Connecting Entrepreneur Ecosystems across Urban and Rural Regions: A Vibrant Virginia Book Webinar

Neda Moayerian: Hello, everyone.


We have planned today's event about entrepreneurship in the context of urban-rural spectrum as a way to showcase the issue raised in an upcoming edited book called Vibrant Virginia, which will be published later this year. The book is focused on looking for ways to bridge the urban-rural divide across Virginia and to think about the ties that bind us in regards to community economic development and related domains.

Today's webinar features a talk by Vibrant Virginia book authors Dr. Erik Pages and Dr. Scott Tate, followed by an interactive conversation about entrepreneurship in Virginia with Dr. Elsie Harper Anderson as the panel discussant, and the audience.

The Vibrant Virginia book has been posted in draft form on our Discourse board. We invite audience members to sign up for a free account on Discourse. There, you can find other working papers from the book project on other related themes. You don't have a Q and a box, please use the chat box for your questions and comments and I will ask questions of discussants and other panelists. Without further ado, let's get started. Scott and Erik, the floor is yours.

Erik: Of course that would happen. Thank you Neda. What I'm gonna do -- Scott and I -- we jointly contributed to a chapter in the Vibrant Virginia Book, which is excellent and I encourage you to take a look at it.

I'm just going to quickly talk a little bit about the genesis of the study and maybe just hit a couple of quick points and then turn it over to Scott to correct me for any other mistakes I made.

And before I get started, I want to thank Virginia Tech and the Office of Economic Development for including me in this project and I see many good friends are signed up; colleagues are signed up.

So really looking forward to an open discussion because we've got a lot of people very knowledgeable that are in the audience, as well as my fellow panelists.

So the chapter that Scott and I contributed to really comes out of our work. As an economic development consultant, I run a firm called EntreWorks Consulting based up in Arlington, working with communities across Virginia to support the development of entrepreneurial ecosystems.

And specifically, Scott had been doing similar consulting work for the Roanoke-Blacksburg region, Region 2 in GO Virginia if we want to use the GO Virginia categories, and I've been part of a team led by Camoin Associates, another economic development firm working in Region 9, which is the region that's centered around Charlottesville.
And what we found in both of those places was that you had a very interesting dynamic where you had some very interesting and dynamic ecosystem developments in the urban centers for lack of a better term, or the agglomerations, so the Roanoke, Blacksburg, and Charlottesvilles in the case of Central Virginia.

And I think what's really interesting and we didn't talk about this so much in the report, but I think what's interesting is that what we're seeing now across the Commonwealth of Virginia is the emergence of the smaller to medium-sized cities really developing quite strong ecosystems and a lot of resources available for entrepreneurs.

I've not worked in, for instance, in Roanoke-Blacksburg for many years, but going back to 2009-2010 in Roanoke, Blacksburg, and places like Lynchburg. Really, we're just getting started. Now, you go to any of these places -- Richmond, Charlottesville area -- and there's tons of opportunities for entrepreneurs, even with COVID-19 and all the challenges that have created. But those places are really strong ecosystems so I think it's a sign of the maturation of ecosystems in the Commonwealth of Virginia. That now we're talking about how do we build off these other anchors that are in the Richmonds and the Stauntons and the Lynchburgs and Roanokes and the Charlottesvilles of the world?

And that really was kind of the core of what Scott and I were trying to do in our chapter. And really what what we talked about in the chapter - we'll get into much more detail -- is how can you help rural entrepreneurs link into these emerging ecosystems, that are emerging in large and mid-sized cities in the Roanokes and Charlottesvilles in the world.

And so the chapter is really focused on the role of entrepreneurs and community building and building those connections across rural and urban communities.

And I'll just hit two quick takeaways and then, then we can open up for discussion.

But I think two things coming out of COVID are going to be particularly important for rural communities in Virginia -- one is, what we call the power of place. Is there a place in the community to convene?

I really think that's gonna be a co-working space or a co-working-like space because we'll have people working from home, people working in a hybrid kind of environment.

And I can tell you after a year in my basement here, I'm ready for connection with other people that are in business and I'm sure I'm not alone.

And so if you don't have those kinds of meeting and convening places in your community, that's something you should really be thinking about.

And then the last point I'll make and turn it over to Scott, is really to think, particularly for rural communities, we need to think more broadly about the pipeline. This is not about recreating Silicon Valley.
This is about ensuring that anybody and everybody that's interested in business or interested in becoming an entrepreneur can become one and can become connected. And that doesn't mean you have to be in a traded industry or in a target cluster. It can mean you're a kid in high school that wants to learn about entrepreneurship.

But building the widest possible pipeline that is most inclusive and engages the widest variety of people in the community, that's really the goal of a successful entrepreneurship program.

So I'll turn it over to Scott.

**Scott:** Thanks Erik. It really was a pleasure working with you on the chapter. I want to thank my colleagues at Virginia Tech, who helped put the book project together and thank Eric for working with me on this. It was a good opportunity to kind of go back and forth.

We began working together a few years back when we were doing some research on the Roanoke-Blacksburg ecosystem.

And Eric was doing some work on the Appalachian entrepreneurial ecosystem and ecosystems within the Appalachian region.

So being able to think together again about the role of rural, urban, or mixed ecosystems that was really interesting.

Again, we both do work with right now, with GO Virginia entities that are thinking about in a GO Virginia region, how do you support entrepreneurship?

I think it's particularly interesting to me because ecosystems in some ways are a constructed idea. An ecosystem is place specific but we put some artificial boundaries to some extent on what the place of ecosystem is. So GO Virginia is trying to construct a particular place specific ecosystem and think about the networks, the resources, the supports that are available to spur economic activity in these regions.

Eric mentioned two points, so I'm going to mimic him and talk about 2 points.

Part of the reason that thinking about urban and rural is significant is that much of the data and research seems to suggest some of the advantages to innovation that flow from urbanization. So the closer you are to the urban core some of the innovation metrics tend to look more positive. But there's also some benefits to being urban adjacent.

So some of those counties/localities that are closer to whatever the urban core are, also had some of those spill over effects and advantages.

So part of what we think about when we talk about a mixed rural-urban ecosystem is how do you extend the benefits, particularly these mid-size urban areas that Eric was talking about, how do you extend those benefits of being urban adjacent to a larger area? And be sure that includes some of the more rural parts of a region.
So I think that's a question that I continue to find interesting and continue to wrestle with and I think it's really important here in Virginia considering how many places are still deeply rural in many ways.

And then the other piece that I'll touch on. Ecosystem building has gotten a lot of attention. How do you seek to strengthen an ecosystem to be sure that you're creating more startup activity and helping startups to be successful. I believe it's part art and part science. There are guides out there, there are playbooks. Kauffman Foundation has a great playbook for entrepreneur ecosystem building. But I do think it's part art and part science. It's not necessarily a paint by numbers endeavor, because every place is so specific and unique. So you have to be sure that you're paying attention to the particularities of your place. But I will say some of the language about ecosystems that I appreciated from the Kauffman playbook - they use a term called on ramps. So being sure that you think about your region for whatever it might be and however it looks like that you're thinking about those access points for folks to gain entry to the benefits of the ecosystem. We're talking about resources, we're talking about capital. We're talking about the knowledge capital in a place. And being sure that there are multiple on-ramps for lots of different types of people to access and get benefits from those resources.

So I ramble just a little bit, but I'll pause there and nobody up to questions and discussion.

**Neda:** Great, thanks! Elsie, we are all ears.

**Elsie:** Thank you. I just want to thank Eric and Scott for giving me an opportunity to join this important conversation.

Entrepreneurship has become such an important part of our economic development toolbox and an important framework for both practitioners and scholars to think about economic development in all kinds of areas.

I study ecosystems primarily focusing on urban areas. So this was a great opportunity to learn more about rural areas and some of the approaches. And I was struck by a number of things in the chapter, one of them being the, just the very different approaches that the two case studies areas took to trying to build their ecosystems.

One of them was very structured with hubs and also with the navigators and that sort of thing. And the other one was more - ad hoc - is not the right word, but more organic. And so I think there are pros and cons to each each of these approaches. It made me think about the very nature of innovation and the very nature and the importance of organic collaboration, and how that very structured approach, what are the implications for for having such a structured approach to building ecosystems?

At the same time, the structure approach allows for control and where information and resources get disseminated. Whereas the Ad hoc approach allows for more organic collaboration and innovation. But there's less opportunity to kind of keep track of who's connected, who's disconnected, who's being served, who's not being served.

So I just really thought a lot about how those approaches have different implications.
The other thing that jumped out to me in the chapter is, the chapter is about rural ecosystems and talking about why rural ecosystems are different. However, I find myself thinking that a lot of the issues that rural communities face in terms of being disconnected from the ecosystems are the same things that I talked about with certain communities in urban areas who are disconnected from the ecosystem, who don't have access to the resources, who are disconnected geographically, who are disconnected from the focus on technology.

And I thought this is a different scale, of course, because spatially the difference is much greater in rural communities. But there are some consistent issues and a consistent theme throughout ecosystems is a challenge with connectivity.

So I think there's a lot more to explore there in terms of thinking about what underlies that disconnect other than just space and whether there are ways to approach it that can benefit both urban and rural communities.

Let's see.

I don't want to take up all the time, but those are some of my initial thoughts.

I will just say that Eric and Scott, you did a great job. Every time as I was going through the chapter, I was taking notes on what I thought my conclusions would be, what I thought some aha moments might be that I would express at the end and you hit them all at the end. So you guys did a great job with the suggestions.

I really appreciate your statement about being open to all kinds of entrepreneurs. And bringing up the fact that there is this elitism in how we think about entrepreneurship.

And that elitism leaves many people, places, types of businesses out. And you point that out in your chapter about how in rural areas they're focusing on just a few clusters -- not all businesses are technology oriented -- and I think that's a really important point, not just with these two communities, but to make throughout all of the scholarship on entrepreneurial ecosystems, they don't all strive to be Silicon Valley and they shouldn't, because they're not going to be. So just really emphasizing that the whole notion of an ecosystem requires that there are a lot of different types of organisms and players and that they connect in different ways and they involve evolve in different ways.

And I think that's a really critical point that you raise in your chapter. And I'll stop there and hopefully there are some questions from the audience that we can take now.

**Erik:** If I could just jump in, quick jump in. I just want to react to Elsie's excellent comments, if I could for just a moment.

**Neda:** Sure.

**Erik:** I think you hit on a very interesting point going forward. This is kind of the big tension in the ecosystem building discussions. Is this about job creation?

Or is this about community building? And I think we've looked at a really -- I think this was starting to change, a shift away from job creation and technology, invention and
commercialization to more of -- it was starting to change; you sort of see that in the kind of the work the Kauffman Foundation was doing prior to COVID.

I think now it's really been accelerated. And I think it will be accelerated post COVID because people are recognizing, that bookstore or that bakery down on Main St, I have an emotional tie to that, that’s not just 2 people working in the bakery or 7 people working in the bookstore, of course that’s good, but there’s also these non tangible benefits that come from the community building that entrepreneurs do. We've got to talk about that more in economic development, it can't just be 'xyz creates more jobs so they should get a tax credit or whatever.' We need to talk more about these perhaps more esoteric impacts or at least, less easily measurable impacts of what we do with ecosystem building. That’s going to be a big tension going forward.

Elsie: And also the two or three families that are supported by that bakery. That matters.

Scott: And also just to add one additional comment that is the bakery itself, depending on the community or an entity like a bakery or a coffee shop, could also be an important node in the entrepreneur ecosystem, to be a place where other people come together. We did some work a few years back with my colleagues here at Virginia Tech for the Kauffman Foundation. We partnered with some data analytics folks to look at the entrepreneurs in the region, what were some of the places where they gathered in terms of network analysis and where they met and encountered resources and shared other ideas. And there were some of the places you would expect, like technology council, networking events, but there were a lot of places that I didn't necessarily expect which were coffee shops, bakeries, and restaurants, and things like that that served as really valuable meeting points and nodes if you will in a kind of entrepreneurial network.

Elsie: So we have a question in the chat. "Working with so many local ecosystems across the commonwealth, which communities do you find are leading the way currently being more holistic and diverse, from grassroots to government?"

Scott: Erik, I'm gonna defer to you on this one.

Erik: Thanks for the setup. I would say one place I would take a look at, and again, you know, I haven't been anywhere for a year, like all of us.

So I'm not as up to speed as I used to be, but I've been pretty impressed wth what they're doing in Richmond. I really think the 1 Million Cups effort and RVA works in Richmond,

I think they've done a pretty good job about being conscious about this. If we look at the national level, which I've been involved in and have done some research on that front, places that I think have really build up, say 5-6 years of really interesting conscious focus on inclusion, would be a place like TechTown in Detroit or JumpStart in Cleveland.

I think those are places that have really pioneered this more inclusive economic development strategy around entrepreneurship. So those would be places that I would suggest folks to look at and I'm personally trying to learn from them as well.
Scott: The only thing I would add to that is partly I think spurred in Virginia by GO Virginia's focus on having each region identify an entrepreneurial lead organization to be an ecosystem builder. I don't know which ones are the exemplars necessarily, but I will say that across the state there have been some interesting developments because of that. If you look in far Southwest Virginia, which is really doing some interesting things with Opportunity SWVA and for a long time has been really playing a lead role in thinking about growing their own in a really intentional way. So I do think there's bright spots, bright spots across the state, including in places you wouldn't expect.

Elsie: I would just add to that, there is a difference between promoting the ecosystem among diverse populations and communities and connecting those communities. Because there are a lot of places that are pouring resources and energy into groups, places, and neighborhoods that aren't connected to the ecosystem, but they aren't necessarily connecting them to the main ecosystem. So it's an us and them situation. I wrote an article on partnership and leadership in ecosystems. And in that article, I show that across the three cities that I look at, there are three models of exclusion. So I think it's important to differentiate between are you both serving those individuals -- a diversity of individuals and communities -- and are you linking them and not segregating them into their own ecosystems space. So I think that's really important to acknowledge.

We have another question from Maggie Cowell and she's asking, "Scott mentioned the Kauffman Foundation's ideas about on-ramps. What do these look like in rural and urban adjacent entrepreneurial communities? How might they differ from urban models?"

Scott: That's a great question and you both may have some good ideas about this. On ramps are any type of access point where folks can get familiar with what some of the resources and support services are in a particular ecosystem. So it can be an event, it could be a space, it could be places. Co-working spaces. Here in Roanoke. I live in Roanoke and we had several places that serve that kind of on-ramp role.

I will say that your point, Elsie, that it's not necessarily just having a space, it's how comfortable people are using or accessing the space.

When we did a few years back for the Kauffman study we were part of; we did some focus groups and there was a clear distinction the people who went to some of the networking events and were familiar going to some of the entrepreneur designated spaces, whether that was the technology council's networking events, or the local co-working space. They knew about the resources, they knew where to go for funding. They knew who some of the players were, but they felt there was sort of an in the network kind of group, people who knew about how to access the network and were savvy enough and comfortable enough to go and make those connections and then an equal-sized groups that didn't have those types of connections so really didn't know who to go to seek for help. So I think those on-ramps could look very differently in different communities? I'll give one example.

We were surprised that in Floyd County, it almost seemed like Floyd County, which is Roanoke adjacent. But it's very rural. But also has its own unique entrepreneurial culture. It almost seemed
like it had a sub-ecosystem within the larger ecosystem because they had opportunities for business owners there and entrepreneurs there in Floyd to kind of come together and share ideas, whether that was at the Floyd country store or whether that was at some other places in the community, that were very county specific that I thought were very interesting for a rural county.

**Elsie:** Great.

**Erik:** I'll just add one quick thing. I think in rural communities, the role of the traditional economic developer, believe it or not, is more important.

So I'm based up in Arlington, Virginia. I mean, in many ways, we have too many opportunities to engage and it's kind of like you, it's hard to figure out, is this the organization I'm interested in? Is this event I'm interested in? Etc etc.

A good economic developer, he or she should have the finger on the pulse of everything, and at least be a network connector. And so that individual or that organization can play a more important role in rural communities than it might elsewhere.

**Elsie:** We have more questions in the chat. "How can entrepreneurism and related opportunities be made more accessible to individuals impacted by the opioid and addiction crisis, not only to improve individual well-being, but to serve as a part of the community solutions to impacts of these crisis?" And this is from Mary Beth.

**Erik:** I would just say, I mean again, I'm not super knowledge on the depths of the work that's going on with substance use disorder. I know for instance that there's a big effort to connect communities across the Appalachian region through the Appalachian Regional Commission, from a workforce and a training standpoint.

But I really do think that we need to think about -- we need to be consciously focused on any of the folks that are left out, whether that's folks in recovery or even returning citizens that are coming in.

Entrepreneurship needs to be part of the mix of the options that these folks are provided.

It could be, just trained to take a job or trained to make a job, but we need to be conscious about supporting both.

**Scott:** Mary Beth, that's a really important question and I think particularly in rural places where talent, to some extent, and most places now are competing for talent. You want to attract people who can come there and start businesses or fill high-quality jobs and a lot of places now, the people, whether they're dealing with substance abuse or whether they're folks, returning offenders coming back. Those are all key human capital assets

for a region, so how do you help those folks either find productive employment that fits their skill sets and interests and talents and enable them to contribute or to start a business.

And I think having some more creative ways to do that is important. You know micro-enterprise and programs geared around can be really creatively used.
I think in our part of the state, that's kind of an underutilized resource to some extent. So I think there's really room for growth in a lot of the communities that I'm familiar with.

**Elsie**: I think the public workforce system can play a larger role in the hard to serve population and connecting them to entrepreneurship.

A couple of years ago we did a study across four states looking at whether workforce systems were using entrepreneurship as one of their options for individuals to connect to economic mobility.

And what we found is that richer, whiter areas were using it and poor areas and areas that had large minority population were not.

Just thinking about the framing of entrepreneurship and who we think deserves be an entrepreneur, can be successful as an entrepreneur, I think there needs to be a re-framing again of our elitist notions of entrepreneurship. And really keying into what people's talents are and whether there's a market for them, and thinking of it that way.

I think the public Workforce system can play a much bigger role in that. Oftentimes these individuals go to the public workforce system when they're in need of finding some way to support themselves. And I think it is a great place to kind of introduce the idea and explore the idea. But at this point, they're not.

We have another question in the chat.

Thank you for all of the questions that you're submitting.

"Issues with elitism can be a very big issue when dealing with funding sources and support (tech-centric vs. everyone else). The trend right now seems to be the big money is going much more to the high growth, scalable verticals. Question: Where will the advocacy efforts be most successful? With political leaders, private companies that have interest in local communities? Or, somewhere else?"

**Scott**: Again, I think it's really important question. I think the access to capital piece is is critical, thinking about regional ecosystems. I think all levels state, local, and federal policy advocacy is important.

I think a piece of that policy context is knowledge. This relates to your comment a second ago Elsie, and that earlier question about how do you activate all the folks in your community to be able to start a business and be an entrepreneur.

Access to capital is critical. For a lot of entrepreneurs, friends and family is a key source of financing.

But some folks have kind of a friends and family gap. If they don't have well-connected individual networks, then they might have a harder time with bank financing or with venture financing. We do know that minority entrepreneurs are much less likely a bank loan, much less likely to receive venture capital, but at the same time they also often have higher growth rates than non minority owned businesses, so they're really an engine for development. So if you can
think about whether there are policies, practices, cultures in place in a community that can encourage the awareness of financing and also the financing mechanisms to be more broadly shared then I think that's a critical advantage.

The only thing else I'll comment on is I think anchor institutions play a role in terms of where they make their investment. Can you choose to work with low income, a minority based entrepreneur, a small business, in a very intentional way in your community to make some of those purchasing decisions and keep more wealth in the community which will help some of those entrepreneurs bubble up and be able to succeed and grow. So that role of anchor institutions, whether that's a local government, whether that's a university, whether that's a hospital system, I think are important here as well. Some of that's policy driven and some of that's culture and decision making and awareness.

Erik: Yeah, I would just second that point about anchor institutions which we also emphasize quite a bit in the chapter.

One of the issues with all the interesting and innovative financing tools that have emerged in response to COVID, is again, I'm a small business owner myself. If you don't have any business on the back end, you're not gonna take a loan.

The point is, one of the ways to grow is to help people find customers, and one of the clearest ways to do that is by an anchor institution strategy where you're helping people get contracts, then they can go out, hopefully, and get financing, vendor based or revenue based, then you have some other options. It's not enough to put out these pots of money if people don't have customers. The most important thing you can give to an entrepreneur is a customer, moreso than a loan or an equity investment. One of the strategies that we can do it directly is via demand driven strategies that use govt procurement or private procurement to open up opportunities for underrepresented entrepreneurs.

Elsie: We have a question asking, what rural communities in Virginia do you see as best practice leaders?

Erik: We're very fortunate in the Commonwealth; we've got a lot of places that are doing great work. I mean, Staunton, SWVA, Opportunity SWVA, Scott's already talked about, Danville, Floyd, very interesting models. I would always encourage folks, the study that our chapter is based on, the work that my contributions to the chapter are based on, are the work that we did for GOVA Region 9 in Charlottesville.

On their website, our research is there, we did two studies for them. One of them was a business plan for a facility called Venture Hub, the other one was a rural entrepreneurship analysis. And in that rural entrepreneurship analysis, we did a number of case studies of; quote on quote, I call them leading practices, I'm not a fan of the term best practices. But places that were doing interesting work all around the U.S. That included several case studies of Virginia, including what's going on in Staunton, so there might be 8 or 9 case studies in there. I know we looked at Northeast Iowa, the western part of Colorado, and a number of other locations for innovative and
effective entrepreneurship ecosystem building practices. And I'll try to find the link for that if we get a break in the action here.

**Elsie:** We have a question. "Are you seeing any interesting and innovative investment models - for example, revenue-based investment or combinations of grant/debt/equity investment?"

**Erik:** One model that I think we need to be thinking about more, particularly in a community of 600 residents, I see the question there. Sorry, that's a separate question. But anyway, in smaller communities, I think there's huge potential for crowd funding. You know a typical mainstream business, a mom and pop, they're not looking for millions of dollars or even hundreds of thousands of dollars. Typically, they might need 50 thousand dollars to buy some equipment or 10 thousand dollars to do a specific task. These kind of discrete tasks or discrete needs are the kind of thing where community minded investors can come in and make investments into the business and they often can run through community foundations and things like that. I think we need to be much more creative in how we can do local investment.

**Scott:** I agree. And I think for rural places, one opportunity could be sector specific or opportunity specific kinds of funding. One example that I heard about the radio that I want to ask the folks in UVA Wise more about is a new funding with the Nature Conservancy focusing on entrepreneurs in SWVA that want to start a business that relates to the outdoor economy and nature-based tourism and investment so in places where that's an outsized part of their economy, whether that's tourism and outdoor recreation, can you gear some capital funding and support entrepreneurs in that space there in your community.

**Erik:** The outdoor economy; there's New Mexico, Utah, Colorado all have funding pools, I'm sure there's more but those are the three that I'm aware of that fund businesses in those spaces.

**Elsie:** Let's see. This is one of my questions: do you think elected officials and other leaders at the state level see entrepreneurship as a critical economic development tool or is the primary focus still on attracting companies to the commonwealth?

**Erik:** Go ahead, Scott. I feel like Jeopardy here.

**Scott:** I know, hit my buzzer. I do think that, yes, there's a greater awareness of entrepreneurship as a key part of puzzle. When you look at how GO Virginia is put together, it's very much a traditional economical development program from the state level. But in partnership with private industry and business, it included a real focus on entrepreneurship and innovation as a key part of -- the driver for how do you grow and diversify regional economies? Obviously I think the traditional industry attraction is important and remains important and remains a focus, but I do think that entrepreneurship and innovation and how you drive and support that in regional economies is very much more a part of the puzzle than when I first started doing this work.

And I'll just make a comment, I started working with issues around entrepreneur ecosystems when I worked with Virginia Cooperative Extension in the mid 2000s. At that time, we partnered with a couple state agencies to bring together resources and do some events to raise awareness at the local level about entrepreneur resources and we called these entrepreneur express events. So the Department of Business of Assistance at time. They were banging the drum for the
importance of entrepreneurship. What was interesting about that was that awareness of resources was a real critical issue at the time. Now I think there's an abundance of resources and it's a lot more prevalent than it used to be.

**Erik:** I would concur with what Scott said - there's been a big shift. And of course I'm a big advocate for entrepreneurship focused economic development but that's not the only way to do things, so the point is let's not go too far in one direction. You want to have a balanced portfolio of economic development strategies; perhaps we need to do more on the entrepreneurship front but we're moving in the right direction so I'm relatively pleased with where we stand in the Commonwealth.

**Elsie:** Great. Another question. "Home based businesses make a hidden group and how do you see working with home based businesses as part of the ecosystem? There are a number that create jobs but don't need space outside of the home."

**Erik:** I 100% think that needs to be a critical part of - if COVID didn't teach us that, shame on us. I felt that was an essential part prior to COVID and it's going to be even more important now. That's basically how most people are in business. Here I am in my own, this is where my business is based, it's been based here for almost 20 years. That's very normal and when you look at the data on the independent workforce, we're talking about 35 - 40% of the workforce in many communities are independent 1099ers. Within that group, a large share of those people are entrepreneurs. We need to be thinking about, how do we help those people? How do we help them grow their business if they want to grow. Most people start a business in their home or in their dorm room; they don't go out and buy a facility and then start the business. So that's an essential - if we go back to Scott's point about on ramps, one of the primary on ramps is a home based business. So that really needs to be a core focus of anything we do in entrepreneur led economic development.

**Scott:** Oh go ahead, Elsie. I would just say, "I agree."

**Elsie:** One of my questions was going to be related to that, about the pandemic and our experience with the pandemic, which has taught us new ways to connect and new ways to do business. Do you think that the issues with rural businesses - many of the issues have to do with being disconnected - do you think some of the lessons we've learned over the pandemic will help us deal with the challenges better of separation in the ecosystem in rural areas?

**Erik:** Yes, I think clearly, if we don't fix the broadband problem now, shame on us. Part of it is a physical infrastructure question. Part of it is also a mindset question. So, I want to open a business and I want to be the best widget maker in SWVA, okay. That's not thinking big enough perhaps and so encouraging rural entrepreneurs and so folks that haven't really thought in that fashion, they want not to be in the biggest widget maker in SWVA, they want to be the biggest widget maker. If you want to pursue that, some people don't want it, but if you're growth-oriented and want to do that, we need to get rural businesses to think much bigger about their potential markets.
One of the things we talked about in the chapter is rural and urban businesses don't look that different when they get started but as you look over the life cycle of a business an urban-based firm is more likely to grow really quick or to go out of business while the rural business is more likely to do decently but not ever grow quick but also, it's less likely to fail. So the point is if we want to see more high growth entrepreneurs in rural America, we need to encourage rural entrepreneurs to be more ambitious in the way they think about their markets and the way they think about business. And fix broadband, while we're at it.

**Scott:** I agree, one of the ways this has helped us think about it's made distances less relevant to some extent, whereas ecosystems are place-based. At the same time, the mentor pool, the pool of knowledge that localities have now, is global. And it's always been global but I think there's a little greater awareness now that you can access some of that talent, support, and mentorship outside of your region.

I'd be remiss to not include a few of the organizations that we in Region 2 have helped kind of support and grow: our regional ecosystem here in Roanoke-Blacksburg and one that comes to mind now is RAMP, which is a regional accelerator program focused on technology and life science companies. At the very early onset of COVID last year, as we're dealing with some of the social distancing restrictions brought about by the pandemic, they realized they needed to pivot some of their operations. They developed some resources that were now online and made sure the entrepreneurs and small businesses they work with could access this suite of online resources. Also, the mentor pool they were developing and coaches pool, could also be shifted online as opposed to in person. So that shift has brought some disadvantages for folks with lesser connectivity but brought some advantages to folks who can connect to a greater wealth of resources.

**Elsie:** We have more questions, thank you for continuing to submit questions.

"When we talk about the idea of closing the gap of underrepresented communities opting out of connecting to the broader entrepreneurial ecosystem, part of the issue seems to be around language, calling oneself entrepreneur or founder as opposed to business owner. Are there other examples of ways we can improve language to make entrepreneurship more accessible? Are there places that are doing this well?"

**Erik:** That's a great question. I would just say one of the most possible tools to address this is youth entrepreneurship training. And all the research on youth entrepreneurship training in K-12 system tells us that it's not about teaching skills, how to market, or how to keep your books, or how to do HR, it teaches a young person that one, they can be an entrepreneur, they can be a police officer, a nurse, a doctor or a lawyer or they can be a business owner, that's part of the option. And teaches the entrepreneurial mindset, identifying opportunity and putting together resources to capture that opportunity. So I think embracing youth entrepreneurship is probably the best way at least over the long term to address that.

**Scott:** I would agree, and I do think often, just to use rural places as an example, one of the things when we included - and Erik, the nice thing about our chapter is now I don't remember who wrote which section - so it's all a joint authorship which I guess is what you want.
**Erik:** I wrote the good parts.

**Scott:** Our context on rural entrepreneurship included some data on the fact that rural start-up rates, when you talk about self-employment in rural places, is often quite high and higher than urban places. And a lot of those firms tend to be more stable and lasting. There's an entrepreneurial culture there that often, you're right, is not talked about as an entrepreneurial culture. How you recognize those existing strengths that are already there; I think the focus on youth is a good one. I think events and activities to bring some of these folks together is important. And it can be very simple.

It's not a rural example, but I was on a call last week with folks in Norfolk who are working with their innovation corridor in downtown Norfolk and they said they had to work to build their entrepreneurial culture there in Norfolk and one of the things they did at the beginning of their meetings, they started entrepreneurial minutes. They would bring in entrepreneurs and founders from the community to the beginning of their meetings. It ended up being 5-15-20 minutes but just to share their story. So stories and narratives are important so sharing success stories, sharing narratives, hearing from entrepreneurs in your community about their experience I think can be really influential.

**Erik:** Elsie I'm sure you have a perspective on this one as well, I mean from your work, what have you found in your work on this point?

**Elsie:** I think, the youth, I agree with the youth entrepreneurship piece. There's a lot going on in urban areas with youth entrepreneurs, training them early, getting them in the proper mindset, but also getting them familiar with the vernacular and getting them familiar with the cultural things that happen. However, there's a resistance to an extent because in high school, what they're learning -- I was watching a documentary on television the other day about how students are being pushed to go to college, be the highest achiever, take every AP course, but stay the course, the predescribed course that's already there, so there's attempts at increased awareness but at the same time there's this other push happening. I think it's really important to start with youth and to allow them to see that this is an acceptable route to go. You can go to college and still be an entrepreneur. You can be an entrepreneur while you’re in college. You don't have to go to college and you can be an entrepreneur. I think the shift has to focus on where are people's talents, innovations, and ideas as opposed to the conversation now is around what makes a good entrepreneur? What do the people have to bring?

There were a lot of questions about underserved populations. I think part of the issue is how we define innovation. We as economic development scholars are the biggest culprits in this whole thing because we've come up with these theories on how regions grow and we've focused on innovation but we've defined it in a way that excludes whole groups of people. So I think we need to do some real thinking about innovation and what that means with the different forms that can come in because I think we're missing opportunities for lots of people who are not thought of as innovators. I think we need to rethink some of the definitions. We need to go back and do some reframing ourselves.
Someone said that the conversation a few minutes ago was whether you'd call yourself a business owner or this or that, I don't think it's whether the individual calls themselves that, I think it's what we value. We're making the judgments on the fact that you're calling yourself a business owner means that you don't belong in the ecosystem, it's not that the individual is calling themselves that, it's how that's being perceived by funders, by programs, that sort of thing. So we need to rethink that whole piece of it.

**Erik:** Just a followup. The measurement of innovation, how important that is – researchers at USDA a couple of years ago – I can find the citation – did a study of rural manufacturers and when they brought in the definition of innovation, did you introduce a new product, technology, or service in the past year, the majority of the rural manufacturers had introduced new innovations. They hadn't patented them – it was a new process or some change on the shop floor; they identified a new customer. Those are innovations as well and those are innovations that help the bottom line. So a broader definition of innovation is very important.

**Elsie:** I think we have to leave a few minutes at the end but thank you so much to everybody who joined. I'm sorry if I didn't get to all of your questions, hopefully you will join the next session but I think I'm going into someone's speech at the end. So thank you Erik and Scott for this engaging conversation.

**Scott:** Thank you.

**Neda:** Thank you so much Elsie, Erik, and Scott for your thoughtful conversation and special thanks to the participants for joining us today and your great questions. We have captured all the questions on the Discourse website so the authors can go and reply to them. Those who couldn't join us can refer to the questions on the website. Please save the date for future Vibrant VA webinars. The next one will be on April 26th from 1 to 2 pm Responding to the Addiction Crisis through University and Community Collaboration featuring authors Mary Beth Dunkenberger and Sophie Wenzel and the discussant will be Executive Director of the Virginia Rural Health Association, Beth O'Connor. The one after that will be May 14th from 1-2 pm, Virginia Barriers to Competitive Advantage in Broadband Expansion featuring Erv Blythe and Jim Bohland and CEO of HBG Strategies, Heather Gold will be the discussant. Finally on July 12th, the Vibrant Virginia Book Launch, we will see all of you there. Thank you all!