



A Catalyst for
GROWTH
& PROGRESS

FEBRUARY 2022

Strategies To Foster Washington County's Entrepreneurial Ecosystem



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Acknowledgement

The Greater Hagerstown Committee is comprised of corporate and civic executive leaders from over 75 local companies and organizations, employing over 10,000 people in Washington County from across the four-state area. GHC is funded solely by member dues and works collaboratively to be a catalyst for progress and growth in the Washington County, MD region.

The GHC Vision Forum created the Innovative Gateways Task Force (IGTF). The IGTF was tasked with the strategic objective of developing gateways for innovation in our community by cultivating an entrepreneurial mindset, supporting local innovative companies, and recruiting a remote workforce. To accomplish those goals the forum's first step was to research and define our community's entrepreneurial ecosystem and make recommendations for improvement. This is the focus of this report.

The following GHC members and community partners participated in this process:

- Basheer Azizi*, Chair of the IGST and President/CEO OpSmart
- Rich Daughtridge, President/CEO High Rock Studios
- Paul Frey*, President Washington County Chamber of Commerce
- Susan Grimes, Director of Washington County Department of Business Development
- Jonathan Horowitz, Washington County Department of Business Development
- Terry King*, GHC Chair 2021-23 and Executive Director for Leadership Development Resources
- Dr. James Klauber*, President Hagerstown Community College
- Mitesh Kothari, M.D.*, GHC Chair 2019-21 and Capital Women's Care
- Mike Kuhaneck, Supervisor for School Improvement for Washington Co. Public Schools (WCPS)
- Tereance Moore*, President of TM Consulting
- Wendy Moore, Administrative Secretary for Career Technology Education for WCPS
- Cody Pine, CTE Supervisor for Washington Co. Public Schools
- Jill Thompson, Director of Community and Economic Development for the City of Hagerstown

**GHC Members.*

We would like to thank the Red Rock Chamber of Commerce for sharing their work on this issue. In addition, we are grateful to each member of our team for sharing their time, talents, and expertise with the GHC Innovative Gateways Task Force in order to create this report. We look forward to working with them in the future to expand and develop our community's entrepreneurial ecosystem

Executive Summary

Small businesses are the backbone of any economy. They can be grown through the attraction and expansion efforts of existing businesses, or organically through the development of new businesses by entrepreneurs. In this report, we studied the entrepreneurial ecosystem in Washington County and identified our many strengths as well as the weaknesses that impede the creation of new business. We also offer ideas to address those areas of challenge. It is our hope that these changes will transform the current ecosystem into one that will prepare our county for a new age of entrepreneurship and a growing, more diverse economy.

Our approach in developing this report included the participation of stakeholders from different public and private sectors of the county which allowed the committee to hear a wide view of available community resources in support of entrepreneurship. We were then able to define each resource or asset's role and evaluate their relevance in a healthy entrepreneurial ecosystem. In addition, we conducted a survey of businesses within the community to gauge perception of the current entrepreneurial climate and willingness to help improve the status quo.

Our work identified a group of challenges that exist in the current entrepreneurial ecosystem with the most important one being the lack of a central hub that monitors, supports, and nurtures entrepreneurship.

As we look into the future, there are many things we can do to realize the economic potential Washington County has within its entrepreneurial talent pool. Below is a set of action items that we believe would result in the collective improvement of our overall entrepreneurial ecosystem:

- **GOAL #1:** Identify a central hub with dedicated staff to facilitate programs, foster collaboration, and act as a conduit for all services available to an entrepreneur.
- **GOAL # 2:** Develop and build entrepreneurial infrastructure including: funding opportunities, expansion of an entrepreneurial labor pool, a robust incubator at Hagerstown Community College, "maker spaces", and access to technology and utility infrastructure
- **GOAL # 3:** Develop a culture that inspires entrepreneurship at all age levels
- **GOAL #4:** Position Washington County as a welcoming community and develop inclusive strategies to cultivate racial, gender, and age equity within our entrepreneurial ecosystem so our resources and pathways are attractive to all races, genders, ages, and industry

(Note: specific strategies for each goal are included in the full report)

This report and the collected data provide a picture of an ecosystem in need of improvement. Should the necessary recommendations and changes take place, we strongly believe the result will be a culture and ecosystem that will better nurture entrepreneurship and help support the birth of many new businesses in the community for the next generation.

Strategies to Foster Washington County's Entrepreneurial Ecosystem

February 2022

Small Business Matters

Small businesses are the backbone of any economy. They create jobs, support local projects, contribute to municipal taxes, and become gateways to bigger companies and successful national enterprises. Small businesses depend on the entrepreneurial ambition of individuals with a passion for which they start a business. Successful entrepreneurs have the drive to withstand hard times and thrive on taking risks when launching their businesses in order to achieve their dreams. Therefore, entrepreneurship is a critical foundation of the small business ecosystem.

Entrepreneurs have contributed greatly to the County's economy and culture over the previous decades. However, as times have changed, the existing support system has not kept up with the demands of a more complex entrepreneurial ecosystem. This has made it more difficult for new ideas to become new small businesses which the County direly needs to grow its economy and maximize its potential.

A successful entrepreneurial culture relies on an ecosystem that is business friendly and celebrates and supports new ideas and innovation. It requires a culture of acceptance and nurturing of industries that may not have had previous success. Few would argue against entrepreneurship or would intentionally create hindrances to a new business. It's not the lack of effort or creation of barriers that is holding us back, but rather the lack of a proper support system that allows many good, new ideas to fail.

In this report, we studied the entrepreneurial ecosystem in Washington County and identified many strengths as well as weaknesses that we believe impede the creation of new business. We also offer ideas to address those areas of challenge. It is our hope that these changes will transform the current ecosystem into one that will prepare our county for a new age of entrepreneurship and a more diverse economy.

Our approach in developing this report included the participation of stakeholders from different public and private sectors of the county which allowed the committee to hear a wide view of available community resources in support of entrepreneurship. We were then able to define each resource or asset's role and evaluate their relevance in a healthy entrepreneurial ecosystem. In addition, we conducted a survey of businesses within the community to gauge perception of the current entrepreneurial climate and willingness to help improve the status quo. Combined, this report and the collected data provide a picture of an ecosystem in need of improvement. Should the necessary recommendations and changes take place, we strongly believe the result will be a culture and ecosystem that will better nurture entrepreneurship and help support the birth of many new businesses in the community for the next generation.

It Takes a Community To Raise An Entrepreneur

A small business is born into the local economy after going through a complex lifecycle. During each of these phases, an entrepreneur needs help and support in order to ensure their long-term success. This is a critical point that is not commonly understood. When it comes to entrepreneurship, the typical mindset assumes that a business or idea succeeds simply if it is a great idea or concept that solves a problem or addresses a specific need in that industry. Therefore, the theory assumes that a business will succeed or fail based solely on how well it solves the problem or whether it fulfills a need in that industry. In other words, the marketplace has the entire power and control to decide when a business succeeds or fails.

When you consider the full lifecycle of a startup, you can see this mindset is not entirely correct. While having a great idea is important, there are many other factors that can contribute to the success or failure of a small business. From “Idea” to “Launch” to “Growth and Sustainability”, the community has a major role to play in creating the conditions that help lead to more successful businesses in the community.

The existence of a centralized information hub is important because a healthy entrepreneurial ecosystem needs to make it easy for entrepreneurs to find the support and encouragement needed to carry them through these multiple stages of growth. Our workgroup created the draft ECOSYSTEM CANVAS in the following page to identify some of our local resources available through each stage of their development.

This canvas displays that a healthy entrepreneurial ecosystem consists of a structure where ideas are inspired, nurtured, validated, launched into successful, sustainable businesses, and celebrated for their success as a community. As a result, small businesses are not left on their own to survive or fail. Rather, they are equipped with all the support and tools they need to grow and thrive. As we completed this canvas, we solicited input from representatives of different organizations operating within the county in order get an idea of what our current ecosystem looks like.

This canvas is a start of documenting and understanding the existing support system for entrepreneurs in the county. In each stage of the evolution of an idea, we listed different entities that exist to provide support. We also made an attempt to quantify the impact of those entities as it stands today. While more feedback is needed to complete this canvas, we believe this is a helpful start in understanding our current ecosystem today.

WASHINGTON CO. STARTUP ECOSYSTEM CANVAS (Draft)

"It takes a community to raise a startup"

STAGE 1: IDEA			EVANGELISTS
1. Inspire	2. Educate	3. Validate	
Startup Media: <i>Centralized Local Info. Listings, news, etc.</i>	Best Practices: <i>Beginner knowledge-sharing events</i>	Team Formation: <i>Resources & events for teaming up where entrepreneurs find partners to launch with</i>	
Centralized Calendar for entrepreneur focused events Define metrics by tracking new organizations, funding sources, office /commercial space	Lean Peer Groups SBDC Mugs & Pitches	NONE	
Inspirational Events: <i>Open, inclusive, beginner events</i>	Training & Feedback: <i>Skill & idea development programs</i>	Build First Product: <i>Hackathons & resources to build programs</i>	
HCC Biz Student Club/TIC WCPS "Day on the Job" WCPS "Aspiring Entrepreneurs" WCPS Robotics Competition Entrepreneur Internship Bootcamp 7th Grade Career Exploration day	SCORE Workshops SBDC Seminars TEDCO Events COC Workshops	Hackathons & resources to build TIC (limited) Need a Maker Space	
STAGE 2: LAUNCH			GOVERNMENT
1. Start	2. Develop	3. Launch	
Establish: <i>Law firms & banks for startups</i>	Formalize: <i>Accounting, Development & HR</i>	Seed Accelerators: <i>Seed funding mentor programs</i>	
Henry Maring Law (pro bono work) M&T, PNC Banks SBDC/SBA	SCORE	TIC - Pitch Camp SCORE TEDCO	
Workspacce: <i>Co-workin and flexible space</i>	Prepare for Seed: <i>Incubators & advanced mentorship</i>	Pitch & Demo: <i>Show startups for seed investment</i>	
Burobox TIC - Hub City Hive Flex-Spaces Need a Maker Space	TIC TEDCO - Chuck Ernst Burobox	TEDCO ECWC TIC/HCC events	
STAGE 3: GROWTH AND SUSTAINABILITY			TALENT
1. Recognition	2. Funding	3. Growth	
Investor Networking: <i>Connect founders and professional investors</i>	Angels/Micro-VC's: <i>Seed-stage investors</i>	Infrastructure: <i>Office space, HR, insurance, etc.</i>	
SDAT - New Businesses with incorporation in Washington Co. TIC	TEDCO NO Others Local	Mulberry Lofts Mt Aetna Tech Park Keller Stonebraker 240 S. Potomac (Devante)	
Major Media: <i>Mainstream local business press</i>	Venture Capitalists:: <i>Series A and beyond</i>	Expansion: <i>Growth accelerators and consultants</i>	
CrossRoads (Herald Mail) Hagerstown Magazine None focused on Entrepreneurs	NONE	NONE	
SUCCESS STORIES			<p><i>Successful homegrown companies that have raised significant institutional funding, employ a large workforce, or have achieved liquidity</i></p>

Successful local founders who lead the ecosystem & frequently mentor newbies

Public organizations that facilitate Economic Development

Local Universities:
(Major business or technical universities)

Local Employers:
(Major technical employers with a large workforce)

Landscape Analysis of our Current Entrepreneurial Ecosystem

Washington County has a number of resources that provides help for new and existing small businesses at different levels and stages of the business lifecycle. These include for-profit, non-profit, public, private, and educational institutions, all trying to do their part in helping grow and diversify our local economy.

For example:

- SCORE is a widely known national nonprofit organization dedicated to helping small businesses get off the ground, grow and achieve their goals through education and mentorship. Hagerstown had an active SCORE chapter in years past, but due to the retiring of many long-time volunteers and failure to attract new local volunteer mentors, our local chapter was closed and absorbed by the Frederick SCORE chapter – now renamed “SCORE – Mid Maryland”. There remains a local demand for SCORE as approximately 30 clients continue to be supported by this organization – mainly through mentors living outside of our community. Mentors living in other areas can still provide quality assistance, particularly for entrepreneurs in an industry that is new to our area. However, having a strong, diverse group of local mentors would be more desirable and is an area our workgroup highlighted for improvement.
- Small Business Development Center (SBDC) provides training, confidential consulting, and market and industry research to help aspiring and existing small businesses make sound decisions for successful operations. They also can refer entrepreneurs to industry experts or other specialty business consultants who can help them and can assist clients in obtaining traditional financing. SBDC has an office in Washington County and more information can be found at: <https://www.marylandsbdc.org/locations/western-region>
- HCC’s Center for Business and Entrepreneurial Success (CBES) recently underwent a major renovation as our local business incubator and opened Fall of 2021. Renovations included new collaborative workspace for students and incubator occupants. CBES will bring together HCC’s credit and non-credit business programs, HCC’s business incubator, and area business and industry leaders to support entrepreneurs and our local economy.

In addition to these examples, there are other local organizations that continue to provide valuable support for new businesses including our local economic development departments, TEDCO, SBDC, the Chamber of Commerce, GHC, Washington County Free Library, Hagerstown Community College, etc.

In order to start a serious and strategic conversation about redefining how our ecosystem should look, the workgroup created the chart below which includes a list of major stakeholder organizations that support entrepreneurs as well as an assessment on the quality of support provided during each stage of a business’s lifecycle. The analysis conducted by the team was done in the spirit of understanding where we are today. It is likely that our team may have missed the exact positioning of a specific entity and their impact. However, the overall intent was to highlight our current status in order to identify areas of strength and areas of opportunity.

ENTREPRENEURIAL LIFE CYCLE	INSPIRE	VALIDATE			LAUNCH					SUSTAIN & GROW					CELEBRATE SUCCESS
		EDUCATION	FUNDING	MENTORSHIP	EDUCATION	FUNDING	SPACE	NETWORKING	MENTORSHIP	EDUCATION	FUNDING	SPACE	NETWORKING	MENTORSHIP	
LOCAL RESOURCES															
● - Needs Improvement ● - Meets Goal ● - Exceeds Goal (09/01/21)															
ABC/Barr Academy	●				●					●					
Angel Funding (no local entity)			●			●					●				
Entrepreneurial Council of Washington County	●	●	●	●	●	●	●			●	●	●		●	
Greater Hagerstown Committee				●					●					●	
HCC's Center for Business & Entrepreneurial Studies (Incubator)	●	●	●	●	●	●	●	●	●	●	●	●	●	●	
Hagerstown BuroBox					●		●			●		●			
Hagerstown Community College		●			●					●					
Hagerstown Dept of Community & Economic Development					●	●	●			●	●	●		●	
Maryland Small Business Development Center (SBDC)		●		●	●	●				●	●				
Maryland Dept of Commerce		●	●		●	●	●			●	●	●		●	
Mentorship Pool (Private Business Professionals)				●					●					●	
Mt. Aetna Farms Technology Park							●								
SCORE (Regional)		●		●	●			●	●	●				●	
Small Business Administration (SBA)				●		●					●				
TEDCO	●	●	●	●	●	●				●	●		●	●	
Tri-County Council										●	●				
University System of Maryland Hagerstown (USMH)										●					
Wash. Co. Chamber of Commerce	●	●		●	●			●	●	●		●	●	●	
Washington County Free Library	●	●			●					●					
Washington County Public Schools	●	●													
Wash. Co. Aspiring Entrepreneurs	●		●												
Washington County Department of Business Development					●	●					●	●		●	

● - Needs Improvement ● - Meets Goal ● - Exceeds Goal

Previous efforts have been made to organize these support entities under an umbrella group to create a central information hub to foster new ideas and businesses. The Entrepreneurial Council of Washington County (ECWC) was one such entity that started in 2018. ECWC partners at that time included:

- Washington County Chamber of Commerce
- City of Hagerstown Community and Economic Development Department
- Washington County Department of Business Development
- TEDCO
- SCORE Hagerstown
- Hagerstown Community College (Technical Innovation Center)
- Frostburg University
- Two Private companies (WORX and HighRock)

Unfortunately, the Council was not structured or funded in a way that it could sustain itself or serve the purpose for which it was established, and it became dormant in 2019. The workgroup reviewed the makeup of the ECWC and felt it was a good place to start. However, they noted the need to expand the partners involved and identify funding streams to support its operations. The figure below represents one possible makeup for an expanded organization that was developed by our workgroup:

Entrepreneurial Council of Washington County

Draft Expanded Makeup:



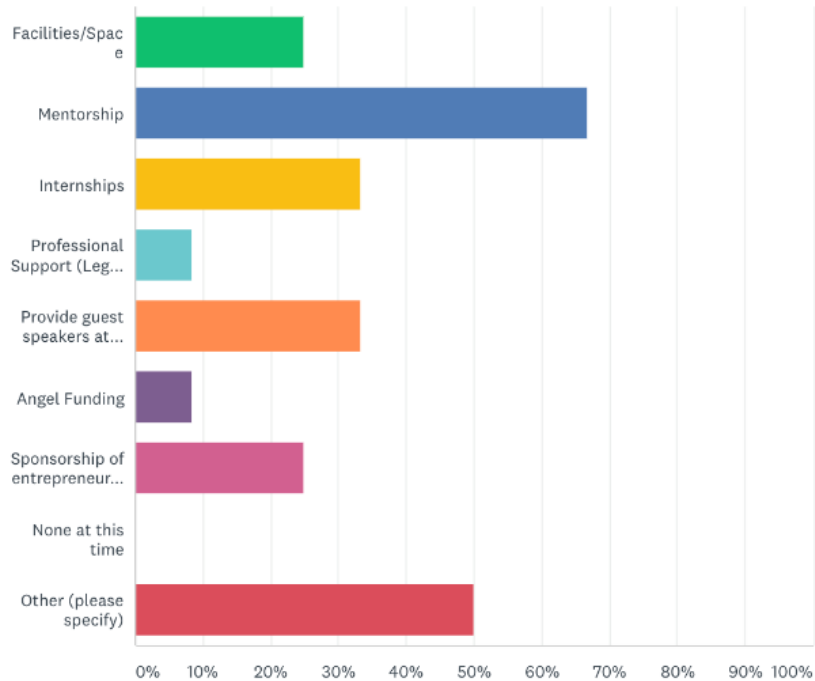
**Original ECWC members*

Our team also conducted a small survey of GHC member companies to better understand their experience with the current ecosystem. Most of the respondents were established or retired business owners and executives. The group recognized that the number of respondents was too small to draw any major conclusions, but felt their responses still provided some insights for the report. Below are some of our findings that highlight the current needs in our community:

- When asked if they believed a new entrepreneur has access to the resources needed to succeed in our community – Rate 1 (no resources) to 5 (ample resources) – the majority of respondents felt yes, with an average rating of 3.83 (there were no 1 or 2 ratings)
- Respondents were given a list of 14 organizations that provide entrepreneurial support and asked if they used their services. For every entity that provides a service, at least half of the respondents never used their services. The three entities that were utilized the most were the Washington County Chamber, HCC’s business incubator, and Washington County Public Schools.
- When asked what entrepreneurial resources are lacking for start-ups they noted:
 - financing
 - mentors
 - business-to-business customers
 - a central place to find available resources and support
 - a top-notch incubator
 - a sufficiently trained and employable workforce
 - more human interaction supported by technology (vs the other way around)
 - Better networking opportunities structured to engage people that may not be experienced in how to network
 - a clear path for existing businesses that are struggling or considering growth. I would approach this as a curriculum for entrepreneurial success with human interaction supported by technology vs the other way around
- Respondents also noted that there are various resources that are siloed from each other, and an “Entrepreneur Advisor” would be ideal to help navigate resources. That advisor could start by providing an entrepreneur assessment that gauges readiness and need.
- Finally, when asked what resources their company would be willing to offer entrepreneurs, every person responded with a various support they could provide (see chart below).

What resources would your company be willing to offer for entrepreneurs? (select all that apply)

Answered: 12 Skipped: 0



In summary, the group felt that while we have many strong individual organizations willing to provide their support, the services available today to new entrepreneurs are disparate and lack a coherent strategy to achieve an ecosystem that inspires, nurtures, and celebrates entrepreneurship.

We Have Work To Do

Washington County has a great history in manufacturing, logistics, and agriculture. These industries will continue to grow and develop. However, as new industries such as green energy, cyber security, and biotechnology emerge, our County needs to show willingness to adapt and embrace necessary changes to cultivate their growth. We have to open our doors to all types of innovation in every industry imaginable that can bring a positive impact to our community.

As we started to analyze the current state of entrepreneurship in Washington County, it did not take long before we saw a pattern of disconnects - disconnects between established businesses and new businesses; disconnects between new entrepreneurs and seasoned mentors willing to help; disconnects between financial institutions and those in dire need of financial help to sustain their businesses; and others. These disconnects were not so much by design but rather by lack of a more formalized system in place to nurture entrepreneurship through each phase of its development.

Furthermore, our study revealed there were no metrics by which to measure and track the health and performance of our local ecosystem. This lack of crucial data impedes the ability to know if new ideas are turning into successful businesses and contributing to the local economy.

One of the best resources to ensure success of a new business is for entrepreneurs to have a mentor to guide them through the different phases of start-up and operation. Our community's existing public and private entities have tremendous resources to offer in support of entrepreneurship. As mentioned earlier, SCORE is one organization dedicated to addressing this gap. However, their lack of presence in Washington County makes it harder for an entrepreneur to connect with a mentor, nor is there clarity as to who will fill this gap. In addition, even with the presence of an organization like SCORE, it is important to have a central HUB that could actively connect an entrepreneur to an appropriate mentor.

Therefore, the report has identified a group of challenges that exist in the current entrepreneurial ecosystem with the most important one being **the lack of a central hub that monitors, supports, and nurtures entrepreneurship**. Other challenges include:

- Limited outreach on resources available to new entrepreneurs
- Limited access to mentorship – particularly in higher tech industries
- Need to promote more engagement between established businesses and new entrepreneurs
- Limited access to funding
- Lack of a culture of celebrating entrepreneurship success
- Lack of clarity in roles that public and private entities play in entrepreneurship success
- Need to identify and track metrics on the health of our entrepreneurial ecosystem

The Road Ahead (Core Proposition)

As we look into the future, there are many things we can do to realize the economic potential Washington County has within its entrepreneurial talent pool. Below is a set of goals and action items that we believe would result in the collective improvement of our overall ecosystem:

GOAL #1: Identify a central hub with dedicated staff to facilitate programs, foster collaboration, and act as a conduit for all services available to an entrepreneur

- Promote partnerships between seasoned successful businesses and the new entrepreneurs for 1-on-1 coaching and advisory services
- Develop a diverse pool of local volunteer mentors that would support entrepreneurs lead to the return of a local SCORE chapter in Washington County
- Encourage collaboration among entrepreneurs through regular networking activities, forums, and educational workshops
- Re-establish an expanded Entrepreneurial Council of Washington County to provide guidance and insight in the development of our entrepreneurial ecosystem

GOAL # 2: Develop and Build Entrepreneurial Infrastructure

- Expand funding opportunities to entrepreneurs at each stage of their development
- Expand availability of labor for new entrepreneurs
- Leverage HCC's new Center for Business and Entrepreneurial Studies and the City's BuroBox as the entrepreneurship center in Washington County – an incubator of ideas and convener of entrepreneurial support
- Develop makerspaces supporting various trades and industries
- Access to technology and utility infrastructure

GOAL # 3: Develop a culture that inspires entrepreneurship at all age levels

- Strive to inspire and nurture entrepreneurship in the K-12 education system
- Offer entrepreneurial curriculum and programming within local higher education institutions - HCC, USMH, The Collegium, Barr Academy, PIA, etc.
- Expand activities and events that celebrate entrepreneurship and the success of new startups to inspire more people to become entrepreneurs
- Position Washington County as open to all types of business ideas in all industries with a focus on emerging and growing industries

GOAL #4: Position Washington County as a welcoming community and develop inclusive strategies to cultivate racial, gender, and age equity within our entrepreneurial ecosystem so our resources and pathways are attractive to all races, genders, ages, and industry types

- Create a committee or taskforce once a HUB is established to:
 - Identify local barriers to entrepreneurship in underrepresented populations
 - Investigate national best practices, programs, and resources available to build an inclusive ecosystem
 - Educate community on policies and practices that the public and business community can do to encourage equity and inclusiveness
- Create target marketing programs to promote value of entrepreneurship and the resources available to underrepresented populations
- Establish benchmarks in existing incubators to ensure diverse populations are utilizing space
- Consider building infrastructure and entrepreneurial workspaces in underrepresented neighborhoods
- Create strategies to help existing online small business manufacturers (Etsy users, etc.) expand into storefront operations

GOAL #1: Identify a central hub with dedicated staff to facilitate programs, foster collaboration, and act as a conduit for all services available to an entrepreneur

A core finding of the team working on this study was the lack of a central hub for entrepreneurs to receive assistance and support. Many new startups lack knowledge of the resources available to them, and we need an entity that can proactively market these resources and assist entrepreneurs along the way. This theme was consistent throughout our meetings, discussions, and research. As such, the team envisions having a hub as the core aspect of the strategy to revitalize entrepreneurship in Washington County. This Hub will play a vital role in all phases of entrepreneurship from ideas, to launch, to growth and sustainability.

There were many brainstorming sessions on where the hub should be located and who should operate such a vital service. While we considered other entities, a consensus was reached among the committee members that the most appropriate place for this hub would be through Hagerstown Community College’s business incubator, the Washington County Chamber of Commerce – as the recognized “voice for business” in Washington County, or some sort of partnership between the two.

While the Chamber has many initiatives to support existing businesses, it has also supported efforts to encourage entrepreneurial activities within the County. They were one of the founding members of the Entrepreneur Council of Washington County and partner with Washington County Public Schools to host an “Aspiring Entrepreneurs” competition for middle and high school students. The experience of its members, networking opportunities, and business influence available within the Chamber would be helpful to an inspiring entrepreneur at any stage of their development. Their large network of diverse members could also serve a pool for local mentors.

Hagerstown Community College’s Center for Business and Entrepreneurial Development (CBES) recently finished a major renovation to improve its space and realign its vision in support of startups. The project was completed in 2021 and could serve as an incubator of ideas and convenor of entrepreneurial support for entrepreneurs. This facility will encompass business incubation and collaborative workspace with individual and expandable office space for rent.

During our work, we helped facilitate a partnership between the Chamber and CBES to bring the many resources each entity possesses together to create more robust support for startups. Both entities are working to encourage the growth of new businesses and facilitate their integration into the Washington County business community. Working together, the two organizations will be creating a collaborative effort to foster entrepreneurship in Washington County. HCC and the Chamber partnered to hire an incubator manager to recruit, coach, and lead tenants using the incubator. The Chamber has similar needs for its efforts in growing small businesses in the County. The two entities believe that sharing one position will provide each with a more efficient method of accomplishing their internal goals.

The central hub being envisioned as the starting point for an entrepreneur would act as a conduit for facilitating mentorship programs between seasoned professionals and aspiring entrepreneurs. This could include mentorship, angel investor guidance, or even structured partnerships. Removing barriers and creating networks of seasoned professionals and aspiring entrepreneurs would be a key factor in achieving success. The hub would need to leverage technology to create effective, fruitful, and long-lasting networks. We see the hub playing an active role in how professionals and entrepreneurs leverage their connections to succeed in their business ventures. A collaboration platform where marketing outreach or event information can be shared would be one way to ensure the ecosystem is able to broadcast its ambitions and goals to the broader community. Regular forums, where inspiring entrepreneurs and business professionals can come together to discuss questions and ideas, would be another great way to create a collaborative environment.

A diverse pool of local volunteer mentors is needed support entrepreneurs at all levels of development. In addition, existing companies must be willing to give new startups the ability to sell their goods and services so that they can grow and become sustainable. Often a company's procurement policy may prevent new companies with unproven records from competing. GHC and the Chamber can work together to utilize their network of experienced local executives to create a pool of mentors as well as educate their members on additional support they can offer new startups in our community. In addition, an effort should be made to identify a critical mass of local mentors and volunteers that would lead to the return of a local SCORE chapter in Washington County

To achieve meaningful transformation in our existing entrepreneurial ecosystem, there is much needed collaboration and effort that needs to take place among many different entities and people in the community. Entrepreneurship involves risk and the presumption of risk stops many inspiring entrepreneurs from taking a step to realize their dream. The community at large working together with the business community can create an environment that mitigates risk as much as possible so that entrepreneurs can take the plunge and know that their community has their back.

The previously established Entrepreneurial Council of Washington County (ECWC) had put together useful resources, but unfortunately did not have the funding mechanisms to drive it forward. However, this group is clearly a resource to this initiative, and the Council should be re-established in an expanded form in order to provide insight and direction in the development of our entrepreneurial ecosystem. Many of the partners in this report were part of the original ECWC and could be called on to restart this collaboration providing a funding source could be identified.

GOAL # 2: Develop and Build Entrepreneurial Infrastructure

According to research by the Kauffman Foundation, an organization dedicated to helping build entrepreneurial ecosystems, it takes knowledge, support, and resources combined to assist a talent pool of entrepreneurs to achieve their dreams. While we have discussed in detail the need for mentorship and cooperation of those with experience to assist new entrepreneurs, the availability and access to resources is an equally important element of a successful ecosystem.

Funding is the lifeline of any business venture, and the availability of funding or lack thereof can make or break a new business. New entrepreneurs face unique challenges when searching for funding. Most traditional funding models such as banks have rigid guidelines governing approval of any business-related loans. These guidelines almost always require sureties and guarantees of return on investment. A new entrepreneur is rarely equipped with the credit or resources to meet that type of a threshold. The idea of putting one's home at risk to try out an idea or product is a disincentive at best. Therefore, we are presented with a funding challenge that our community as a whole must overcome.

While all entrepreneurial ideas are not the same, most can be classified with risk levels. The ones with highest risk levels will most of the time turn out to be the best ideas. However, from a funding perspective, it is fully understandable that most will want to avoid investing in the group of ideas that include high risk. Therefore, as a community, we need to address each category accordingly. Those entrepreneurs with high-risk ideas will need access to funding sources beyond traditional banks. Or perhaps, multiple local banks could share the risk and pool their CRM money to create a revolving loan fund for these types of entrepreneurs. Entrepreneurs should also be able to leverage grants and startup funding through state, county, and other community funding sources.

In addition to funding, other resources needed for a successful ecosystem include manpower and infrastructure. An entrepreneur can only do so much as one individual. There must be sources of labor that can be leveraged to support an entrepreneur. This could be availability of interns from educational institutions, volunteers, or equity partners with experience in various backgrounds.

A system to provide aspiring entrepreneurs with labor assistance needs to be formally established. Labor assistance could come from many sources. One easily implemented system would be a barter exchange. In this system, established business service providers such as accountants, attorneys, graphic designers, or contractors could offer their services in exchange for ownership or advisory shares in the new company. These services could also be provided in the form of loans to the entrepreneur with pre-established terms for repayment. Typically, these types of loans have higher rates of return due to the higher risk associated with a startup. Cash is a limited resource for entrepreneurs, and many would be willing to forgo a portion of their shares in a company or pay higher interest rates to get their startup off the ground or to expand into the next phase of their business plan.

Other ideas could include the integration of internship students working under the guidance of a local professional focused on strengthening our local ecosystem. Often new startups need staffing but have limited resources for payroll. Internships could provide that entrepreneur with low-cost labor and the student with experience in launching a new company. Should that company become successful, their time as interns could grow to a full-time paid position on the ground floor of a new business.

A community plays an important role in making available pools of resources for the aspiring entrepreneur. When the community supports and encourages entrepreneurship, college students will be more willing to commit to internship positions with less pay. More community members would be willing to volunteer knowing full well that they are embarking on an important journey that helps and supports the economy of the community. A cause becomes worthy of a person's time when the community believes it is for the greater good. Therefore, when a community preaches the importance of a healthy entrepreneur ecosystem, everyone will feel a sense of responsibility to do their part in helping entrepreneurs. This would automatically create a support system that includes people willing to take risk and become equity partners in new ideas.

Lastly, infrastructure is a fundamental requirement for an entrepreneur to launch their ideas into reality. This includes access to computing equipment, internet, software licenses and workspace. Since funding is limited and scarce at early stages of an entrepreneur's journey, the community plays a vital role in providing additional help in the form of infrastructure.

CBES was launched to receiving new clients in fall of 2021 and the space it provided is already mostly occupied. Getting clients to occupy such a space in a short amount of time is testament to the potential the county has in new businesses getting started if they have the right support structure. We believe, more investment in infrastructure like this is needed to ensure a diverse workspace is available to different types of businesses or business ideas.

We can also be innovative and allow an entrepreneur to leverage unused capacity already existing in our community. This could mean sharing unused office space of existing businesses as well as internet access or the businesses software licenses that are not being used. This concept is especially impactful when a mentor assigned to an entrepreneur offers their unused office capacity. This would provide access to critical space and technology needs as well as the ability to directly mentor and oversee the new startup on a day-to-day basis.

GOAL # 3: Develop a culture that inspires entrepreneurs at all age levels

Perhaps the most critical element of a healthy entrepreneurial ecosystem is the pool of inspiring candidates who are willing to explore their ideas and take the path to innovate something new. This pool of talent can be nurtured from the K-12 School System, higher education, and existing employees in the workforce. The K-12 education system is by far the best place to nurture talented individuals who would be interested in becoming an entrepreneur. However, taking such a path is often presumed at a young age to be too risky, and it requires encouragement and inspiration. Therefore, it is important for the HUB to partner with the school system to create programs where success of this new pool of future entrepreneurs is celebrated.

The WCPS in collaboration with the Chamber has a great event called “Aspiring Entrepreneurs” that allows students to compete by showcasing their new business idea and win financial prizes to help them get started. More programs like these are needed to highlight entrepreneurship and its benefits. Successful business owners can be a part of programs where they give presentations on their line of work and what it takes to succeed in that line of work. Events like these create interest in the minds of those wishing to pursue entrepreneurial dreams.

In addition to K-12 education system, college students are another pool of candidates that include future potential entrepreneurs. The hub working in conjunction with CBES can create programs that can educate interested college students about the entrepreneurial process and the means needed to achieve their entrepreneurial ambitions. A standard presentation that provides helpful information for each stage of growth and local resources available would be key to helping this group of future entrepreneurs.

Our community must also celebrate the ideas and products of successful local entrepreneurs in different industries. Recognizing local entrepreneurs who have grown to create established businesses would encourage others to take a similar path. The best way to support an entrepreneur is the purchase of their product or adoption of their ideas. Residents in our community may also enjoy being the first customers or early adopters of products built in Washington County. We could host events where our HUB highlights a specific new product and encourages attendees to purchase or try this new product. Such events would show a community’s pride in its entrepreneurs encourage a new generation to be innovative and create businesses that will be supported and embraced by their community.

It is important for our ecosystem to keep its members educated on the tools and trends to make them successful. This can be achieved by having seasoned professionals from different industries present on emerging technologies and industry potentials. For example, a monthly industry presentation at HCC’s CBES may include an expert in the Cyber Security Field, Medical Innovations, Agricultural Technology innovations, Green Technology, etc. A broad scope would help encourage the next generation to explore areas and industries beyond what they are familiar with.

GOAL #4: Position Washington County as a welcoming community and develop inclusive strategies to cultivate racial, gender, and age equity within our entrepreneurial ecosystem so our resources and pathways are attractive to all races, genders, ages, and industry types

An inclusive entrepreneurial ecosystem must support founders from all backgrounds by creating a genuinely level playing field so all people can unleash the creative potential within them. This involves understanding and then overcoming the barriers faced by different people in different places. This will not happen organically and will take intentional strategies and investment to create equity in our system.

Inclusive entrepreneurship policies can increase the number of start-ups among underrepresented and minority populations as well as improve their chances to become sustainable. Our community will benefit from tapping into the creative talents of these underserved markets and fostering the creation of more jobs and businesses from diverse populations.

Every successful entrepreneur needs access to networks, access to markets, and access to capital. However, not every demographic has equal access to these three pillars of entrepreneurial success. For example, youth have limited experience working in the labor market and have not had time to develop the networks needed to find mentors and business contacts that could help them start and grow a business. Nationally, more than half of Black-owned companies had their loan applications rejected – twice the rate of white-owned companies, according to 2017 [data](#) from the U.S. Federal Reserve. Other barriers can include education levels, training, and access to markets to sell their goods.

By taking time to understand these barriers, we can create support strategies specific to various populations. For example, by helping to connect youth and minority interns to new startups in our local incubator we can inspire and teach these groups what goes into starting a new business. We can create specialized marketing efforts and programs for specific populations aimed at increasing awareness of the opportunities, benefits, and practices of entrepreneurship and the resources available. Local companies can adjust their procurement processes to ensure new businesses are being provided an opportunity to sell their goods and services. Incubators can be created in minority neighborhoods or benchmarks established in our current facilities, so spaces are reserved for underserved populations.

“Inclusive Entrepreneurism” is a growing trend and multiple groups connecting minority populations to entrepreneurial services. SCORE has a “SCORE For ALL” program designed with specific programing for specific populations. The CASE Foundation is working to catalyze an inclusive entrepreneurial movement with dozens of partners focused on supporting diverse startups. Our entrepreneurial HUB and business community should be educated on these resources and serve as a conduit of information for populations from all backgrounds. Collaboration between our local Chamber, the regional Hispanic Chamber, and the state’s Black Chamber may also help identify strategies to improve access.

There is much more we can learn in order to build a culture that is supportive of entrepreneurship in diverse social groups. This committee was not able to spend the time this issue deserves researching best practices and identifying local and national resources. We would recommend more work on this front be done once an entrepreneurial Hub is established.

Conclusion

It is easy to make a case that a healthy entrepreneurial ecosystem is good for the county and its future economy. Utilizing the entrepreneurial spirit to build your economy is a trend that has produced great results in many communities across the country, and it can be replicated here in Washington County. However, achieving this goal requires a collective effort across our community.

During this process, our group worked to gain understanding of where Washington County is today when it comes to nurturing and fostering entrepreneurship. Do we have an ecosystem where entrepreneurs can thrive? If not, where do we stand today and how can we improve?

In our research, we identified many stakeholders who have made great efforts in the past to support entrepreneurship in our community. However, we also uncovered gaps and lack of a cohesive strategy in achieving a collective goal. Our survey provided feedback from business leaders on how we can improve and showed there is much support for taking a more active role in providing support for new startups.

Creating an integrated hub of access to knowledge and resources for new entrepreneurs must be the first step. We also will need a collective vision so our community can appreciate the importance of a healthy entrepreneurial ecosystem and what we must do to get there.

A successful entrepreneurial ecosystem is achieved at the intersection of ideas, resources, and cooperation combined with community-wide celebration of the entrepreneurial spirit. For us to be successful we will need to build this collective effort to provide the infrastructure (hard and soft), intellectual capital, mentorship, funding resources, networking opportunities, and education that can be accessed by all races, genders, ages, and industry types.

Embracing a diversity of ideas and talent is key to creating a system that brings everything together and creates pathways for economic success. Access to participation and leveraging of local resources for anyone and everyone who has an idea is the beginning to opening the door to a local economy fueled by organic growth from within – one small business at a time.

Our community has work to do to adequately nurture the talent pool of ideas in our county. However, we have already created a starting foundation of infrastructure and a spirit for collaboration to drive us forward. Our county's future economy depends on the success of entrepreneurs dedicated to achieving their dreams on the back of a community that is ready to support them. This report was just one small step forward. We look forward to working with all of our stakeholders in the years ahead to build an inclusive and nurturing ecosystem to help our budding entrepreneurs turn ideas into successful business and grow our local economy.

Help Us Build a Strong Entrepreneurial Ecosystem

Please sign up to become a
Washington County
“Entrepreneur Booster”
and support local entrepreneurs
Go to the following QR Code:



or click link below to fill out a short survey
and be added to a list of future supporters:
<https://www.surveymonkey.com/r/EntrepreneurBooster>