

**Special Report Presented to the
Lincoln Chamber for Economic Development
Corporation on Behalf of the Lincoln
Entrepreneurial Ecosystem Task Force**

Tuesday, December 8, 2015

Our Charge: Review, Advise and Recommend

The Lincoln Chamber for Economic Development Corporation created the Entrepreneurial Ecosystem Task Force to review the recommendations and strategies contained in the June 30, 2015 report from AngelouEconomics, advise which recommendations are the most logical for Lincoln to pursue and to recommend additional strategies. This special report highlights the Task Force Recommendations that will help Lincoln foster a globally competitive entrepreneurial ecosystem.

The Task Force was comprised of a diverse group of 30 community stakeholders, including city and educational institutions, investors and entrepreneurs. Jay Wilkinson served as the moderator and task force chair. All members are listed on the signature page of this document.

Prior to the first meeting, all members were tasked with reading a few books and several online articles, a list of which is included in the Resources section. We had 4 workshops, the first being held on September 1, 2015 and the last on December 1, 2015. In addition to these workshops, there were several lunch discussions, phone conferences, surveys and side conversations that contributed to this report.

The Task Force began discussions by reviewing the mission document provided to us by the LCEDC with intentions of coming to a deeper understanding of the group's purpose. Many of Lincoln's business leaders and policymakers are talking about our entrepreneurial ecosystem, but we wanted to understand what this phrase really meant. We settled on the following definition:

The term “entrepreneurial ecosystem” describes the way individuals, companies, organizations and governments interact to influence the development of entrepreneurs and their firms in a single metropolitan area or region.

Lincoln's entrepreneurial ecosystem is made up of individuals, companies, government entities and other organizations that interact to influence the development of local founders and their firms. This includes local investors like the Nebraska Angels, local accelerators and programs like NMotion and Engler, the Lincoln Chamber of Commerce and the Lincoln Chamber Economic Development Corporation (LCEDC), the Lincoln Community Foundation, the City of Lincoln, the University of Nebraska, vendors that support entrepreneurs and, of course, the entrepreneurs themselves.

The words “Entrepreneurial Ecosystem” are typically used to refer to all local entrepreneurs and interacting organizations, but it is important to note that each local ecosystem is comprised of many smaller, industry-specific ecosystems with unique investors, talent and other resources. For example, the full entrepreneurial ecosystem in Lincoln could

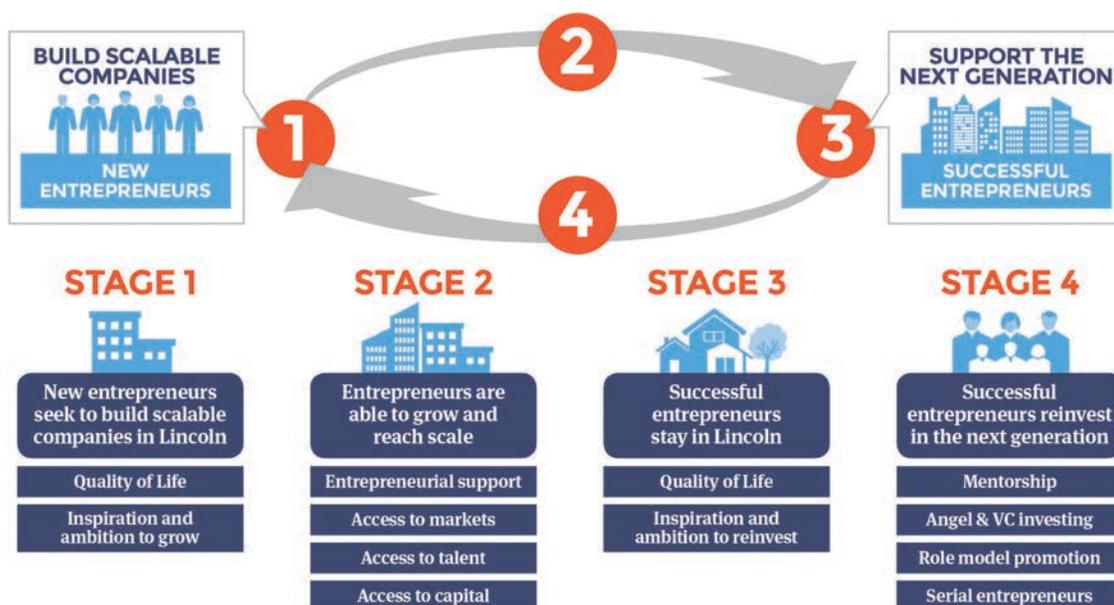
include a well-developed ecosystem in the sports-tech sector, but a poorly developed ecosystem in biotechnology.

Lincoln has the added complexity of being part of a fragmented, regional ecosystem. For example, Silicon Prairie News regularly lumps Lincoln together with Omaha, Kansas City and Des Moines when it writes about the “Silicon Prairie.” The dominant sentiment of the Task Force is that Lincoln needs to work closely with other cities in our region but at the same time present a clear, differentiated value that inspires growth-oriented entrepreneurs to start here.

The components of an ecosystem can be divided into a few broad categories: infrastructure that supports entrepreneurship, market conditions, culture, capital and laws/regulations. Categorizations such as these are exhaustive, but they don’t help stakeholders understand how an ecosystem is performing. The effectiveness of an entrepreneurial ecosystem—how well it enables entrepreneurs to access resources, such as talent and financing—is difficult to measure directly. This leads many leaders to focus on evaluating the outputs of an ecosystem, such as the number of new companies that start within it. While measuring these outputs can be useful, they fail to provide a picture of an ecosystem’s overall performance.

Other communities have learned that the most important elements to measure in order to evaluate an ecosystem’s performance are the desired outcomes—job creation and value creation from entrepreneur-led companies. Entrepreneurial ecosystems that produce these things are invariably healthy and successful.

We have found that successful ecosystems follow a specific cycle of growth in which successful local entrepreneurs reinvest their financial and intellectual capital into the next generation. We created a framework that allows us to evaluate each of its components:



The growth cycle has four stages, each with several subcomponents, as shown above.

Stage 1: The growth of Lincoln’s ecosystem starts with local entrepreneurs who are inspired to build scalable companies. This requires that they have the desire to live in Lincoln and the ambition to build a scalable business.

Stage 2: The second stage is reached when the companies of local entrepreneurs begin to grow significantly. To do this, entrepreneurs must possess the ability to achieve their vision and have adequate support from their community. Research has shown that this also requires companies to have access to customers, talent and capital.

Stage 3: The third stage of the cycle occurs when entrepreneurs who have achieved significant success (for example, taking a company public, selling or reaching scale of \$50 million or more in revenue) choose to stay in Lincoln and remain engaged in the ecosystem. This requires them to have the desire to live in Lincoln and the ambition to reinvest their time and resources into other entrepreneurs.

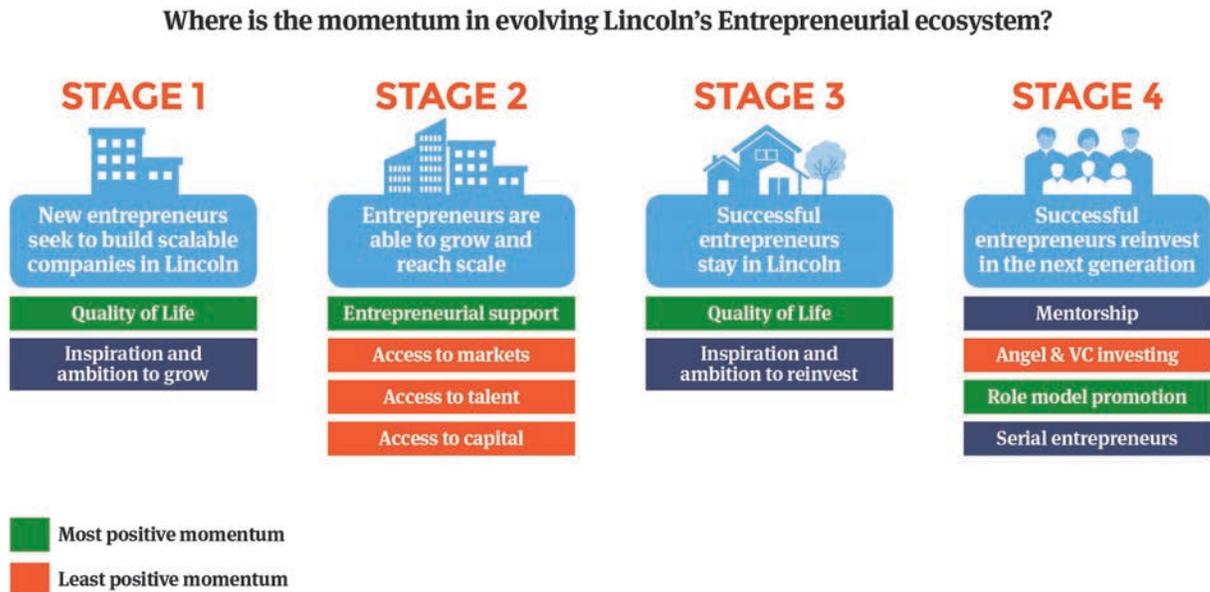
Stage 4: The cycle culminates when successful entrepreneurs reinvest their financial, intellectual and social capital into the next generation of Lincoln entrepreneurs and companies. The most common ways that successful entrepreneurs reinvest are by acting as mentors, early-stage investors and role models. Reinvestment can also occur when entrepreneurs and employees from successful companies choose to launch new companies, which are often referred to as spinoffs.

The Task Force gathered data from across the community to create an assessment of Lincoln’s existing ecosystem. The study measured 12 characteristics of the current Lincoln ecosystem with #1 being the area where Lincoln has the most positive momentum and #12 where Lincoln has the least positive momentum. The results were as follows:

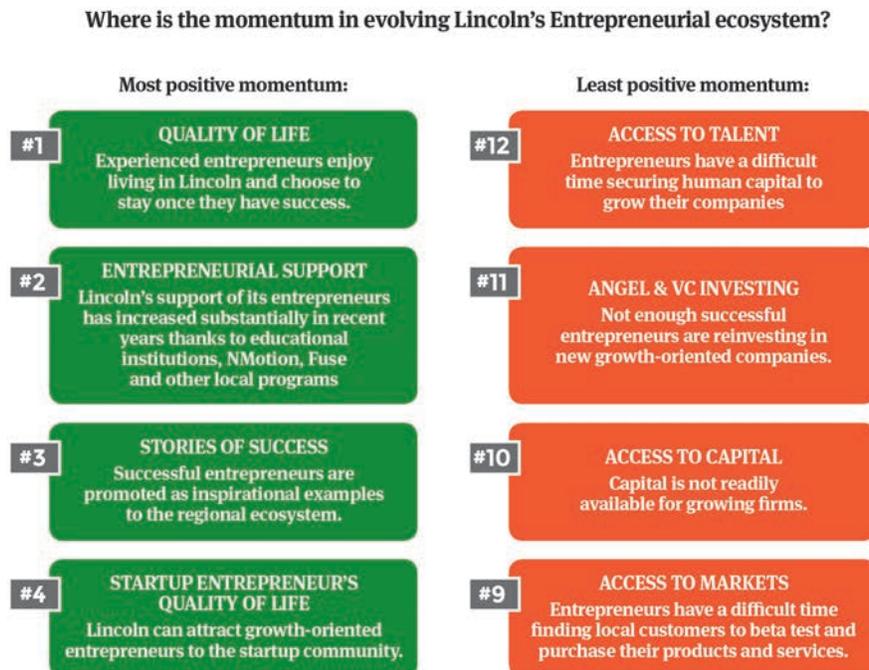
1. Successful Lincoln entrepreneurs enjoy living in Lincoln and value the amenities it offers (stage 3).
2. The Lincoln community supports and educates entrepreneurs (stage 2).
3. Successful Lincoln entrepreneurs are promoted to the community as inspirational examples (stage 4).
4. Lincoln can attract growth-oriented entrepreneurs due to the quality of life (stage 1).
5. Lincoln entrepreneurs have the inspiration and ambition to build scalable companies (stage 1).
6. Growth oriented entrepreneurs have local mentors and mentor others (stage 4).
7. Successful Lincoln entrepreneurs are inspired to reinvest in Lincoln (stage 3).
8. Many successful Lincoln entrepreneurs are serial entrepreneurs starting new companies (stage 4).
9. Lincoln entrepreneurs have ample access to customers and suppliers (stage 2).
10. Lincoln entrepreneurs have access to capital (stage 2).

- 11. Successful Lincoln entrepreneurs are reinvesting in new startups (stage 4).
- 12. Lincoln entrepreneurs have access to talent (stage 2).

When the results are applied to the 4-stage framework, it is apparent that Lincoln has the most work to do in stage 2:



The study revealed that Lincoln has positive momentum in all 4 stages, and that we have the most work to do in creating an ecosystem that allows growth-oriented entrepreneurs to grow and reach scale:



In the course of our work, the Task Force has learned several lessons for assessing ecosystems. First, conducting an assessment of a local ecosystem is not easy. In Lincoln, like most cities, there is little to no existing information on entrepreneurs' performance or on the availability of resources like financing or market access. This means that an assessment must gather a great deal of data directly from stakeholders using interviews, surveys and focus groups.

Broad participation is critical. Different stakeholders will see the same problems from a variety of perspectives. For example, we learned a great deal about Lincoln's challenges in the area of access to capital by speaking to entrepreneurs and local angel investors. These groups shared different pieces of knowledge and experience, which enabled us to gain a deeper understanding of this issue.

Finally, data must lead the way. Even though gathering information is difficult, having tangible data enables different groups of stakeholders to come together and have meaningful conversations about the strengths and weaknesses of the local entrepreneurship community. To do this, we will recommend that a new committee be formed to, among other things, evaluate and determine which metrics and data Lincoln should be tracking as we move forward.

TASK FORCE RECOMMENDATIONS from the AngelouEconomics report

The Task Force began evaluating and designating recommendations by reviewing the June 30, 2015 report from AngelouEconomics: *Lincoln's Community Vision: Strategic Recommendations for a Globally Competitive City*. The Angelou report contains four broad objectives and a few other strategies for nurturing an entrepreneurial ecosystem in Lincoln. We have incorporated herein an outline of those objectives and strategies, along with relevant comments from the Task Force with our recommendation of how to proceed ([content from the Angelou report appears in blue](#)):

Strategy 1: Accelerate Commercialization

Commercialization is the critical test of an entrepreneur's vision. Some ideas find their way to market on the merits of the idea alone, though most depend on robust, synchronized commercialization efforts to see the light of day.

- **Develop a hub-and-spoke relationship between the tech sector and university.** “Spokes” like the Jeffrey S. Raikes School with its focus on computer science, management, Nebraska Innovation Campus, and NuTech Ventures, set up as the commercial arm of the university, are valuable tools for commercialization. But stronger synchronization with the private sector is essential. The Raikes School should look to graduate more trained professionals, and Innovation Campus's resources must be made accessible to a wider array of talent, while its various departments like the Food Innovation Center should give local industry more input in determining the direction of its undertakings.

The Task Force understands the value of accelerating the path for commercialization, but believes that history has shown the path to be wrought with red (scarlet?) tape due to the University of Nebraska's processes. There are a few recent examples of improvement, including several commercialized products created by Dr. Shane Farritor. The Task Force recommends that community leaders should encourage the University of Nebraska to continue simplifying and streamlining the process of transferring technology to the commercial marketplace.

- **Attract and nurture investors who are less averse to risk.** Investors in Nebraska have typically taken a cautious approach to investment. Hi-tech tends toward the innovative, with unknown variables that spell risk. Investors must overcome their aversion to see the value of tech-related investments.

If we locate the magic wand that transforms Tom Osborne into Mark Cuban, this strategy would be highly recommended. Until that time, the Task Force respectfully recommends that we focus on other strategies.

- **Appoint an advisory committee to each target industry.** The advisory committee should be made up of public officials, academic heads, and private sector specialists. The committee should be focused on coordinating university, private and government assets capable of advancing said industry and be intimately knowledgeable about the path to commercialization in the industry, including approval processes and application fees to licensing and other legal issues that must be accounted for.

The Task Force recommends that Lincoln create advisory committees in four different target industries: Sports-Tech, Food and Water, Ag-Tech and Social Entrepreneurship.

- **Encourage local media to run a weekly tech section.** This section will increase exposure for local talent and their offerings, which could boost the prospect of commercialization.

This should be a no-brainer for the *Lincoln Journal Star*. But then again, the Task Force feels that covering local business news in general—as opposed to predominant coverage of national business stories we can already read online or in any other newspaper—should be a no-brainer as well. Any leverage the community can provide to convince the *LJS* to offer more localized coverage of business and tech news is encouraged.

Strategy 2: Grow Cluster of Mentors and Angels

Funding for Nebraska’s startups has picked up considerably in recent years, though most of it is available at the state level through groups like Nebraska Angels. Supporting angel groups with a Lincoln focus will provide a reliable funding stream for local firms and could incentivize more startups to locate in Lincoln. Mentors exist though not in the numbers that are needed to substantially grow Lincoln’s tech scene.

- **Promote and support efforts to connect angel investor networks to entrepreneurs in Lincoln.** Nebraska Angels is a strong asset for the local entrepreneurial ecosystem. Expanding angel networks and ensuring that they keep a focus on Lincoln can keep the ecosystem competitive.

The Nebraska Angels and other independent local angel investors are very interested in exploring ways to collaborate with city and educational institutions in Lincoln. Their success relies on strong deal-flow and there is always strength in numbers. As such, they are willing to invest to help ignite the growth of scalable startups.

- **Align leading startups with top entrepreneurs and investors from around the country to serve as mentors.** Interaction can be both face-to-face and virtual. Tech leaders outside Lincoln with Lincoln ties should also be leveraged to serve as mentors, as there may be a stronger pull factor with them. Here again, Lincoln’s Young

Professional Group can be of great value, using its network base to connect entrepreneurs and startups with investors.

This is an area of defined weakness in the Lincoln entrepreneurial ecosystem. The Task Force recommends that the Lincoln Chamber of Commerce fund a full time “Startup Ambassador” who is responsible for, among other things, connecting mentors and mentees—including those outside of Nebraska.

- **Establish a strategic partnership with an accelerator that is international in scope**, such as the International Accelerator in Austin. The accelerator, known as IA and affiliated with AE, provides access to seed funding and mentors for non-US citizens. Linkage to an international-oriented accelerator will help expand Lincoln’s tech talent pool and foster relationships that can extend Lincoln tech companies’ reach into foreign markets.

NMotion is a mentor-driven startup accelerator in Lincoln that focuses on high-growth software and technology businesses in the targeted industries of agriculture, education, finance, insurance, healthcare, human resources and sports. The program has concluded its third year and is gearing up for year four. The Task Force recommends that the community pour its support behind this already-established program. If the next two NMotion classes are successful, other accelerator programs will be banging the door down to get into Lincoln.

Strategy 3: Own an Entrepreneurial Event

Eking out specialty areas grows the professional infrastructure and support network for others to succeed in the same area. Being synonymous with a specialty can strengthen a community’s brand and attract additional talent to the area.

- Host an annual international entrepreneurial event related to sports tech sponsored by Hudl, Bison, UNL, Lincoln’s Young Professionals Group and Cabela’s. The success of companies like Hudl, Lockr, and EliteForm provide a building block on which to grow this niche. Provide incentives and networking opportunities for sports-related startups.

The Task Force spent a considerable amount of time on this strategy. We identified four potential entrepreneurial events in specific targeted industries that already have momentum in Lincoln. Surprisingly, the committee ranked all four of the potential events very close in terms of their viability and potential impact on Lincoln. These are the concepts, in order:

#1: **Sports Technology Conference**. There is already a groundswell in this space due to the popularity of sports in Nebraska, Husker Athletics, the Nebraska Athletic Performance Lab and Lincoln companies like Hudl, Bison, EliteForm, Cabela’s, Powderhook, Opendorse, Hail Varsity, Lockr, Fanstreamm, Spectator, Fanlete, Sports Trip, My Race Pass, Speedway Motors and others. This conference would be designed to shine a spotlight on new and emerging technology that is

transforming the ways that we play, follow, enjoy, analyze and understand sports. It would allow Lincoln to sit at the epicenter of promising new technologies and startups that will transform the sports industry in the years to come.

#2: Food & Water Conference. This conference would highlight technology frontiers at the nexus of food and water. Attendees will learn about the impact of urbanization, development and climate change on water and food systems and the decisions and planning required to meet these challenges. The conference will feature startups in the water and food sectors, along with projects funded by major corporations, universities and other investors that support the commercialization of water and food technologies. Innovation Campus has already dropped anchor in the quest to position Lincoln, Nebraska as a leader in this area with its Water for Food Global Conference sponsored by the Robert E. Daugherty Water for Food Institute.

#3: AgTech Conference. This event would bring together farmers, technologists, venture capitalists and governmental representatives to discuss how technology will affect farming. AgTech, the idea of applying biotech, robotics, software and hardware technology to all aspects of farming, is a hot topic. The AgTech Conference would share stories of startups in the space and those who invest in them. The conference could explore drones, big data, water, sustainability, biotech, cleantech, transportation, the sharing economy and more.

#4: Summit on Social Entrepreneurship. Purpose-driven companies have become all the rage during the past few years and Lincoln has a unique opportunity to establish an early foothold on this growing trend. In July 2014, Nebraska joined 30 other states and passed a law allowing for the establishment of Benefit Corporations—a new way of thinking about business that encourages entrepreneurs to use business as a force for good—where they give back to their communities and focus on social and/or environmental impact. Lincoln entities Firespring, Assurity and Nonprofit Hub are leading the way in Lincoln but several thousand benefit corporations are being formed every month across the U.S. Of all the conference options being considered, this will have the largest scope of potential attendees and the least competition.

- [Invest in big data/predictive analytics. Big data analytics already figures prominently into finance and insurance, marketing research, agriculture and other leading industries in Lincoln. Its usage will spread further as technology and data merge to become an indispensable tool for information gathering and product design. Lincoln should look to host an annual conference related to big data analytics sponsored by Gallup, Ameritas, Nelnet, among other companies that have successfully leveraged big data analytics.](#)

The Task Force feels that focusing time and attention on a Sports Tech conference is the lowest hanging fruit, but agrees with the AngelouEconomics assertion that big data is big business. We feel that, if Lincoln were to pursue a conference such as this, it should focus on practical, how-to classes and tutorials for IT and Big Data professionals, including data and business analysts, developers, software architects, data scientists and project managers.

Strategy 4: Attract International Entrepreneurs

Visa regulations for foreign-born entrepreneurs may loosen in the fall if the White House has its way. Lincoln should position itself to capitalize on this opportunity through talent scouting, marketing, and networking with foreign universities and industries. These entrepreneurs should not be seen as a threat to local jobs but as a means of expanding the local talent pool and tech sector. Lincoln can still work to attract and retain foreign-born entrepreneurs regardless of the requirement outcome in the fall. Again, establishing a welcoming environment that helps assimilate outsiders will help in terms of attraction and retention.

- Use EB-5 Visa Regional Centers to market Lincoln. Created in 1990, the EB-5 Visa program is designed to attract foreign investors to the US. Regional centers can provide the link to connect them to Lincoln. Successful marketing to these institutions can ensure that Lincoln is a top choice for foreign investors. A minimum of \$1 million must be invested in a new or existing commercial business. Additionally, the enterprise must create or retain at least 10 jobs.

BEST PRACTICE: Texas Lonestar Enterprises and the Pflugerville Community Development Corporation (PCDC) have taken advantage of the EB-5 program in Pflugerville, TX for the creation of a three-phase commercial business park known as 130 Commerce Center. Each phase of the project includes two 120,000 square feet flex space buildings that will be built on 15 acres of land. The 130 Commerce Center business park is being constructed in a “Targeted Employment Area.” There is a total of 90 foreign investors involved with the project, thus \$45 million and 900 jobs are required under EB-5 visa requirements. An economic impact study conducted by AngelouEconomics determined the capital investment will create 1,300-3,600 jobs.

- Expand partnership with the Greater Omaha Chamber and the Nebraska Department of Economic Development (NEDED) on international outreach. NEDED’s initiative to support international business development and the capacity for local firms to reach out to international clients is important to increasing the global reach of Lincoln. It would be particularly advantageous to partner with the Greater Omaha Chamber in these efforts. Ensuring that this initiative can work in conjunction with the economic development goals of Lincoln and speak to the specific targeted industries of Lincoln can grow the pipeline of international talent and investment coming into Lincoln.
- Consider partnership with Omaha to develop investment attraction offices in Europe and Asia. NEDED’s outreach in Shanghai and Tokyo can also be replicated in other markets (e.g. in Europe and Asia) that are particularly important to trade

with Lincoln. The Greater Omaha Chamber can be a key partner in this undertaking. These offices can also inform potential EB-5 visa investors about the benefits of locating in Lincoln, as well as help to strengthen business and trading relationships.

According to the Kauffman Foundation, more than 40% of Fortune 500 companies were founded by an immigrant or the child of an immigrant. Kauffman also reports that immigrants are twice as likely to start a business and that, overall, 28.5% of all new entrepreneurs in the U.S. in 2014 were immigrants. All of this, combined with Lincoln's image of an immigrant friendly community and the University of Nebraska's increased focus on attracting foreign students, creates a perfect storm for Lincoln to market Lincoln via EB-5 Visa Regional Centers. This strategy, in particular, would be best if pursued in a strategic alliance with Omaha.

Public policy considerations:

There are a number of public policy considerations at both the local and state levels the task force should consider in developing their final report. Those considerations include:

LOCAL CONSIDERATIONS:

Local option funding. This method of local funding, known in Nebraska as the Local Option Municipal Economic Development Act or LB840, dedicates a portion of local sales or property taxes to specific economic development programs. A training and education investment fund could be created using this type of funding.

Façade Improvement Grants. The design of building fronts in downtown, the Haymarket, and other retail and commercial districts give those spots of the city a sense of place that draw residents to them. Giving business owners the means to improve or maintain their building facade is an important investment that can increase the attraction of those areas.

Public Wi-Fi. Wireless internet connection throughout the downtown area, or in a number of public spaces, can make Lincoln's core more vibrant by giving resident another reason to linger along retail and entertainment spots. (Infrastructure Task Force)

Public art spaces. Art in public spaces can do a lot to increase the image of Lincoln's core districts. Public/Private collaboration on this issue should be used to gather community support.

Adopt master planning that strengthens connectivity. There are a number of key areas for future development around Lincoln, like Antelope Parkway, the south of downtown area, the South Haymarket and the Telegraph District. Greater connectivity

between them (walk/bike) will bring stronger unity and vibrancy to the city and improve economic activity and real estate values.

STATE CONSIDERATIONS:

Workforce Development Zones. LB608, a bill sponsored by Sen. Heath Mello, of Omaha, looks to establish workforce development zones in the state. These zones would provide tax advantages for companies that partner with colleges to launch startups.

State income tax waiver and down payment assistance for new residents. New residents from outside the state or those returning to Lincoln can be drawn by a waiver (over 3 to 5 years) of state income taxes. A down payment assistance program could also be useful to attracting entry-level workers.

CAPCO. A Certified Capital Company, or CAPCO, works as a government sponsored venture capital investment company used to quickly raise large pools of capital from finance and insurance companies. Contributing companies are offered tax credits based on their investments to CAPCO funds.

IP Exempt from income taxes (new companies). New companies may be incentivized to move to Lincoln if revenue from the intellectual property they develop is exempt from income taxes.

In-state tuition for family of economic development project incentive recipients. This program can incentivize newer residents to stay in Lincoln and hopefully create stronger roots locally.

Of all the public policy considerations presented in the AngelouEconomics report, the Task Force feels that a strategy similar to the Texas CAPCO program carries the most promise. We envision a program that provides capital to startup companies that may not qualify for typical bank financing. This type of program might also include a mechanism for unlocking pension, insurance company and ag land wealth to unlock the value of property to invest in startups. For example, the state could offer a 5% property tax rebate if the landowners put that money into a fund to help entrepreneurs. Considering his Angel Investing background, Governor Ricketts would likely be excited about a program like this. The Task Force recommends that a committee be established to explore this possibility and include a cross-section of community leaders, including Jeff Yost of the Nebraska Community Foundation.

OTHER TASK FORCE RECOMMENDATIONS

During the course of conducting research for this project, members of the Task Force spoke with community leaders in several mid-sized cities widely praised as entrepreneurial hotbeds, including Boulder CO, Provo UT, Nashville TN, Madison WI, Durham-Chapel Hill, Charlottesville VA, Cedar Rapids IA and of course, Omaha NE. The most common warning that we heard in nearly every conversation was that no government or city institution has ever mandated their way to becoming an entrepreneurial hub. The evolution has to be led by the entrepreneurs themselves for it to take hold. This was also the core message of Brad Feld’s book, *Startup Communities: Building an Entrepreneurial Ecosystem in Your City*. Feld refers to “leaders” and “feeders,” referring to the entrepreneurs that are creating events that impact the ecosystem and everyone else—city leaders, politicians, investors, accountants, attorneys, etc.—who support and feed the ecosystem.

Along these lines, a few Lincoln Task Force members who come from the entrepreneur side of the fence intend to continue gathering and discussing ways we can continue to grow our stable of Leaders. We have dozens of ideas we feel are worth trying.

But this section is about the strategies that the Task Force is recommending that institutions like the LCEDC, Lincoln Chamber of Commerce, City of Lincoln, Department of Economic Development, University of Nebraska or other institutions consider implementing to help “feed” the entrepreneurial ecosystem.

Build up and fund existing connectors. Lincoln already has a solid groundswell of events (1 MC LNK, Open Coffee, Podcasts, Startup Week.) The idea is that we “fund the moving bus” and create more support around the events that are already working. This fund should be substantial, easily accessible and also help foot the bill to foster new ideas and events. Omaha has an example of this already. Part of this fund could be used for a Founder Event Fund (see below). As an option, this fund could be managed as part of a permanent Lincoln Entrepreneurial Support Organization - (probably an independent 501(c)(3) or LLC—something like KTEC, IEDC, etc.) In any case, a board of key stakeholders should provide oversight to this fund.

Full Time “Startup Ambassador.” Create a paid position (\$75K range) for someone to focus on building connections among all of the players in the entrepreneurial ecosystem (think of Jeff Slobotski in Omaha). Responsibilities would include:

- Build relationships with leaders and feeders throughout the Lincoln startup community.
- Build partnerships with leaders and feeders in other communities.
- Connect startup entrepreneurs with local established companies to help with validation and commercialization.
- Represent the Chamber to startup entrepreneurs considering relocating to Lincoln.

- Help administer the Startup Fund.
- Involve entrepreneurs in the hiring process to ensure a good fit.

Create a Founder Event Fund. Create a fund that would sponsor Lincoln entrepreneurs to attend startup and/or tech conferences (such as SXSW) as a group. The Lincoln contingent would wear and display Lincoln’s brand and help recruit entrepreneurs to our community. More importantly, they would be expected to return to Lincoln and share their knowledge with others.

Identify Champions/Keystones. Designate leaders within specific communities that are connectors and “keystones” (as discussed in The Rainforest book). Each champion needs to adopt the code of conduct and be empowered to make connections and facilitate meetings - [Note: Champions will need top down support and commitment from their own institutions to provide cover for time they spend on startup activities.]

- Companies–Lincoln’s major businesses and large employers
- Governmental organizations - Chamber, City, State, LPS
- Education–UNL, Wesleyan, SCC, Doane
- Investors–NE Angels, family offices, funds
- Mentors–NMotion, EO (Entrepreneur’s Organization), YPO
- Business Support (lawyers, accountants, insurance, etc.)
- Business Infrastructure (real estate, tech services, web design, developers)

Foster collaboration between existing companies / Beta Buddies. Get large Lincoln corporations plugged in to the startup community for fostering communication and creating natural ties. Possibly connect companies with startups to beta test apps and services. It is important that we create a formal process for how these relationships work so mentors never feel put upon. Tennessee has a mentor program that we could model after. Many obstacles exist with this strategy due to natural resistance exhibited by large corporations that don’t see an immediate ROI. The key is to focus on ways that large companies can help by extending their time and talent, but not their treasure.

Operation Drag Back. Bring talent back to Nebraska. Use modern marketing methods to create targeted campaigns focused on drawing people with connections to Nebraska back to the state. Ask local ad agencies to offer their services in-kind.

RECOMMENDATIONS SUMMARY

The Bottom Line

In order for Lincoln to foster a globally competitive entrepreneurial ecosystem, the Task Force recommends to the Lincoln Chamber Economic Development Corporation that the following course of action be taken:

HIGHEST PRIORITY RECOMMENDATIONS in priority order:

1. **Form a committee to research and recommend how to implement a program similar to Texas CAPCO.**
 - >Difficulty Level: Moderate
 - >Community Impact: 9 out of 10
 - >Cost to implement: NA
 - >Who should be involved: LCEDC, LCOC, LCF

2. **Create a fund for supporting the Lincoln startup scene.**
 - >Difficulty Level: Easy
 - >Community Impact: 9 out of 10
 - >Cost to implement: \$75K to \$100K per year
 - >Who should be involved: LCEDC, LCOC, LCF, Local Foundations, UNL?

3. **Hire a full-time “Startup Ambassador.”**
 - >Difficulty level: More difficult
 - >Community impact: 8 out of 10
 - >Cost to implement: \$90K/yr loaded
 - >Who should be involved: LCEDC, LCOC, Engler program at UNL (The Engler program may be willing to “split” the cost of this position.)

OTHER RECOMMENDATIONS in priority order:

4. **Identify Champions/Keystones**
 - >Difficulty Level: Moderate
 - >Community Impact: 8 out of 10
 - >Cost to implement: NA
 - >Who should be involved: LCEDC, LCOC

5. **Partner with Omaha to market Nebraska to EB-5 Visa Regional Centers and invite immigrants to start companies in Lincoln.**
 - >Difficulty Level: Moderate
 - >Community Impact: 7 out of 10
 - >Cost to implement: NA
 - >Who should be involved: LCEDC, LCOC, LCF

6. **Establish a committee to evaluate and determine Lincoln’s measurables (*what metrics should we care about in order to know how we are doing?*).**
>Difficulty Level: Moderate
>Community Impact: 7 out of 10
>Cost to implement: NA
>Who should be involved: LCEDC, LCEDC

7. **Work with Lincoln sports-tech companies to establish a conference in the sports technology space.**
>Difficulty Level: Extremely difficult
>Community Impact: 9 out of 10
>Cost to implement: \$500K
>Who should be involved: LCEDC, LCOC, LCF, Local Foundations, UNL?

AND...

Support attempts by community leaders to bring conferences to Lincoln in any of the following sectors: 1) Food & Water, 2) AgTech or 3) Social Entrepreneurship.

- >Difficulty Level: Moderate
>Community Impact: 8 out of 10
>Cost to implement: NA
>Who should be involved: LCEDC, LCOC, LCF, Local Foundations, UNL?

8. **Create advisory committees for the Sports-Tech, Food and Water, Ag-Tech and Social Entrepreneurship industries.**
>Difficulty Level: Easy
>Community Impact: 6 out of 10
>Cost to implement: NA
>Who should be involved: LCEDC, LCOC, LCF, Local Foundations, UNL?

9. **Support NMotion. Creating a successful accelerator will draw other accelerators to Lincoln.**
>Difficulty Level: Easy
>Community Impact: 6 out of 10
>Cost to implement: \$25k
>Who should be involved: LCEDC, LCOC, LCF, Local Foundations and Companies

10. **Support the UNL international business plan competition which will bring students into Lincoln from all over the U.S. The event will be held on April 6, 2016.**
>Difficulty Level: Easy
>Community Impact: 6 out of 10
>Cost to implement: TBD
>Who should be involved: LCEDC, LCOC, UNL, Local Business Partners?

It is important to note that our recommendations address only part of the big picture. Even if all 10 of our prioritized recommendations were to be successfully executed, it would constitute but a fraction of the battle. The real work will be done by Lincoln entrepreneurs who are willing to step forward and take a leadership role in developing events and activities that inspire, educate and galvanize the players in the ecosystem. And it's important that we don't buy-in to the myth that all start-ups are founded by recent college grads in t-shirts and flip flops. In fact, the average founder in the U.S. is a 38 year old with 16 years of work experience (according to a study conducted by the UC Berkeley Haas School of Business.) Lincoln must cater to all-ends of the entrepreneurial spectrum.

It is a fast-moving world that we live in. Since we started the process of evaluating Lincoln's entrepreneurial ecosystem, Nelnet purchased ALLO and created a clear path to solving Lincoln's internet bandwidth issue. The University of Nebraska Center For Entrepreneurship announced that it was bringing the international business plan competition to Lincoln for the first time, and the political climate toward immigrants took a big hit after several terrorist incidents. All of these issues affect strategies that the Task Force has discussed. One thing we can be sure of is that things will continue to change and evolve at a rapid pace and that any discussion involving Lincoln's Entrepreneurial Ecosystem will be never ending.

Respectfully submitted to the LCEDC on December 8, 2015:



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Christopher Kingsley
Kassy Knudson
Julianne Kopf
Mike Lang
Jill Liliedahl
Sam Nelson
Chuck Norris

Boyd Ober
Amber Pankonin
Jennifer Rosenblatt
Brad Roth
Tim Stonehocker
Kelly Sturek
Matt Westenberg

LCOC Reps:

Pat Haverty
Jaime Henning
Christina Oldfather

RESOURCES

Required reading highlighted in yellow

BOOKS

Startup Communities: Building an Entrepreneurial Ecosystem in Your City (Brad Feld)

<http://amzn.to/1NMfVw8>

The Rainforest: The Secret to Building the Next Silicon Valley (Hwang & Horowitz)

<http://amzn.to/1NTGeSB>

Tribal Leadership: Leveraging Natural Groups to Build a Thriving Organization (Logan, King and Fischer-Wright)

<http://amzn.to/1lrYg9>

ONLINE ARTICLES / VIDEOS

Lincoln's Community Vision: Strategic Recommendations for a Globally Competitive City

(AngelouEconomics)

DOWNLOAD: <http://www.selectlincoln.org/whatsnext>

LCEDC Entrepreneurial Ecosystem Task Force Overview Document (LCEDC)

DOWNLOAD: <http://bit.ly/1TyNtgN>

Presentation on Building an Entrepreneurial Ecosystem (Tom Chapman)

DOWNLOAD: <http://bit.ly/21MsOvJ>

Article on Building an Entrepreneurial Ecosystem (Tom Chapman)

DOWNLOAD: <http://bit.ly/1TyMzky>

Building a Startup Community (Andy Stoll)

WEBSITE: <http://www.andystoll.net/startupculture/>

The Recipe for Building a Startup Scene in Any City (Tyler Crowley)

WEBSITE: <http://bit.ly/1EBdoUy>

What It Takes to Build a Startup City: Meet 7 Mayors Promoting Entrepreneurship

ARTICLE & VIDEO: <http://www.entrepreneur.com/video/239516>

2010 Battelle Report (Commissioned by NDED)

WEBSITE: <http://bit.ly/1ihjqxV>

HBR Article on the importance of clusters (Michael Porter)

WEBSITE: <http://bit.ly/1hwRoh5>

Kauffman Foundation Research (General resource)

WEBSITE: <http://www.kauffman.org/what-we-do/research>

Lincoln and Omaha Startup Services Directory (UNL CBA)

WEBSITE: <http://bit.ly/1TwZKST>

Where Good Ideas Come From (Steven Johnson, TED Talk)

WEBSITE: <http://bit.ly/1mXPbMb>

The Global Startup Ecosystem Report 2015 (Compass.co)

WEBSITE: <http://bit.ly/1R7RKu2>

Interview with Tyler Crowley (Inside/Outside Podcast)

WEBSITE: <http://apple.co/1ECKPUI>

Supporting and Increasing Venture Capital in Nebraska (Invest Nebraska)

WEBSITE: <http://1.usa.gov/1L7PAMd>

The Rise of Innovation Districts (Bruce Katz and Julie Wagner)

WEBSITE: <http://www.brookings.edu/about/programs/metro/innovation-districts>

creating a grassroots community & culture of entrepreneurship + creativity + innovation

startup community alchemy

laying a brick-by-brick foundation to connect and grow a successful high-growth entrepreneurial ecosystem

Throughout the process we must TELL A STORY & CREATE CONVERSATIONS that share a "positive vision focusing on the opportunities of the future," not rehashing the problems and limitation of the past.

Connect Resources
(Focus on building the social fabric)

Mix
(Entities should focus on THREE strategies to build the social fabric)

Funnel
Want-repreneurs to Entrepreneurs

Build
(Entrepreneurial Infrastructure)
create processes to attract, retain & develop...

Brad Feld's Principles of a Vibrant Startup Community

- 1) Led by entrepreneurs
- 2) Has a long term commitment (20 years from today)
- 3) Fosters a philosophy of inclusiveness
- 4) Engages the entire entrepreneurial stack

Cultivate a Culture of

- Collaboration
- Introduction
- Invitation
- Risk-Taking
- Mentoring

find it at andystoll.net/startupculture

#SPConference @andystoll