculum and an entrepreneurship center**. Both schools have each recently hired a full-time entrepreneurship faculty member, and these two individuals are actively collaborating with each other and other ecosystem builders. While in the early stages of planning, this new endeavor is likely to include a jointly hosted entrepreneurship course curriculum as well as an entrepreneurial center in Downtown Farmville that would be open to students and community members alike. This represents a future investment opportunity for GO Virginia Region 3 to fund a collaborative effort that would serve the localities in this part of the region.
2. **Longwood's School of Continuing and Professional Studies division is exploring offering a**

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    for-credit entrepreneurship curriculum available to multiple audiences: college students, incumbent workers and interested community members, and possibly high school students. This curriculum could build upon SBDC training and could be offered in an online format to make it accessible across Region 3.

3. **Longwood Logistics Center** could be engaged to pair students with existing businesses to help regional traded sector businesses grow.

4. The **SOVA Coworking & Makerspace Study** conducted in February 2020 jointly as part of this EII process and the SOVA Innovation Hub feasibility study concluded there is an opportunity for coworking space in Farmville.

5. Outside of Farmville itself, there is a **limited density of entrepreneurship service providers** in surrounding rural counties. Individuals looking to start or grow businesses may not be aware of the robust resources available in Region 3, or they may not feel like the resources are "for them." There is a great opportunity to utilize digital tools like the online resource directory and virtual meetings to enhance awareness of and access to resources.

6. The ecosystem is **not currently leveraging proximity to Richmond and Charlottesville** where more robust entrepreneurship and innovation ecosystems exist.

East Ecosystem: Halifax, Mecklenburg, Brunswick, Lunenburg, and Charlotte Counties

The east area, also called the TechSpark region, includes the five localities in the south-eastern area of Region 3: Halifax, Mecklenburg, Brunswick, Lunenburg, and Charlotte Counties. TechSpark refers to the Microsoft TechSpark philanthropy program, which selected these five counties in Southern Virginia as a target area for community investment.

Prior to participating in the EII process, entrepreneurs and business service providers were not formally organized into an official entrepreneurial ecosystem or using a common language around entrepreneurship. As part of its county-wide strategic plan, Halifax County had already begun convening an entrepreneurship workgroup on a regular basis simultaneous to the onset of the EII process.

Engagement Activities

1. Entrepreneurs roundtable in Halifax at the Southern Virginia Technology Park 10/2/19
2. Entrepreneurs roundtable in Mecklenburg at the Lake Country Advanced Knowledge Center 9/26/19
3. Ecosystem builder roundtable in Mecklenburg 2/20/20
4. Ecosystem builder roundtable in Halifax 2/27/20
5. Ecosystem builder Zoom call scheduled 5/21/20
6. Ongoing engagement with Jeremy Satterfield, Microsoft TechSpark Program Manager
7. Ongoing engagement between the Longwood SBDC regional director and local business clients
8. Ongoing engagement between MBC and locality economic development staff/partners
9. Participation in the Southside Planning District Commission's update to the Comprehensive Economic Development Strategy (CEDS)

Ecosystem Assets

Ecosystem assets from this part of Region 3 have been added to the SOVA Entrepreneurship Resources Hub via Startup Space. Ecosystem assets include, but are not limited to:

- Within this part of Region 3, the two main business hubs are the towns of **South Boston** (Halifax County) and the **South Hill** (Mecklenburg County). Smaller towns within each county are also hubs of community life. These include the towns of Halifax (Halifax County); Clarksville, Chase City and Boydton (Mecklenburg County); Lawrenceville, Brodnax, and Alberta (Brunswick); Kenbridge and Victoria (Lunenburg); and Keysville and Charlotte Courthouse (Charlotte).
- **Longwood SBDC** - Regional Director based in Halifax serves Halifax along with the neighboring localities to the west (Pittsylvania, Danville, Martinsville, Henry, and Franklin). The Executive Director based in Farmville serves Mecklenburg, Brunswick, Lunenburg, and Charlotte, along with neighboring localities to the north (Prince Edward, Amelia, Buckingham, Nottoway, and Cumberland).
- **Higher Education**
  - Southside Virginia Community College (SVCC) - multiple locations, partnership with SVHEC
  - Danville Community College (DCC) - shares Halifax with SVCC
  - Lake Country Advanced Knowledge Center - SVCC and other tenants
  - Southern Virginia Higher Education Center in Halifax

- **The Southern Virginia Makers Market** - could be a model for commercial kitchens in other sub-regions
- **Microsoft** - Mecklenburg County is home to one of the largest Microsoft data centers in the world
- **Microsoft TechSpark -** A philanthropy program started in 2018 that selected five counties in Southern Virginia as one of its pilot regions; partnering with MBC on the SOVA Innovation Hub
- **Chambers of Commerce** - Halifax County, South Hill, Clarksville Lake Country, Chase City, Brunswick, Lunenburg County, Charlotte County
- **Destination Downtown South Boston -** Virginia Main Street affiliate, well supported by the Town
- **Economic development staff** in all counties except Charlotte employ economic development professionals; there are IDAs and/or RIFAs in all localities
- **Planning District Commissions**: Southside Planning District Commission (Halifax, Mecklenburg, Brunswick) and Commonwealth Regional Council (Lunenburg, Charlotte)
- **Regional EDOs**: Virginia's Growth Alliance (Mecklenburg, Brunswick, Lunenburg, Charlotte) and Southern Virginia Regional Alliance (Halifax)
- A service of the Southside PDC, the **Lake County Development Corporation (LCDC)** funds investments that are for the establishment of new industries, assistance for existing locally-based industries, innovative and job-creating economic uses and activities, and to fill a gap in the existing local financial market in the Virginia counties of Brunswick, Halifax and Mecklenburg. Available loan amounts range from $50,000 to $250,000.
- **PACK Fund,** a micro-loan offered through the Virginia Growth Alliance (http://thinkbiggervga.com/packfund)
- **Pitch Competitions:** In 2017, the Virginia Growth Alliance hosted a Community Business Launch (CBL) with funding from the Virginia Department of Housing and Community Development. Destination Downtown South Boston is exploring options to repeat the program in 2021.
- Driven by **Halifax County Strategic Plan entrepreneurship workgroup**, the Halifax IDA is in the process of establishing a revolving loan fund. This would give businesses in Halifax access to two such funds because they are also eligible for the SPDC LCDC loan fund.
- **COVID-19 Emergency Loans:** In response to COVID-19, the Southside PDC/LCDC established the Lake Country COVID-19 Emergency Response Fund for small businesses negatively impacted in Halifax, Mecklenburg, and Brunswick Counties. The Town of South Boston also established a COVID-19 emergency fund for small businesses.
- All localities in the region are served by the Virginia Tobacco Region Revitalization Commission.

Unique Opportunities

1. The SOVA Coworking & Makerspace Study conducted in February 2020 jointly as part of this EII process and the SOVA Innovation Hub feasibility study revealed multiple opportunities in this area of the region:
   - Coworking space in Halifax
   - Makerspace capacity in Halifax
   - Commercial kitchen in Halifax
   - Coworking space in South Hill

2. The Southern Virginia Education Center's Research & Development Center (currently under rebranding) has capabilities to help existing businesses and aspiring entrepreneurs innovate new products and technologies. Combined with its expertise in offering short-term credentials, the SVHEC is well positioned to offer a short term credential in entrepreneurship focused on product development.

3. The Southside Virginia Community College's site at the Lake Country Advanced Knowledge Center in South Hill offers large, open space, meeting rooms, manufacturing and IT training equipment, and an accessible location for rural parts of the region. This center could be elevated to become an entrepreneurial space as well as an education and community center. In April 2020, Southside Virginia Community College Foundation applied in April 2020 for a rural economic development grant to fund renovations to the Lake Country Advanced Knowledge Center to transform part of the facility into a coworking space, targeting IT workers who could complete SVCC training then obtain a remote employment opportunity utilizing high-speed internet and professional work space.

4. Mid-Atlantic Broadband Communities Corporation and Microsoft TechSpark have partnered to create the SOVA Innovation Hub. The new 15,000 square foot facility is currently under construction. The first floor will be home to the Microsoft Experience Center, a training/meeting room, and a coworking space. The second floor will be the new headquarters for MBC. The SOVA Innovation Hub intends to be an innovative entrepreneurial space in this part of the region, while also connecting to other hubs throughout Region 3 and the MBC service area to develop and deliver programs to support economic development in Southern Virginia. A feasibility study funded in part by a GO Virginia Region 3 capacity building grant helped define the primary program areas as digital skills and entrepreneurship.

5. There is a limited density of entrepreneurship service providers, especially within Charlotte, Lunenburg, and Brunswick Counties. Throughout this sub-region, individuals looking to start or grow businesses may not be informed on all of the resources available in Region 3, or they may not feel like the resources are "for them." There is a great opportunity to utilize digital tools like the online resource directory and virtual meetings to enhance awareness of and access to resources. In the short-term, there is opportunity to partner with each county's libraries to act as hubs for these activities if residents do not have broadband access at home. In the longer-term, vacant commercial space in the Towns could be redeveloped as rural coworking destinations; it is likely that this concept would need to be publicly funded or be a public-private partnership.

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Dan River Ecosystem: Danville and Pittsylvania

The Dan River Ecosystem, formally organized under this name, includes Danville and Pittsylvania County in Region 3 as well as Caswell County in North Carolina. For the purpose of this study, we will focus on Danville/Pittsylvania.

The Dan River Ecosystem is the most mature and developed among the ecosystems in Region 3. The Dan River Ecosystem has been intentionally organizing itself since 2014, following a study funded by the Danville Regional Foundation which found that the entrepreneurial potential of this area was largely unrecognized and untapped.

In addition to convening regular meetings of ecosystem builders, the Dan River Ecosystem launched the website www.entrepreneurecosystem.org to be the "front door" for entrepreneurs to connect to resources and service providers. The website includes a resource directory featuring entrepreneurship support organizations and events in Danville, Pittsylvania, and Caswell. The Dan River Ecosystem has a Facebook page and a Twitter account.

In the fall of 2019, the Dan River Ecosystem was awarded a grant from the Danville Regional Foundation to support further development of the ecosystem, including funding for multiple business pitch competitions and a full-time ecosystem coordinator. The lead grant applicants include The Launch Place, the Danville-Pittsylvania County Chamber of Commerce, and the River District Association. Partner agencies also include the Longwood SBDC, Danville Community College, the Institute for Advanced Learning and Research, and other ecosystem support organizations. The ecosystem coordinator position was filled in early 2020.

Engagement Activities

As part of this strategy development, the following engagement activities took place:

1. Ecosystem builder meeting 10/18/2019
2. Entrepreneur/traded sector roundtable at the Institute for Advanced Learning and Research 11/2019
3. Agribusiness roundtable at the Olde Dominion Agricultural Complex 11/2019
4. Calls with Jessica Edwards, Principal Ecosystem Coordinator
5. Call with Dr. Tiffany Franks, President, Averett University
6. Ecosystem builder Zoom call 4/8/2020
7. Ecosystem builder Zoom call scheduled 4/29/2020

Ecosystem Assets

Ecosystem assets from this part of Region 3 have been added to the SOVA Entrepreneurship Resources Hub via Startup Space. Ecosystem assets include, but are not limited to:

- The Launch Place - business consultancy with pre-seed and seed fund, host of IdeaFest and Big Launch Challenge pitch competitions

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- Higher density in population overall; Danville is only micropolitan in Region 3
- [Danville-Pittsylvania County Chamber of Commerce](#)
- [Danville Community College](#) - New Venture Creation and Management degree program (https://danville.edu/program/venture-creation-management-build-your-business-technical-studies), annual Small Business Idea competition
- [River District Association](#) (formerly the Downtown Danville Association) provides networking opportunities for Main Street businesses and hosts the Dream Launch business pitch competition
- [Institute for Advanced Learning and Research](#)
- [Averett University](#) - University located in Danville; has created the new Center for Entrepreneurship and Innovation, set to launch in early Fall 2020.
- [Dan River Business Development Center](#) - Business incubator located in Danville for technology-based, light manufacturing and/or production, and service businesses.
- [River City Coworking](#) - Coworking/office space located in Danville River District offering shared open table space, dedicated desks with locked storage, and dedicated offices with lockable doors.
- [Longwood SBDC](#) - Part-time regional consultant based in Danville; area is also served by the regional director based in Halifax
- PDC: [West Piedmont Planning District Commission](#) (along with Martinsville, Henry, Patrick and Franklin)
- Regional EDO: [Southern Virginia Regional Alliance](#) (along with Halifax)
- Pittsylvania County Economic Development includes a full-time ED Director and Project Manager
- City of Danville Economic Development includes a team of five professional staff and a consultant
- [Discover Danville](#) - City of Danville and Pittsylvania County have a joint RIFA and collaborate strongly on business attraction.
- [Danville Regional Foundation (DRF)](#) - DRF invests in the Danville region through grants for innovation and transformation in education, economic development, health and wellness, and community development. DRF awarded a grant in 2019 to enhance the entrepreneurial ecosystem in the Dan River Region.
- City of Danville IDA - The city provides grant funds/incentives.
- Both of the localities in this area are served by the [Virginia Tobacco Region Revitalization Commission.](#)

Unique Opportunities

1. Implementation of initiatives outlined in the current Dan River Region Entrepreneurship Ecosystem grant
2. Develop additional coworking space in Danville, building on the SOVA Coworking and Makerspace Survey and following an upcoming feasibility study being conducted by the River District Association
3. Develop commercial kitchen in Danville or Pittsylvania, as suggested by the SOVA Coworking and Makerspace Survey
4. Support partnerships with Averett University's newly formed Entrepreneurship and Innovation Center announced June 2020

The following description was provided by the Dan River Region Entrepreneurship Ecosystem:

The Dan River Region Entrepreneurial Ecosystem (DRREE)

The Dan River Region Entrepreneurial Ecosystem (DRREE) is comprised of a consortium of 10 resource provider organizations in the Dan River Region that support entrepreneurs and small businesses: The Launch Place, The Danville Pittsylvania County Chamber of Commerce, The River District Association, Danville Community College, The Institute for Advanced Learning, Pittsylvania County Economic Development, Longwood Small Business Development Center, Caswell County Economic Development, Danville NAACP, and the City of Danville Economic Development Office.

In active development since 2014, in late 2019, DRREE was awarded a three-year grant from the Danville Regional Foundation to address four primary challenges:

1. a fragmented ecosystem;

2. the lack of intentional entrepreneurial programming for women and people of color;

3. an underdeveloped pipeline for youth entrepreneurship; and

4. lack of support for entrepreneurs facing isolation.

In March 2020, DRREE hired a principal coordinator to convene and engage with a diverse set of regional partners and stakeholders in this critical work. Our region is resource rich, and we firmly believe in being excellent stewards of these resources. We cannot afford to duplicate efforts, but rather need to identify our strengths and gaps in services, and then leverage these resources and facilitate meaningful connections.

From April 2020 until present day, facing the current economic crisis head on, the DRREE has made an intentional and necessary adjustment to the original ecosystem development strategy. This strategic pivot has ensured immediate attention and support for existing local entrepreneurs and small businesses during the COVID-19 crisis.

While the COVID-19 strategy has changed some of the programming elements, the overall core mission to build a more inclusive and diverse ecosystem remains the focus. Currently, the DRREE has implemented gap funding programs, as well as, strategic outreach initiatives to identify and engage those entrepreneurs and small businesses who will not be eligible for state and federal funding programs. Now more than ever, it is apparent that there is a great need (and opportunity) for entrepreneurial support organizations and government leaders to come together to find ways in which we can streamline efforts, resources and future strategic planning.

Therefore, in consideration for our existing ecosystem development work that is currently underway, the DRREE looks forward to collaborating and supporting other regional and statewide efforts throughout Virginia.

West Ecosystem: Martinsville City, Henry County, and Patrick County

This western area of Region 3 includes the three localities: the City of Martinsville, Henry County and Patrick County. This entrepreneurship ecosystem does not have an official name and is not formally organized. Martinsville and Henry County have a joint Economic Development Corporation and joint Chamber of Commerce. All three localities are served by Patrick Henry Community College. All three localities are in the service area for the Southern Virginia Regional Alliance EDO, but none are paid members. All three localities are the only three localities in Region 3 that are also served by the Appalachian Regional Commission (ARC), giving them access to an additional funding source.

Engagement Activities

As part of this strategy development, the following engagement activities took place:

1. Entrepreneurs roundtable in Martinsville at the Dalton IDEA Center 11/2019
2. Ecosystem builder roundtable on Zoom for Patrick County 2/21/2020
3. Ecosystem builder roundtable on Zoom for Martinsville/Henry 2/21/2020
4. Call with Matt Leighty, consultant to New College Institute
5. Ecosystem builder Zoom call 5/19/2020 to discuss the SOVA Coworking and Makerspace Survey
6. Ongoing engagement between the Longwood SBDC regional consultant and local business clients
7. Ongoing engagement between MBC and locality economic development staff/partners (Patrick County and MHCED)

Ecosystem Assets

Ecosystem assets from this part of Region 3 have been added to the SOVA Entrepreneurship Resources Hub via Startup Space. Ecosystem assets include, but are not limited to:

- Business hubs in the City of **Martinsville** and the town of **Stuart** (Patrick County).
- **Longwood SBDC** - Regional consultant based at the Dalton IDEA Center in Martinsville, serves all three localities and Franklin County (Region 2)
- **Patrick Henry Community College** - main campus in Martinsville, The MET in Martinsville, Patrick County site in Stuart
- **New College Institute,** which in June 2020 announced partnership with the Old Dominion University Institute for Entrepreneurship and Innovation
- **Dalton IDEA Center** - program of PHCC, includes MIT Fab Lab makerspace, Longwood SBDC office
- **Western Piedmont Business Incubator** - located in Martinsville, managed by the MHC Chamber
- **Startup Martinsville-Henry County and Grow Martinsville-Henry County -** cohort based programs co-hosted by the MHC Chamber and PHCC, includes prize funding to support new business creation and existing business growth, respectively
- **Harvest Foundation** - funder in Martinsville/Henry county created by sale of community hospital to LifePoint; in response to COVID-19, partnered with the Virginia 30 Day Fund to offer easy to access emergency grants to small businesses

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- **Appalachian Regional Commission (ARC)** - Patrick, Henry, and Martinsville are the only localities within Region 3 that are also in the ARC service area. ARC has an entrepreneurship initiative (https://www.arc.gov/ and https://www.arc.gov/program_areas/index.asp?PROGRAM_AREA_ID=14)
- All of the localities in this area are served by the **Virginia Tobacco Region Revitalization Commission**
- **Virginia Tech Reynolds Homestead** - Located in Patrick County, the Reynolds Outreach Campus Center of Virginia Tech featuring a Community Enrichment Center and a Forestry Research Center.
- **Spencer Penn Centre** - Located in Patrick County, offers an event venue and commercial kitchen.
- **Chambers of Commerce** - Martinsville-Henry County Chamber and Patrick County Chamber
- **Western Piedmont Planning District Commission** (also includes Franklin, Danville, Pittsylvania)
- The **Martinsville-Henry County Economic Development Corporation** (MHCED) has a professional staff of five with comprehensive duties spanning business attraction, site development, existing business development, talent development, and tourism.
- **Patrick County Economic Development** includes a full-time Economic Development Director, a Tourism Director, and the Economic Development Authority (EDA).

Unique Opportunities

1. The Martinsville-Henry County Economic Development Corporation (MHCED) is a robust organization that has structured itself in a way that indicates it understands the changing dynamics of economic development: staff includes directors of research, talent development, tourism, and business retention. This group has continued to issue economic development announcements during the times of COVID-19.
2. With PHCC covering all three localities (Martinsville, Henry, and Patrick), there is opportunity to develop more entrepreneurship programs that intentionally reach into Patrick County and leverage shared resources in the western part of Region 3. This is underway as PHCC applied for EDA funding in spring 2020; the grant included program expansion in all three localities, including adding a makerspace to the PHCC Stuart location.
3. The SOVA Coworking & Makerspace Study conducted in February 2020 jointly as part of this strategy development process and the SOVA Innovation Hub feasibility study revealed an opportunity to expand upon meeting/event space in Martinsville. Key findings from the study could help inform efforts to build demand for additional supply of coworking and makerspace in the region.
4. Patrick County recently applied to participate in the new Small Towns Initiative through the VTRRC in April 2020. Funding would be used for planning efforts to develop the business district in the Town of Stuart, including possibly purchasing a building to develop a coworking space in the Town of Stuart for entrepreneurship and teleworking opportunities.
5. NCI is exploring entrepreneurship programs as a way to add value to the ecosystem in unique ways. The current leadership has a large network of state connections. NCI recently explored entering into a relationship with Lighthouse Labs (accelerator program based in Richmond) as a potential provider to deliver cohort based entrepreneurship programming focused on the trades; this did not go forward. In June 2020, announced a new partnership with the Old Dominion University Entrepreneurship and

Innovation Center. There is an opportunity to better demonstrate collaboration among NCI and PHCC so that programs are collaborative, not competitive.

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Appendix 5. History of Venture Capital in Southern Virginia

The history of Venture Capital (VC) funds in Southern Virginia is limited to two, and both are somewhat non-traditional with a community mission:

1. Around the year 2000, the **Southside Rising Venture Capital Fund** was created as part of a network of regional VC funds established by Mark Warner, prior to his gubernatorial term. The Southside Rising Fund was out of the Danville, Lynchburg, Martinsville, and South Boston area, not to be confused with Southside One, the fund out of the Roanoke area. According to a board member interviewed for this report: The Southside Rising Fund grew to approximately $7.5M with approximately 92 investors. The limit for each investment was $750,000, which became a barrier when companies became successful; the fund's stake was quickly diluted by larger investors. Most of the investors were doing it with a community focus, not necessarily because of a strong acumen for evaluating potential investments. None of the investments were companies located within the region, nor did the investments attract any businesses into the SOVA region. The fund ultimately closed, and investors received approximately three-quarters of the money back. While these results were positive compared to the parallel funds that had a lower ROI, many of the investors who participated in this fund would not be over eager to contribute to a new VC fund.

2. **The Launch Place Seed Fund** is a fully owned subsidiary of The Launch Place, a non-profit business consultancy located in Danville. The Launch Place Seed Fund offers access to private institutional capital to high-growth start-ups through its seed fund and pre-seed fund, in exchange for an equity stake and commitment that the company will create jobs in Danville, Pittsylvania County, or Caswell, North Carolina. The service area for the fund is determined by the source of funds, which is the Danville Regional Foundation. More information can be found at http://thelaunchplace.org

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Appendix 6. Summary of Region 3 TEConomy Report

As stated on the GO Virginia Region 3 website, "TEConomy Partners, LLC was engaged by the GO Virginia Statewide Board to provide each GO Virginia region an independent and objective assessment of its entrepreneurial development position, to facilitate a situational assessment of the region's entrepreneurs."

TEConomy's report concluded that Region 3 is behind the Commonwealth of Virginia and peer regions across the country in entrepreneurship development, technology innovation, and overall high-growth tech-enabled entrepreneurship success. The TEConomy report for Region 3 identified the following critical gaps:

Ideation:
- Regional patent activity – lags state and rural regions in per capita volume and has been declining
- Concerns regarding fundamental entrepreneurial acumen, culture, "savvy"
- Current overall lack of regional entrepreneurial "deal flow" or "critical mass" in traded sectors; activity largely in non-traded areas; limited activity outside of regional hubs

Commercial Viability:
- Southside companies very limited participation/share in The Launch Place activities (vast majority are NC companies), pre-seed funding
- Insufficient mentoring capabilities in the region

Market Entry:
- On par with other rural benchmark regions with 30% of job growth coming from early-stage startups (0-5 years), on average from 2013- 2017, but still well below that of state or U.S.
- Lack of connectivity/cohesion of sub-regions to assist traded-sector firms
- Quality of entrepreneurial management teams of concern
- Lack of serial entrepreneurs for mentoring/business assistance

Growth and Scalability:
- Lack of sources for follow-on funding a concern
- Scaling up of companies a concern – lack of serial entrepreneurs, funding are challenges
- SBA loan volume and value; and change in SBA loan value

In response to identified gaps and opportunities, the TEConomy report recommended the following priority actions for Region 3:
- Promote and develop stronger ideation programming, resources targeting traded sector opportunities
- Support scaling of early- and second-stage companies through economic gardening and first-customer orientation
- Catalyze "follow-on" risk capital in the region
- Concept of a "Regional Entrepreneurial Quarterback"

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The importance of connecting entrepreneurs to resources, and the lack of cohesive system wide connection in such a rural region is a common theme throughout the TEConomy report. While there are multiple sub-regional hubs of activity, there is not a consistent systemic connection of the resources between hubs.

➔ **View the TEConomy Region 3 Briefing Report:**
https://govirginia3.org/wp-content/uploads/2019/10/region-3-assessment.pdf

➔ **View the TEConomy Region 3 Assessment Profile:**
https://govirginia3.org/wp-content/uploads/2019/10/GO-Virginia-Assessment-Profile-Region-3-v8.pdf

Note: As of calendar year 2019, there are two Region 3 based companies listed in the SBIR/STTR recipient database at www.SBIR.GOV. These are IRFLEX Corporation and AxNano, LLC. Both companies are located in Danville.

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Appendix 7. Startup Space Software Feature Definitions

- **Connect Now:** Post questions, share opportunities and ideas, follow up with others after events, or simply introduce yourself. Connect Now is where members can create open conversations with one another.
- **Knowledge Center:** Share important information as a repository for members of your community hub. Upload content or link out to information provided by community partners. Examples may include local community permits or zoning regulations, FAQs on local business licensing, and other information as it pertains to the needs of the startups and small businesses in your community.
- **Resource Compass:** A helpful tool to connect users with a variety of resources in your community. Filterable by interests, industries, communities, and distance, this tool helps users find the exact resource that best fits their needs.
- **Events:** A central calendar listing to post events going on in your community, whether in person or virtual. Registration can be set up through Startup Space, or linked to a third-party such as Eventbrite.
- **COVID-19:** In all that is going on during this pandemic, entrepreneurs and small businesses are being hit hard. The COVID-19 tool helps by curating a page of resources from the Knowledge Center, Resource Compass and breaks them down into Grant and Loan Applications, Upcoming Events, First Step Resources, and Recommended Content. Examples include a variety of SBA loans, or a checklist for reopening your business.
- **Stories:** Post general news relevant to your community. Can be viewed or shared by any member of your hub. Can be linked back to the story originator's website (e.g. SBDC blog).
- **Podcasts:** Upload audio or video files or link out to pre-existing podcast and/or webinar content into interactive podcast modules.
- **Surveys:** Create custom surveys to collect feedback from your community hub members. Build your surveys from a variety of options and share the fillable links both on and off the platform.
- **Coworking Space:** If your community utilizes a central space as a coworking facility, this tool is perfect to help keep things organized. Users can book rooms and make payments directly through this site.
- **Mentorship:** Populate dashboards of mentors and mentees and accelerate the handshaking process. Mentorship members may search and find one another, set up tracked mentorship sessions, and communicate with one another on the platform. Enable mentorship applications to vet incoming participants.
- **Cohort Management:** Organize your programs into dashboards where you can add and populate cohorts, intake program applications, review and respond to applications, and message cohorts. This is administrative tracking; not a training/online teaching platform.
- **Business Advising:** Create new sessions between advisors and community hub members to track valuable information about new and existing businesses in your community. Sessions appear on a dashboard and populate in the member's venture section of their profile.
- **Communications:** Create communication groups from the existing members in your community hub. Send out messages to your specific groups rather than your hub as a whole. Examples of groups might include community partners, board members, grantees, or other groups of people that require more personalized communication.
- **Dashboard:** Tracks total users, active users, Resource Compass page views, and other use metrics.