Bold Voices, Bold Choices

Making Michigan "the place" to start, grow & retain a business

Prepared by:

Council for Labor & Economic Growth's

Supporting & Growing a State Culture of Entrepreneurship Committee

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Letter from the committee chair

November 30, 2009

Mr. John E. Mogk, Chairman
Michigan Council for Labor & Economic Growth

The Supporting & Growing a Culture of Entrepreneurship Committee respectfully submits the following report and recommendations to the Council for Labor & Economic Growth for approval. You will note the recommendations are consistent with those endorsed by the Council during previous presentations.

Our committee, comprised of entrepreneurs, foundation representatives, legislators, educators, state administrators and citizens, strongly encourages Michigan to take actions to implement the recommendations in this report. Our future as a State is contingent on our individual and collective abilities to create economic and social wealth through entrepreneurial activities. We believe that Michigan should become "the place" to start, grow, and retain a business. Our rich history of innovation and entrepreneurship created an economy that spread throughout our entire country and is evidence that we can attain that outcome.

Our recommendations recognize the role of government, business and the individual in accomplishing this vision. We know that in order to be successful, this journey must transcend political parties and administrations. We believe the Michigan's citizens and leaders have the abilities and will to awaken the spirit and culture of entrepreneurship in our State. We ask our leaders to take the first step in this awakening as soon as possible.

I give my sincere thanks and gratitude to each member of our committee, past and present for the time, energy and talent they have devoted to this process. Special thanks go to Lisa Katz, Senior Policy Associate with the Corporation for a Skilled Workforce without whose help this report could not have been written. Alisande Henry, Administrator of CLEG in the Department of Energy, Labor & Economic Growth has provided steady guidance and understanding while working with our passionate and sometimes impatient committee. Dr. Fern Espino, our Vice Chair helped to focus our thoughts and energies on more than one occasion skillfully bringing us back on task. Our past chair, Jack Litzenberg, Program Director at the C.S. Mott Foundation, laid the groundwork for this important effort and provided ongoing council and advice.

I speak for each member of our committee when I say we are honored to have been asked to provide insight and recommendations that will move Michigan and its citizens forward in this dynamic global economy. It is up to each of us to live the title of our report and use "Bold Voices" and make "Bold Choices" in Making Michigan "the place" to start, grow and retain a business."

Respectfully,

Timothy J. Nelson, Chair
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Summary

Entrepreneurship committee

In 2007 the Council for Labor & Economic Growth charged the "Supporting & Growing a State Culture of Entrepreneurship Committee" with making recommendations to support entrepreneurship through K-12 and postsecondary education, workforce and economic development partnerships, and other high leverage strategies. Following is a summary of the committee's conclusions and recommendations.

THEORY OF CHANGE: Entrepreneurial communities will be the most prosperous, agile and competitive of the 21st Century.

VISION: Michigan is "the *place" to start, grow, and retain a business*.

DEFINITION: "An entrepreneur is one who brings resources, labor, materials, and other assets into combinations that make their value greater than before, and also one who introduces changes, innovations, and a new order." Hirsch et al Entrepreneurship 2006

RECOMMENDATIONS: Targeted to a broad stakeholder audience of government and nongovernment actors, each of which may have a role to play in carrying out different recommendations. Intended to transcend economic and political change:

1. Alternative mindset

Be bold, visible and deliberate about creating a state culture of entrepreneurship:

- A. Across state government, present business-support initiatives as a single, unified entrepreneurship-development strategy
    - Engage partners—including the media and through speeches, press releases, and other means—in promoting messages and information about growing Michigan's entrepreneurial culture
- B. Create a diverse, multi-stakeholder team to drive and track the unified strategy
- C. Measure and re-measure progress in shifting public attitudes on entrepreneurship
- D. Celebrate success, creating "rock stars" out of Michigan entrepreneurs
- E. Position efforts as a long-term strategy that will take time and transcend changes in personal and institutional leadership

2. System integration

Infuse entrepreneurship and entrepreneurial support into departmental/agency objectives, goals and actions:

- A. Make Michigan the "Ritz Carlton" for business:
  - Continue to engage employers and other business stakeholders to improve features and usability of the Michigan Business One Stop.
  - Extend customer service training to ALL in state government who serve business.
  - Integrate entrepreneurship into state agency/departmental mission, goals, and performance measures.
- B. Explore ways to support local governments' adoption of exemplary, automated procedures that make it easier for businesses to get licensed, register, etc.
- C. Support economic gardening—local business formation—by supporting education, coaching, training, and recognizing leadership in this area (identify, raise awareness of, invest in, and provide other assistance to such efforts)

3. Education and training

Infuse entrepreneurial culture and support entrepreneurs—present and future—through education:

- A. Better invest in and connect the dots to higher education resources for entrepreneurs:
  - Invest in and support efforts that encourage innovation and entrepreneurship tied to higher education
  - Urge institutions to reevaluate policies and procedures to make them more commercialization and entrepreneur-friendly
  - Inventory commercialization efforts and raise awareness of them
  - Promote exemplary practices and shared learning (perhaps through a network) around ways that higher education can better extend resources and support for entrepreneurs
  - Offer a state liaison to connect resources and information to higher education-related commercialization efforts and entrepreneurship resources
  - Create toolkits and guidelines that help more communities connect to higher education resources that could help businesses
- B. Support experiential learning, integrated entrepreneurship curriculum, and linked programs (target K-12 and postsecondary):
  - Encourage teacher professional development to support adaptation and integration of key programs

- Evaluate and reward successful models and promote them through recognition and professional development
- Seek relationships with funding partners that can make possible wider adaptation of desired programs
- Encourage a subgroup of the interagency entrepreneurship team and/or complementary community action team to move these concepts forward at local, regional and state levels

- C. Support better awareness of and access to education and training for entrepreneurs:
  - Continue No Worker Left Behind, which is a state workforce development program that supports funding for some entrepreneurship-related education for eligible individuals
  - Identify opportunities for additional alignment between entrepreneurship education and training and the workforce development system
    - Map collegiate entrepreneurship degree and certificate programs, as well as customized and "just in time" opportunities.
    - Ensure that all possible entrepreneurship-related degree and non-degree offerings are included in the state's eligible training program list.
    - Seek waivers or other exemptions to ensure that entry of entrepreneurship-related training and education information into the eligible training list is made easier.
    - Help promising entrepreneurship education and training programs understand how they can partner with eligible NWLB training providers to deliver programs.
  - Focus on "just-in-time" (versus "just-in-case") program delivery by growing the number of non-degree, modular program offerings and better connecting government funding to them (make maps/inventories of these offerings widely available)
  - Continue to recognize the integrated versus stand-alone nature of entrepreneurship education/training and align funding for programs as such

4. Structural barriers (financial)

Make it easier to start and grow a Michigan business by improving access to *financial resources* that support success:

- A. Improve access to (and the available mix of) finance, credit, and capital
  - Continue exploring ways to expand Michigan's capital mix, with a focus on risk capital
  - Provide ongoing effort to grow the number of niche banks and additional energy around angel and venture capital investment
  - Promote wrap-around services and technical assistance to funding/credit recipients, with financial institutions sufficiently aware to make good referrals
  - Explore microlending and alternative finance:

- Make available technical assistance to communities looking to establish alternative lending vehicles like Community Development Finance Instruments
- Align federal funding streams (like Temporary Assistance for Needy Families, Workforce Investment Act, Small Business Administration, Housing and Urban Development, etc.) around small business support
- Explore the use of Unemployment Insurance for business starts.

- Convene capital/finance stakeholders through a related summit
  - Identify and celebrate the state's most active and innovative small business lenders, creditors, and investors to encourage more like activity
  - Raise awareness among banking/finance institutions of information/portals that connect entrepreneurs to support services/technical assistance (so the info is passed to entrepreneurs)
  - Explore how to implement other related committee recommendations, including alternative finance, lending, and credit options

- B. Understand and address system challenge, including regulatory and other barriers, and make it easier to get help
  - Foster a culture of "no wrong door" to entrepreneurship information, versus "front door"
    - Support state and regional entrepreneurship asset mapping (e.g., resources, technical assistance providers, etc.), with results shared statewide and available online for entrepreneurs
    - Make transparent and otherwise promote resources available for entrepreneurs
    - Assess resources and services that entrepreneurs demand and from which they benefit most, then better channel resources and support to them
  - Complete an independent benchmark analysis of Michigan's regulatory system (an internal review with recommended actions for improvement); repeat periodically
    - Identify departmental point persons to help entrepreneurs better navigate the state's regulatory systems
  - Always consider and minimize the cost of doing business in Michigan

5. Global partnerships

Spearhead new ways of leveraging global partnerships:

- A. Explore business matching services that help companies find each other, including missing expertise, regardless of geography. (Identify promising practices here and encourage adoption.)
- B. Conduct outreach efforts to encourage outstate and international students to live and study in Michigan

- C. Explore loan or tuition offsets or similar programs for all students who graduate from Michigan colleges and who stay and work here for a certain number of years
- D. Consider tuition incentives or special internship programs for those students, national and international, looking to study entrepreneurship (or other desired fields) in Michigan
- E. Engage diversity partners in all entrepreneurship efforts, including those representing minority and immigrant communities
- F. Broadly promote Cool Cities and other positive aspects of Michigan quality of life
- G. Ensure that tools, resources, asset maps, and other reference materials produced for entrepreneurs exist in frequently encountered foreign languages to support our diverse entrepreneurship base

6. Capacity for change

Aggregate and align financial and human resources to support action:

- A. Convene a multi-faceted stakeholder group to steer adoption of the recommendations
- B. Form a state funders collaborative to support entrepreneurial efforts (these recommendations and others)
- C. Build the infrastructure necessary to communicate, organize, manage, track and report on success over time, using web-based and other available tools

These recommendations are presented as part of movement in support of entrepreneurship. They are not presented for any single entity, administration, or policymaker—they transcend individuals, organization, and time. The state can play an important role as leader, convener, organizer, and investor in the effort, but it does not have to own every component. The committee is certain that these recommendations can help connect Michigan back to its roots, complete with the bold thinking, vision, and action that built a strong economic legacy. Recapturing that success will require a long-term view and patience: culture shift takes time to achieve, but it is the most important lever for meaningful, lasting change.

Introduction and overview

Michigan is "the place" to start, grow, and retain a business

The Council for Labor & Economic Growth (CLEG)[1], under direction of the Department of Energy, Labor, & Economic Growth (DELEG), in 2007 charged the "Supporting & Growing a State Culture of Entrepreneurship Committee" with developing a comprehensive, statewide plan:

- through which both K-12 and postsecondary education support potential entrepreneurship;
- that encourages local workforce and economic development organizations and partnerships to focus strategically on entrepreneurship; and
- that recommends other high leverage strategies to reinvigorate the culture of entrepreneurship among Michigan workers.

These areas of focus were identified in recognition of the need to support new opportunities for employment and economic innovation following the fundamental transition of the state's economy and the loss of 870,000 jobs since 2000.

There is no doubt that **entrepreneurship matters in Michigan**. Communities that support entrepreneurship tend to have more diverse economies, higher levels of innovation, and more opportunities for prosperity than their counterparts.

And, importantly, entrepreneurship supports jobs. The state's 187,300 small businesses (fewer than 500 employees) account for 98.4% of state employers and almost 52% of employment.[2] Another 627,000 non-employer businesses also contribute substantially to jobs and the economy. Of the state's 607,000 business establishments, roughly 88% are stage 1 (1-9 employees), accounting for 30% of jobs. Another 10.5% are stage 2 (10-99 employees), accounting for 36% of jobs.[3] NOTE: From 2005-7, the number of stage 1 firms in Michigan grew 9.6%, adding more 65,000 jobs (6.3% increase). In the same time period, all other business stages declined in number and jobs.[4]

Michigan is no stranger to entrepreneurship. Innovators like Thomas Edison and Henry Ford led Michigan to decades of growth and prosperity, and there are many in the pipeline ready to follow suit. According to the Kauffman Foundation's 2008 *Index of Entrepreneurial Activity*, Michigan has 280 entrepreneurs per 100,000 people, roughly 28,000 people at any given point who are working at least 15 hours per week on business creation (28th of the 50 states).[5] And the state ranks 5th in

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[1] CLEG advises Michigan's governor and director of the Department of Energy, Labor & Economic Growth (DELEG) on the development and continuous improvement of the statewide workforce investment system, bringing together leaders from business, education, labor, human services, and state and local government.

[2] Small Business Profile: Michigan, Small Business Administration, October 2009 http://www.sba.gov/advo/research/profiles/09mi.pdf

[3] Lowe Foundation's Your Economy statistics, 2007 http://www.youreconomy.org/pages/states/state.lasso?region=USComp&year=2005-2007&state=MI

[4] Lowe Foundation's Your Economy statistics, 2007 http://www.youreconomy.org/pages/states/state.lasso?region=USComp&year=2005-2007&state=MI

[5] Kauffman Index of Entrepreneurial Activity, April 2009 http://www.kauffman.org/uploadedFiles/kiea_042709.pdf

terms of the rate of increase of new firm entrants, an important measure of entrepreneurial activity.[6]

While this is good news, and there are many areas where Michigan does a good job of supporting its entrepreneurs, overall, Michigan ranks 30th among states on the Kauffman Foundation's entrepreneurial activity indicator and 44th among states according to the Small Business Association of Michigan's 2008-9 Entrepreneurial Scorecard. Now more than ever, Michigan must do a better job of growing its entrepreneurial culture and supporting success for those who do so.

Committee members are aware of the enormity of their charge. They were not asked to develop recommendations for a single program or discrete policy question: instead, they were asked to explore supporting **culture** associated with a topic that is multifaceted and difficult to define. Entrepreneurship transcends geography and jurisdiction; encompasses policy, process, and politics; can be high-tech or life-style oriented; ranges in scale, size, and stage; is often under-resourced and overlooked and, yet, is fundamental to Michigan's future success.

The charge, understandably, led committee members to consider many factors and resulted in several dozen recommendations, spanning policy, process, activity, program, and stakeholder. They reasoned that, if the state is to grow entrepreneurial mindset and activity, it must ensure the proper system and players are in place to ensure success. In the end, committee members agreed first and foremost that Michigan must take a stand that entrepreneurship is essential, and that, as a state, we must be **"the place" to start, grow, and retain a business**. Fundamental to achieving this vision is a statewide culture of entrepreneurship that touches people of all backgrounds and firms of all types and stages of development. Embedded in this culture are several key assumptions:

> *An entrepreneur is one who brings resources, labor, materials, and other assets into combinations that make their value greater than before, and also one who introduces changes, innovations, and a new order.*

- Entrepreneurship is a personal employment opportunity, whether this includes starting a business or simply working in an entrepreneurial business environment.
- Entrepreneurship is an economic development opportunity. Not only do entrepreneurs create jobs but their establishments often contribute to communities' quality of life, a key ingredient in attracting and retaining talent people and their employers.
- Once people make the entrepreneurial leap, the environment they enter must be as conducive to success as possible. This requires a network of supportive, aligned stakeholders.
- Supporting entrepreneurship in Michigan means our support systems and stakeholders must possess entrepreneurial characteristics themselves, building and collaborating within networks, thinking and acting in new ways, and being responsive and agile with regard to change.

[6] U.S. Small Business Administration. "The Small Business Economy: A Report to the President." Retrieved from: http://www.sba.gov/advo/research/sbe.html

To drive these assumptions requires **leadership** that, in turn, will help create the alignment essential to support entrepreneurial culture both inside and outside state government. Such leadership will allow all other committee recommendations to find life in the midst of change, whether economic or political.

Process, inputs & definitions

Committee members, many of whom are entrepreneurs, gathered input for their recommendations through one-on-one conversations, group discussions, online surveys, and insights from their own experience. In considering this information, the committee placed tremendous weight on entrepreneurial culture and increasing the percentage of Michiganders who **act** on the belief that entrepreneurship is a viable employment option. The need for greater entrepreneurial activity corresponds to Michigan's changing economy and the imperative to diversify Michigan's economic base and create meaningful, sustainable 21st Century employment.

The committee defined an entrepreneur *as one who brings resources, labor, materials, and other assets into combinations that make their value greater than before, and also one who introduces changes, innovations, and a new order.*[7] This definition takes into account both those who start new companies (entrepreneurs) and those who work within companies but towards new products or processes (intrapreneurs). In considering the committee's recommendations, one can think in terms of the range of brand-new and existing firms.

Realizing that culture change can take even a decade or more, the committee identified sample metrics for consideration and refinement as a three-year checkpoint to assess progress, gauge initiative effectiveness, and re-evaluate goals. These interim goals, outlined in the appendix, are intended to help track progress and invoke a need for substantive action on behalf of all of Michigan's entrepreneurship stakeholders—government, education, associations, philanthropists, technical assistance centers and others—to take Michigan's future into hand today.

Recommendation categories

The committee's recommendations fall into six main categories:

- **1. Alternative mindset**: be bold, visible, and deliberate about creating a state culture of entrepreneurship—stimulate an entrepreneurial movement
    - Create a vision, set goals, and align messaging around a culture of entrepreneurship
    - Create a leadership team charged with moving forward the entrepreneurship agenda
    - Track, monitor and report on progress over time

[7] Hisrich, PHD, Robert D., Michael P. Peters, PhD and Dean A. Shepherd, PhD. Entrepreneurship. 6th ed. New York: McGraw-Hill Irwin, 2005.

- **2. System integration**: infuse entrepreneurship and entrepreneurial support into departmental/agency objectives, goals and actions
  - Strive to make Michigan the "Ritz Carlton" for business, making it an easy and friendly place to find and access resources and services
  - Engage partners outside of state government to grow a statewide entrepreneurship support eco-system
  - Encourage economic gardening and capacity-building in communities

- **3. Education and training**: infuse entrepreneurial culture and support entrepreneurs—present and future—through education and academia
  - Convene stakeholders and raise funds for a strategic grant effort to incent desired approaches to post-secondary and K-12 education
  - Enhance support for new business, products, and processes coming out of higher education
  - Support better awareness of education and training available for entrepreneurs

- **4. Structural barriers**: make it easier to start, grow, and retain Michigan businesses
  - Finance – improve access to (and the available mix of) finance, credit and capital
  - Systems – remove regulatory and other barriers and make it easier to get help

- **5. Global partnerships**: Spearhead new ways of leveraging global partnerships
  - Support new ways of pushing Michigan concepts to global markets and pulling global concepts and business home
  - Establish talent attraction strategies

- **6. Capacity for change**: Aggregate and align human and financial resources to support action
  - Form a state funders collaborative to support efforts in need of funding
  - Build web-based and other infrastructure to report, track, and monitor progress over time

The committee recognized early on that Michigan takes new business startups and growth seriously and has adopted many entrepreneurship-friendly policies and procedures. There is opportunity, however, to connect dots among efforts and make them part of an overall, articulated strategy to make Michigan "the place" to start, grow and retain business.

1. Alternative mindset

Be bold, visible, and deliberate about creating a culture of entrepreneurship—stimulate an entrepreneurial movement

People in Michigan are more likely to embrace a more vibrant culture of entrepreneurship if the corresponding opportunities, benefits, and support systems are clearly and frequently presented to them in positive and meaningful ways. State officials must take the lead in communicating to the public that **entrepreneurship** does and will continue to play an increasingly important role in Michigan's future and that they are deliberately and calculatingly taking steps necessary to make the path of entrepreneurship easier to tread.

Michigan leaders must be bold, vocal and deliberate about the importance of entrepreneurship, first, in terms of the opportunities that it poses for individuals and, second, in terms of the opportunities it presents to the state and its communities.

Create a vision and align messaging

Michigan government must be as deliberate about entrepreneurship as it is about efforts like the green economy: Entrepreneurship must become both a **mantra**, integrated in as many speeches, talking points, and media releases as possible, and a **movement**, with all players inside government and outside government—business, education, foundations, innovation networks, and others—invited to the table to develop and move a common agenda.

These partners must be explicit about the actions being taken to support entrepreneurs, present and future, so that people understand (1) that they can and should take the leap and (2) when they do, they will be supported, whether they succeed or fail repeatedly. These messages must be ubiquitous and supported by action, including many of the additional recommendations the committee prepared in conjunction with this report.

Recently the Michigan Economic Development Corporation (MEDC) has been developing messaging and exploring approaches to promote entrepreneurial culture in the state, including an emphasis on celebrating the state's entrepreneurs. Meanwhile, steady promotion and outreach among numerous partners, including MEDC, ensured that Michigan was a national leader in events and activities tied to Global Entrepreneurship Week in 2009[8]. It is important to support more of this kind of activity and directly engage other departments and stakeholders—including media partners—around it so that multiple stakeholders "own" the message, share in promotion, and internalize the mindset over time.

Create a leadership team

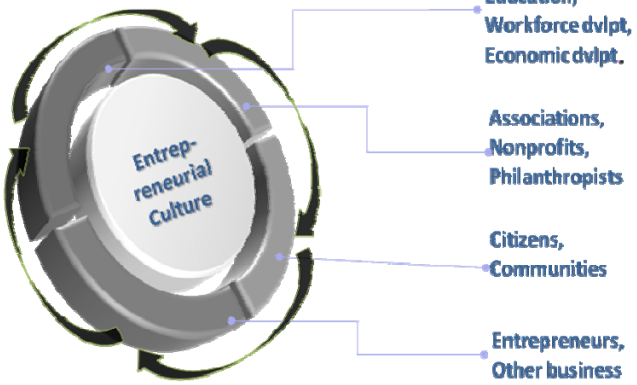
In order to realize the committee's vision, there must be buy-in and ownership at the highest levels of state government, and every relevant department must be involved and empowered. To support

[8] Michigan Global Entrepreneurship Week 2009 http://migew.com/

this, the committee recommends convening an **interagency entrepreneurship team** that brings together key leaders from DELEG, MEDC, Education, the Michigan State Housing Development Authority, and every other agency and department that touches entrepreneurship in some way. MEDC, with a focus on entrepreneurship and innovation, is a prime candidate to convene this body, in collaboration with DELEG and other departments and agencies.

The charge of the interagency group should be to network, collaborate, and support mutual learning; combine outreach and awareness to improve programmatic awareness and utility; track program user rates and outcomes; continually assess needs and develop efforts to fill gaps; and better align resources and activities. Further, this group should oversee implementation of the CLEG entrepreneurship committee's recommendations within state government and form and work with a **community action team**, including a diverse range of actors, that helps inform strategy, advise activity, monitor progress, connect dots and drive action outside of state government.

Stakeholder types to engage in Michigan entrepreneurship culture movement



Monitor, track, and report change over time

To determine if partners' efforts have successfully grown the culture of entrepreneurship in Michigan, it is important to understand exactly what Michigan perceptions and attitudes are about starting new businesses or working for them.

In the past the European Commission conducted a multi-year comparative study against the U.S. to track how entrepreneurial attitudes compare and translate into business success. Closer to home, the Mid Michigan Innovation Team conducted a regional study of 13 counties to determine the extent to which individuals are exposed to entrepreneurship, what they think of it, and challenges and opportunities they see. And in early spring 2009, Michigan State University's Institute for Public Policy & Social Research conducted a State of the State survey of Michigan residents that, among other things, explored perceptions of small versus large firms[9].

To fully understand if Michigan is succeeding in shifting the state mindset with regard to entrepreneurship, and how this mindset compares to certain peer states, officials should encourage a comparative culture study, **tracking changes in mindset** *vis a vis* actual business creation over time. The results of such a study, which could be sponsored by the state, a foundation, education institution, or some combination, would demonstrate the true extent of this initiative's success while providing illumination in areas that may not be addressed in these recommendations.

[9] Michigan State University IPPSR State of the State Survey January-March 2009 http://www.ippsr.msu.edu/sdaweb/Soss51/htm/sos50001.htm#sm1

In addition to understanding how attitudes are shifting, it is essential to illustrate **success and report on efforts** tied to the committee's recommendations over time. One of the near-term needs is a public web or wiki site that consolidates and shares information about the state's entrepreneurship cultural movement. This will encourage transparency and engagement around this effort and can support greater awareness of it over time. It also could serve as a place—along with a range of other venues (print, radio, television, social networking sites, communications toolkits)—to prominently feature Michigan's success stories and **make "rock stars" out of the state's entrepreneurs.**

Above all, for the committee's efforts to succeed, partners and stakeholders must understand that this is a long-term initiative and will take time to accomplish. The state's entrepreneurship movement should be viewed as **transcending changes in personal and institutional leadership** over time, and it is important to consider how the state can play an important role as leader, convener and investor in the effort, partnering for success but without having to own every component. Pursuing such an ambitious undertaking will help Michigan reconnect to its entrepreneurial roots, where bold vision and thinking created a vibrant, prosperous future.

Recommendations summary

1. Alternative mindset *Be bold, visible, and deliberate about creating a culture of entrepreneurship—stimulate an entrepreneurial movement*	
A.	Across state government, present business-support initiatives as a single, unified entrepreneurship-development strategy • Engage partners—including the media and through speeches, press releases, and other means—in promoting messages and information about growing Michigan's entrepreneurial culture
B.	Create a diverse, multi-stakeholder team (state interagency team and complemented by a community action team) to drive and track the unified strategy
C.	Measure and re-measure progress in shifting public attitudes on entrepreneurship (e.g., comparative culture study)
D.	Celebrate success, creating "rock stars" out of Michigan entrepreneurs
E.	Position these efforts as a long-term effort that will take time and transcend changes in personal and institutional leadership

2. System integration

Infuse entrepreneurship and entrepreneurial support into departmental/agency objectives, goals and actions

Michigan should not encourage more people to accept the risk of starting a new business without striving to create the most supportive environment possible for doing so. Those embarking on new business endeavors must be made aware of and able to access services and support systems that are streamlined, cost-effective, relevant, and tailored to the end-users' actual needs. It must be the job of every government employee to support business development. The mindset must shift from regulation to facilitation, though still recognizing that government must play a role in ensuring adherence to legal requirements.

Make Michigan the "Ritz Carlton" for business

Numerous employers engaged in discussion over the course of preparing the committee recommendations commented on customer-service challenges they encountered when dealing with the state, including inaccurate information, redundant and complicated procedures, and, sometimes, apparent lack of friendliness or willingness to help.

A breakthrough to address this problem is the recent roll-out of the Michigan Business One-Stop[10], which is a single site that houses resources, contact information, and online business registration, licensing, and other forms. The goal is to house information in a single, easy-to-find location and to streamline the business regulatory process as much as possible. While the site is web-based, it connects people directly to human support based on an e-mail or phone call.

Comments on Michigan Timely Application Permitting Service (MiTAPS)

The end-to-end permitting process to develop a manufacturing plant has been significantly reduced from 465 days to 183 days. Over 1,300 successful applications for complex environmental permits have been issued. Permitting fees are processed electronically in minutes vs. days using mail-based payments. The electronic submission of storm water discharge permit renewals exceeded 70% adoption rate in 2005. Over 2,000 companies are registered to use the system. Registration involves creating a user ID and password. The website averages over 8,000 unique page views per month.

MDIT, 2008 Departmental Entrepreneurship

Earlier efforts relating to tax registration and permit applications have had profound positive effects on Michigan's regulatory system. In fact, in 2009, *Forbes* magazine rated Michigan's regulatory environment the sixth best nationwide.[11] In 2006, the Center for Digital Government ranked Michigan as the number-one most digitally advanced state in the nation,[12] and the state was a national finalist for the award in 2009.

[10] Michigan Business One-Stop http://michigan.gov/business
[11] http://www.forbes.com/2009/09/23/best-states-for-business-beltway-best-states_slide_50.html
[12] http://industry.tekrati.com/research/news.asp?id=8081

Continuing to engage businesses and others in **feature and usability enhancement of the Michigan Business One-Stop** and related tools can help make these resources even more beneficial for users. And while the one-stop portal has the potential to be game-changing for Michigan businesses, it will not completely eliminate the need for personal interaction with government employees charged with regulating and/or assisting business owners. It is important for these individuals to better understand the needs of business owners and the important role they play in propelling Michigan's economy forward. Their role should be to provide assistance and eliminate frustration.

Those having direct contact with businesses or directly involved in the regulatory or licensing process should receive **customer training** that emphasizes trouble-shooting, full-service assis-tance, follow-up and other attitudes and actions that businesses expect of their own employees.

Further, the importance of supporting business growth and development should be integrated into relevant department and agencies' **mission, goals**, and, where appropriate, **performance measures** (both departmental and employee-based).

Comments on Michigan Business Portal—e-registration for taxes

Business savings - Our current adoption rate for online registration for business in 2007 is 42%.; State Savings - Staff redeployment: –Our current adoption rate will save over 15,000 staff hours in processing business registrations. This translates into 7 full time employees that can be redeployed, rather than adding an additional $525,000 in staff costs for 7 new resources.

~MDIT, 2008 Departmental Entrepreneurship Inventory

Engage localities and regions

The State of Michigan has done an excellent job of automating its business regulation and services systems. In many cases the framework for these systems is available to local governments. The entrepreneurship committee would like to see greater efforts made to **reach out to local governments**, where technologically feasible (as in the case of MiTAPS), and encourage expansion to these areas using these or similar systems, which have done an exceptional job of streamlining processes and procedures. Members encourage investigation of federal rural development and other funds to support broader local involvement in these efforts and a full assessment and understanding of local barriers to participation.

Encourage economic gardening

Besides engaging local communities in the automated, one-stop business portal, the State of Michigan can do a better job of encouraging more deliberate and systematic efforts to enhance community-based entrepreneurship efforts ("economic gardening"). The purpose of economic gardening is to **help regions identify and grow their entrepreneurship support systems** and find better, more intentional ways of supporting local businesses.

There are many models for economic gardening, for example, Energizing Entrepreneurs, HomeTown Competitiveness, Sirolli, and others. Most emphasize some form of resource identification, alignment, and networking. Others emphasize entrepreneurial culture, encouraging early exposure and education to related principles and celebrating area business successes. Some of the more advanced emphasize training for coaches to directly support entrepreneurs, with assistance running

the gamut from facilitation of the business planning process to financial lending with wrap-around services.

Ideally, the State of Michigan, local communities, and various funders would be able to join forces to identify the most appropriate economic gardening models for geographies in question and support implementation of these much-needed approaches and models.

With resources limited as they are, finding other ways to incent economic-gardening could prove useful. For example, the State of Georgia offers a certification for communities that can show they make good referrals to business for support services, recognize their entrepreneurs, and provide business networking opportunities. The approach, including awareness efforts, toolkits, resources, and recognition, could be a relatively low-cost option to encourage exemplary-practice adoption among communities seeking to "grow-their-own" employment opportunities.

Recommendations summary

2. System integration *Infuse entrepreneurship and entrepreneurial support into departmental/agency objectives, goals, and actions*	
A.	Make Michigan the "Ritz Carlton" for business: • Continue to engage employers and other business stakeholders to improve features and usability of the Michigan Business One Stop. • Extend customer service training to ALL in state government who serve business. • Integrate entrepreneurship into state agency/departmental mission, goals, and performance measures.
B.	Explore ways to support local governments' adoption of exemplary, automated procedures that make it easier for businesses to get licensed, register, etc.
C.	Support economic gardening—local business formation—by supporting education, coaching, training, and recognizing leadership in this area (identify, raise awareness of, invest in, and provide other assistance to such efforts)

3. Education and training

Infuse entrepreneurial culture and support entrepreneurs—present and future—through education and academia

Regardless of how state government or other government and non-government entities structure institutional mechanisms to support entrepreneurs, for those who have chosen or begun contemplating the path, **there is need to better leverage the state's education and training system**. Michigan's learning system—including K-12 education, higher education, and workforce development—presents a great opportunity to encourage entrepreneurial participation and success**.** This is true both of the general culture of entrepreneurship and the technical aspects of starting a business.

Though committee members identified need to ensure that these institutions are adopting and expanding on exemplary practices, efforts are well underway. The committee encourages further incentives for additional related activity, particularly around commercialization activity, experiential learning, integrated curriculum, and K-12 articulation.

Better invest in and improve connections to higher education resources for entrepreneurs

Among the committee's recommended goals for the State of Michigan is an increase in new businesses connected to higher education. Michigan's higher education institutions are an opportune place to educate people in the fundamentals of entrepreneurship and encourage more entrepreneurial behavior and thinking. They also are a breeding ground for the research and development, technology, consulting ability, and other know-how that entrepreneurs need.

The Michigan Initiative for Innovation & Entrepreneurship (MIIE) partners Michigan's philanthropic resources with university and private business resources to help launch new startup companies, and strengthen ties between small business, industry and academia. The goal of MIIE is to create 200 new Michigan start-ups over the next decade, while fostering an atmosphere of entrepreneurship on campuses around the state. The MIIE consortium intends to raise and distribute $75 million over the next seven years — mainly through donations from some of the more than 2,200 philanthropic foundations across the state — and match those funds with resources and funding from universities and private businesses.

Since 2008, MIIE has awarded nearly $2 million through nearly 30 grants to commercialize research and encourage public and private collaboration in Michigan. Areas of focus include industry and economic development, technology commercialization, and talent retention & entrepreneurship.

As the interagency entrepreneurship team gets under way, it should explore how best to champion MIIE or similar efforts. This could include **endorsing and otherwise supporting funding for initiatives that seek to enhance innovation and entrepreneurship** tied to higher education.

Re-think policies/procedures

The committee also encourages awareness and new thinking in the ways that Michigan's higher education institutions weigh commercialization and business development activities as part of the **tenure process**, and in how they treat **intellectual property rights** relative to student and faculty involvement in research and new product and process development. Efforts like the University Research Corridor's 2007 "Rising Above the Gathering Storm (RAGS)" conference point to new opportunities in these areas, including offering faculty credit and recognition for community involvement and entrepreneurship and liberalizing tenure policies.[13] The committee encourages monitoring resulting efforts and supporting the pursuit of recommendations stemming from this and other similar efforts.

Connect dots among commercialization efforts

The good news is that several efforts are underway in Michigan to help connect local entrepreneurs and inventors with higher education institutions that can provide support in product development, lab space, technical assistance, research and more.

Examples of Michigan Higher Education Entrepreneurship and Commercialization Initiatives

University-based technical assistance, education and resource centers:

- Central Michigan University Labelle Entrepreneurial Center
- Grand Valley State University's Center for Entrepreneurship
- Eastern Michigan University Center for Entrepreneurship
- Kettering University's TechWorks
- Lawrence Tech's Professional Development Center-Entrepreneurship
- Michigan State University's Business-Connect
- Michigan Technology University's Technology and Economic Development (TED) program
- Northern Michigan University Cntr. for Education & Entrepreneurship
- Saginaw Valley State University Center for Business and Economic Development
- University of Michigan–Flint Launch Program
- University of Michigan—Zell Lurie Institute for Entrepreneurship Studies, Center for Entrepreneurial Programs (engineering)

Michigan Universities Commercialization Initiative (MUCI): a collaboration designed to complement and enhance the technology transfer at Michigan academic and research institutions by supporting commercialization of Intellectual Property.

Moving Ideas To Market (Mid Michigan): enhance regional prosperity and development by stimulating more entrepreneurial activity tied to the region's robust education community.

University Research Corridor: To unite and lead, playing a key role in creating a vibrant Michigan economy that leverages the intellectual capital of its three public research universities, to work proactively to attract the knowledge economy businesses that can find the research activity that feeds new enterprise, educates the workforce and plants the seeds for the new industries of tomorrow.

The committee recommends conducting an **inventory of offerings, raising awareness of and recognizing exemplary efforts**, and better connecting government, foundations and other partners to them. In undertaking the identification/mapping process, there is opportunity to **glean exemplary practices**, reward them,

[13] http://urcmich.org/events/URC_Conference_Report_April08.pdf

and share with others, perhaps through a toolkit or organized, post-secondary learning collaborative. Further, it is important to understand what each institution offers so that if there gaps in one system, entrepreneurs' needs may be addressed through the direct support or simple example of another.

An important goal is to provide support and make connections across the efforts, as well as to help create linkages to state, federal and other opportunities that could mean additional resources and support for them. MEDC once had a **university commercialization liaison**: the committee recommends revisiting the assignment of a similar individual (whether through MEDC or elsewhere) to ensure awareness of higher education commercialization efforts (both within state government and through the media) and provide brokerage and support services to them, pending a more formal assessment of their strengths and needs.

Finally, these resources present great opportunities for communities that house them, but more deliberate effort should go into helping communities that do not have major colleges or universities in their backyard connect to them. Toolkits, tips, and guidelines could **help more communities connect to higher education institutional resources and assets** that are well-poised to support entrepreneurs. This could be a component of earlier-mentioned "economic gardening" efforts and other outreach to local entrepreneurship efforts.

Recommendation summary

3a. Education and training *Infuse entrepreneurial culture and support entrepreneurs—present and future—through education and academia*	
A.	Better invest in and connect the dots to higher education resources for entrepreneurs: • Invest in and support efforts that encourage innovation and entrepreneurship tied to higher education • Urge institutions to reevaluate policies and procedures to make them more commercialization and entrepreneur-friendly • Inventory commercialization efforts and raise awareness of them • Promote exemplary practices and shared learning (perhaps through a network) around ways that higher education can better extend resources and support for entrepreneurs • Offer a state liaison to connect resources and information to higher education-related commercialization efforts and entrepreneurship resources • Create toolkits and guidelines that help more communities connect to higher education resources that could help businesses

Support experiential learning, integrated curriculum, and linked programs

A 2008 Michigan Entrepreneurship Education Network (MEEN) report[14] indicates that higher education programs over the last several years have expanded exponentially the number of classes and credentials associated with entrepreneurship education.

Today, 100% of Michigan's public four-year institutions, 78% of private four-year institutions, and 80% of two-year colleges offer at least one formal academic opportunity for students in entrepreneurship or small business.

> "Among Michigan's 71 postsecondary institutions, 82% have some form of academic opportunity for students to learn about Entrepreneurship or Small Business.
>
> A formal academic program (i.e., major, minor, or certificate) is offered by 36 institutions (51%), while an additional 22 (31%) offer courses only.
>
> By institution type, 100% (15 out of 15) of Michigan's public four-year universities, 78% (20 out of 26) of Michigan's private four-year colleges and universities, and 80% (24 out of 30) of Michigan's two-year colleges offer at least one formal academic opportunity for students in Entrepreneurship or Small Business." *MEEN report, 2008*

This is good news, but more can be done, including a similar examination of available offerings and opportunities at K-12 institutions. Michigan, perhaps led through the afore-recommended interagency entrepreneurship team, should convene potential funders and explore how best support the most desired forms of entrepreneurship learning for students, including experiential learning, integrated entrepreneurship education, and alignment and connection across systems.

Promote experiential learning

Behavioral and education experts all conclude that people learn best by doing. People also are more likely to embrace a favorable cultural value or attitude towards something they have experienced. It is no surprise, therefore, that studies are revealing and analysts are predicting exciting outcomes relating to hands-on entrepreneurial learning experiences.

According to MEEN, only 15 of the state's 21 four-year schools offer or require experiential learning opportunities (intern/externships, business plan competitions, etc.). These include internships and consulting to startups, job shadowing, mentorships, and team projects to launch or assist startups, business plan competitions, and investment programs.

During the 2008-2009 school year, 234,636 Michigan K-12 students were enrolled in 1,899 Career and Technical Education programs with curriculum standards dedicated to entrepreneurship education. The Career and Technical Education programs are delivered throughout the state at area career centers and comprehensive high schools. These students were also active in Career and Technical Student Organizations (Business Professionals of America, DECA, FFA, and Skills USA) that provide additional educational experiences through competitive event programs that require students to prepare business plans, problem-solve in business management situations, market businesses globally, and develop solutions for issues in human resource management. Students are

[14] http://www.sbam.org/download.php?id=711&file=3

then required to present their plans and solutions to judges from business and industry. Student competitions are held regionally, at the state level, and at the national level each year.

Meanwhile, Great Lakes Entrepreneurs Quest offers business plan competitions and related coaching for all comers, but their efforts do not specifically target students. Regional efforts like Mid Michigan's Moving Ideas To Market includes experiential learning components at the K-12 and higher educational level, but efforts are still fairly new, and there is opportunity for up-scaling.

It is important to encourage experiential opportunities at all levels of education. Helping identify exemplary practices, supporting awareness, recognizing and awarding excellence, aggregating and investing resources, and even sponsoring awards for student competitions can go a long way to help give more students **hands-on entrepreneurship experience**. Making these experiences an expectation of degree completion, regardless of educational attainment level, also is important.

Exemplary practices from which to draw and partners to engage in developing experiential learning experiences in entrepreneurship in Michigan include above-mentioned programs and others such as: Junior Achievement (leads hands-on, experiential programs teach the key concepts of work readiness, entrepreneurship and financial literacy to young people all over the world), Generation E Institute (trains educators from a variety of settings to teach entrepreneurship to their students), Experiencia (immersive, simulations-based learning experiences), Hot Shots Business (web-based gaming/simulation-based learning experience developed by Disney and Kauffman Foundation), and the National Foundation for Teaching Entrepreneurship (provides entrepreneurship education programs to young people in low-income communities).

Promote integrated curriculum

Integrated entrepreneurship curriculum would ensure that every student, beginning from very early to later stages of educational development, is exposed to entrepreneurship-driven cultural values and know how. For example, if they take an art class or program, part of the experience would entail entrepreneurship education, training, and awareness.

Analysts believe that integrated education is a more efficient and realistic approach to entrepreneurship, knowing that most students who decide to enter the world of business do not typically pursue a business degree. Rather, they study in their primary field of interest. An integrated approach would prepare these students for work in entrepreneurial settings, as well **create the expectation**—not just raise the possibility—that various fields of study are appropriate for business development. Such an approach could help build the pipeline of innovative business leaders in the future.

Arizona State University (ASU) is an excellent case study in the integration of this approach, and Michigan's Kettering University and Northwestern Michigan College are developing and implementing their own models. This approach allows teachers to adhere to required curriculum while simultaneously offering content around new business development.

It is especially important to target integrated education in K-12 education settings. Fostering the entrepreneurial mindset early on is essential to follow-through in later adult life. There has been

tremendous success in influencing attitudes and action around important cultural issues, many of them beginning at the early stages of childhood education. One example is environmental sustainability, which has been deeply immersed in K-12 settings. The Cloud Institute in Rochester, New York, offers curriculum on systems thinking, citizenship, economics, the sciences, and various other modules that connect environmental sustainability to education.

The committee also encourages this integrated approach (as well experiential and other recommended educational approaches) be made available as a component of **teachers' professional development**. Members encourage examining potential partnerships with the Kauffman Foundation, Coleman Foundation, and/or other foundations or initiatives to explore possible models and encourage adoption as a pilot in Michigan.

Once again, recognizing and awarding excellence and bringing potential funders together to explore ways to incentivize these practices is an important role that the Michigan interagency entrepreneurship team could catalyze and support. Supporting partners could include several of the experiential learning programs identified under the above section on experiential learning. Also, several initiatives have had success integrating curriculum content around environmental sustainability and also could be examined as models for integrating entrepreneurship curriculum in Michigan schools, including K-12.

Encourage linked secondary/post-secondary systems

In 2006, the State of Michigan provided grants to support partnerships between K-12 and community college institutions to develop creative entrepreneurship programs and articulate credit. This effort resulted in 266 new programs, including various collaborations and 2+2 programs that allow students to earn college credit while studying in high school.

It would be wise to evaluate several of these programs (or at least capture programmatic outcomes) to learn from success and **encourage exemplary practices** by offering awards or otherwise recognizing desired behavior and breakthroughs.

Extend awards and recognition

Generally speaking, the committee encourages award and recognition for best-in-class activity around entrepreneurship training and education with respect to K-12/postsecondary linkage programs, as well as experiential and integrated learning initiatives. Supporting this work could be the role of a subgroup of the state interagency entrepreneurship team and/or the complementary community action group. Much of this activity could be taken on within discrete communities or even statewide.

A potential financial resource for disseminating exemplary practice entrepreneurship programs targeting youth (ages 14-18) and young adults (ages 18-21) are Workforce Investment Act funds for youth. Also, the Michigan Shared Youth Vision Partnership could be engaged in entrepreneurship culture initiatives to leverage efforts and maximize opportunities.

Recommendation summary

	3b. Education and training *Infuse entrepreneurial culture and support entrepreneurs—present and future—through education and academia*
B	Support experiential learning, integrated entrepreneurship curriculum, and linked programs (target K-12 and postsecondary): • Encourage teacher professional development to support adaptation and integration of key programs • Evaluate and reward successful models and promote them through recognition and professional development • Seek relationships with funding partners that can make possible wider adaptation of desired programs • Encourage a subgroup of the interagency entrepreneurship team and/or complementary community action team to move these concepts forward at local, regional and state levels

Support awareness of and access to entrepreneurship training and education

No Worker Left Behind (NWLB) is a great opportunity for dislocated and low-income workers and families. It provides tuition for individuals seeking a degree or occupational certificate in a high-demand occupation, emerging industry, or in an entrepreneurship program. The committee made several inquiries into the role of NWLB in supporting a state culture of entrepreneurship and finds the support for tuition assistance in entrepreneurship programs to be very positive.

The committee strongly encourages **ongoing support of and funding for NWLB** to ensure demand is met and to help Michigan workers make the transition into new employment fields, many of which will be in small business and entrepreneurial settings, and prepare some workers to become entrepreneurs themselves.

Kettering University, Small Business Development & Technology Center (SBTDC), and Career Alliance, the Michigan Works! Agency in the Flint area, have successfully partnered around No Worker Left Behind to offer funding for entrepreneurship training, particularly Kauffman Foundation's lauded Fast Trac program.[15] It is important to

No Worker Left Behind (NWLB) is a free tuition program to help Michigan workers prepare for future employment opportunities.

The vision for No Worker Left Behind is to:

- Accelerate worker transitions through learning
- Support the state's employers and economic development needs
- Align the use of existing training resources

[15] Southeast Michigan's New Economy Initiative has invested millions of dollars to offer this training package to would-be entrepreneurs in the region. And several other institutions in collaboration with SBTDC and Deluxe Corporation Foundation, also are offering the program in West Michigan and elsewhere.

identify opportunities **for additional alignment between entrepreneurship education and training and workforce development** resources that can support funding for it. Key steps to ensure this alignment include:

- Mapping degree and certificate programs offered by Michigan colleges and universities, as well as customized and "just in time" opportunities offered in communities across the state. This information should be aggregated and made available for online and other distribution at Michigan Works! Agencies, SBTDC offices, banking and finance institutions, and other places people go for help in starting a business.

- Ensuring that all possible entrepreneurship-related degree and non-degree offerings are included in the eligible training program list (Career Education Consumer Report—CECR), which is required for those receiving training through the Workforce Investment Act, a key funder of NWLB.

- Seeking waivers or other exemptions to ensure that entry of entrepreneurship-related training and education information into the CECR is made as easy as possible. For example, to ensure that a broad range of providers is included in the eligible program list, training providers who wish to receive discretionary funds from DELEG are required to post their program(s) on the CECR, whether or not they serve WIA-ITA eligible participants. To be included in the CECR, schools must supply data on each program of study they wish to market through the CECR web site.[16] This requirement may impede entry or important programs into the system and limit eligibility for certain federal funding.

- Helping promising entrepreneurship education and training programs understand how they can partner with eligible NWLB training providers, like SBTDCs, to qualify for the CECR.

Focus on "just in case" vs. "just in time"

The committee is sensitive to the notion that No Worker Left Behind requires a chosen entrepreneurship path to result in a credential, whether a degree or certificate. Credential-related programs, while valuable, often are coined as "just in case" education programs, meaning students who participate in them may eventually become entrepreneurs, though they have not yet necessarily made the choice to do so. Efforts lag, however, in the availability of non-degree offerings, or "just in time" education and training that allows entrepreneurs to obtain the knowledge or skills needed at a point-in-time in their business development.

Consideration should be given to growing these programs over time. Very often, entrepreneurs need help around a particular focus area, for example, business plan development, market and sales support, or financial management. These **programs could be offered in modules** that help entrepreneurs when taken independently but that, over time, could aggregate or "stack up" into a formal credential. It is important to explore how NWLB, WIA, and other funding can better connect entrepreneurs to the modular, just-in-time assistance they need, rather than making additional requirements that will turn entrepreneurs away from needed help. (In some cases this may require federal or other programmatic waivers.)

[16] http://www.publicpolicy.com/newcecr/Overview.asp

As above, it would be worthwhile to **map the availability of non-credential-related programs**, promote them where businesses are most likely to seek help, and ensure that as many as possible are deemed eligible for workforce-development fund support.

Continue flexible treatment of entrepreneurship programs

Finally, the committee supports the idea that NWLB tuition assistance be open to fields of entrepreneurship beyond those connected to emerging growth sectors or occupations. Entrepreneurship should continue to be considered an emerging sector in itself, whether relating to lifestyle or high technology opportunities. The goal should be to open people's minds to the possibilities of business creation in general, without placing limitations in people's minds as to what forms of entrepreneurship are desired or not. In the end, Michigan needs all forms of entrepreneurship to provide both the high-technology and life-style opportunities that will attract and retain talented workers and the companies that employ them.

Recommendation summary

	3c. Education and training *Infuse entrepreneurial culture and support entrepreneurs—present and future—through education and academia*

C.	Support better awareness of and access to education and training for entrepreneurs:
	• Continue No Worker Left Behind, which is a state workforce development program that supports funding for some entrepreneurship-related education for eligible individuals
	• Identify opportunities for additional alignment between entrepreneurship education and training and the workforce development system
	  o Map collegiate entrepreneurship degree and certificate programs, as well as customized and "just in time" opportunities.
	  o Ensure that all possible entrepreneurship-related degree and non-degree offerings are included in the state's eligible training program list.
	  o Seek waivers or other exemptions to ensure that entry of entrepreneurship-related training and education information into the eligible training list is made m.
	  o Help promising entrepreneurship education and training programs understand how they can partner with eligible NWLB training providers to deliver programs.
	• Focus on "just-in-time" (versus "just-in-case") program delivery by growing the number of non-degree, modular program offerings and better connecting government funding to them (make maps/inventories of these offerings widely available)
	• Continue to recognize the integrated versus stand-alone nature of entrepreneurship education/training and align funding for programs as such

4.Structural barriers

Make it easier to start, grow, and retain Michigan businesses

So far recommendations suggest ways to better encourage thinking align systems, and education and train people around entrepreneurship. Once entrepreneurs take the leap of starting their own business, Michigan needs to ensure that the process is as smooth as possible. This relates both to the finance, funding, and credit associated with a business, as well as the regulatory process associated with it.

Foster more choices around credit and finance

In discussions with numerous entrepreneurs and entrepreneurship service providers, the most commonly heard need was for better access to financial resources to help their businesses thrive and grow.

Anecdotally, the committee found that small businesses are frustrated by insufficient access to lines of credit and loans. Several mentioned working over long periods of time with an individual to prepare all the requirements for a loan or credit application, only to have someone completely unfamiliar with them make the final determination (often unfavorably). Entrepreneurs feel the stress of having to put personal assets on the line to support their business, regardless of how long they have been in operation or how successful their efforts have been in the past.

Pursue improved capital mix

In recognition of this need, MEDC conducted a benchmarking study on lending to better understand how Michigan's financing climate compares with other states. Findings were that, compared to eight peer states, Michigan has a high quantity of institutions able to lend to small business, but market imperfections limit access to credit and capital. These include: a lack of innovative risk-reduction mechanisms for debt financing and a sub-optimal mix of financial institutions in the state.

Other analysis of available financial infrastructure in the state reveals that Michigan fairs below average on access to capital from venture funders and slightly above average in commercial lending, while private lending to small businesses fairs better than most. (This, of course, is based on data preceding the 2008 financial market meltdown.)

Michigan's Financial Capital Standing 2007

Select indicators – Michigan Entrepreneurship Scorecard 2008-9

Measure	*Nat'l Rank*	*Performance*
Venture Capital Financing	32	$3.0/$1,000 GDP
Small Biz Investment Co. Financing	32	$13.64/$100,000 GDP
IPO Financing	28	$4.0/$100,000 GDP
Small Business Innovation Research	21	$10.5/$100,000 GDP- 2006
Bank & Commercial Industrial Lending	20	$58/$1,000 GDP
Private lending to small businesses	3	$55,664 per 1000 firms

Regardless of research or studies, and while Michigan's position is not entirely unique, the message from entrepreneurs is clear: they need more **financial help to succeed in their endeavors**. MEDC has responded to the most recent freeze in the credit markets by creating a Supplier Loan

Diversification Fund[17] for firms eligible for MEGA tax credits to help support positive cash flow, offset deteriorating collateral value, and counterbalance unusually conservative lending environments.

In addition to the supplier diversification fund, the state is looking at earmarking $12 million for two new funds to be housed at Michigan venture-capital firms and target startup companies for growth.[18] The idea is to create two $6 million "accelerator funds" to invest in early-stage companies.

These strategies in part result from MEDC's research on finance and capital and the need for a greater mix, particularly risk capital. Efforts to address these needs must continue and broaden and, at the same time, community and other stakeholders need to explore how to **grow the number of niche banks** in the state that address the capital in high-tech sectors.

Promote wrap-around services

No matter which organization or entity ultimately makes available finance and capital to entrepreneurs, or even the total availability of such resources, the most successful credit and lending programs also help make available to entrepreneurs various resources, tools, and technical assistance to support success. Northern Initiatives, for example, offers an array of start-up, working, and other capital options. Alongside these offerings they make available consultation and support around financial management and accounting, lean enterprise, e-commerce, marketing, and general business coaching. Identifying, recognizing, and promoting exemplary practitioners in this field could enhance overall support for entrepreneurs, who often look first to financial institutions when they have a question or technical need related to their business's success.

Explore microlending and other start-up funding alternatives

Another area of opportunity is to provide technical assistance and other support for microlending. Traditionally considered the space for international poverty alleviation, microlending initiatives are popping up around the country. The loans serve the roughly 87% of businesses with five or fewer employees.

The American Recovery and Readjustment Act expanded the Small Business Administration's microloan program, which offers funding up to $35,000. (President Obama recently expanded the lending limit to $50,000.) The law increased the total available loan amount and created a substantial resource for marking and promotion.

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[17] The Michigan Strategic Fund approved $12 million to purchase a portion of a loan from a lender and offer a grace period to suppliers initiating diversification projects for up to 36 months. The participating lending institution will be considered the "lead bank" and will retain no less than 50 percent of the total loan balance at all times. The maximum participation by the state will be $500,000, except in the case where it's determined that the project provides unique and high-level economic development or job-creation benefits to the state. http://ref.michiganadvantage.org/cm/attach/7EBEE373-6CFA-4392-B68B-8A27A5DBC39A/DivFund_LoanProg.pdf

[18] http://www.crainsdetroit.com/article/20091122/SUB01/311229996

Microloans are important for helping small businesses—mostly sole proprietorships—get started or overcome unexpected but significant bumps in their development. Michigan can better support microlending while leveraging available federal funding at the same time.

One option is to **provide technical assistance** (including the identification and convening of potential investors) to communities seeking to establish Community Development Finance Institutions or other unique lending vehicles. A CDFI[19] is a specialized financial institution that works in local market niches that are underserved by traditional financial institutions. CDFIs provide a unique range of financial products and services in economically distressed target markets, including technical assistance, commercial loans and investments to small start-up or expanding businesses in low-income areas. There are twelve CDFIs in Michigan, with the opportunity to establish more and further drawing down federal funding that supports them.

Other opportunities to **leverage federal dollars** include more explicit **microlending strategies** that would allow the state to take advantage in new ways of funding streams like Temporary Assistance for Needy Families, Workforce Investment Act, Department of Agriculture, Housing and Urban Development, Small Business Administration, and other resources to support very small loans for entrepreneurs. States like California[20], North Dakota, and others are developing strategies to better support microlending strategies, which combine entrepreneurship with asset building.

A group of stakeholders in Michigan, led by Local Initiative Support Corporation (LISC) and the Community Economic Development Association of Michigan (CEDAM) is coming together to explore an association or collaboration to better support microlending and related strategies in the state. The goal is to foster community prosperity through greater entrepreneurial activity.

One more innovation to consider is the use of **Unemployment Insurance** for business starts. Ten states, under provisions in federal law, allow this practice. While the climate for this approach may be difficult in Michigan, it could, nevertheless, be an important way to help dislocated and unemployed workers receive needed financial support to pursue a new business endeavor.

Convene capital and finance stakeholders

In addition to and in service of the above, the committee calls on entrepreneurship stakeholders and the banking and finance industry to work more collaboratively to address entrepreneurs' unique business needs. This process could be launched through either a summit or forum with the intention of a major outcome being an action plan for moving key strategies forward.

MEDC, DELEG, MSHDA and others should collaborate with appropriate partners to determine the agenda, recruit a planning committee, and conduct the event (or meeting), which should be framed as a kickoff to a broader collaborative effort. The committee recognizes that many stakeholders are seeking to address this subject. The goal is to align and leverage efforts, not recreate the wheel. Based on stakeholders' input, possible topics for summit/forum discussion and future action planning may include:

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[19] http://www.cdfifund.gov/what_we_do/programs_id.asp?programID=9
[20] http://www.microbiz.org/micro-lending-action-plan.pdf

- **Identifying and celebrating Michigan's most active small business lenders/creditors/investors to encourage more like behavior and help entrepreneurs find the most-friendly institutions**: The committee recognizes a need to make more readily available to small businesses information about performance in small business lending among Michigan institutions. This could apply both to the breadth of programs that lenders offer but also the frequencies with which banks are making loans and credit available to small businesses in the state. The U.S. Small Business Administration names a "Small Business Administration Lender of the Year" in every state, including Michigan.[21] The award focuses specifically on the number of loans made and the percentage increase in number of loans made over a year's time. More broadly disseminating such information could be a focus of the banking and finance summit, as well as clarifying what other factors would be important for businesses to know so they can better maneuver the banking and finance system and make their search for financial help as efficient and frustration-free as possible.

- **Better directing small businesses and entrepreneurs to needed technical assistance**: Banks and finance institutions are one of the first places that entrepreneurs go for help, only to find that these institutions do not offer direct technical assistance in starting a business. Several have relationships and make referrals to SBTDCS, but there is need to explore how often such referrals are being made, whether entrepreneurs are able to follow through, and how to improve both measures.

- **Exploring alternative lending and finance**: The summit/forum also could focus on the mix and availability of alternative lending and financing types in Michigan and what can be done to improve the mix (including options directed at high tech firms, in communities, and for microenterprise), with inputs coming from the forum shaping future action in this area.

4a. Structural barriers *Make it easier to start and grow a business (finance)*	
A.	• Continue exploring ways to expand Michigan's capital mix, with a focus on risk capital • Provide ongoing effort to grow the number of niche banks and additional energy around angel and venture capital investment • Promote wrap-around services and technical assistance to funding/credit recipients, with financial institutions sufficiently aware to make good referrals • Explore microlending and alternative finance: o Make available technical assistance to communities looking to establish alternative lending vehicles like Community Development Finance Instruments o Align federal funding streams (like Temporary Assistance for Needy Families, Workforce Investment Act, Small Business Administration, Housing and Urban

[21] http://www.sba.gov/idc/groups/public/documents/mi_detroit/mi_lender_awards04052007.pdf

	Development, etc.) around small business support o Explore the use of Unemployment Insurance for business starts. • Convene capital/finance stakeholders through a related summit o Identify and celebrate the state's most active and innovative small business lenders, creditors, and investors to encourage more like activity o Raise awareness among banking/finance institutions of information/portals that connect entrepreneurs to support services/technical assistance (so the info is passed to entrepreneurs) o Explore how to implement other related committee recommendations, including alternative finance, lending, and credit options

Understand and address system challenges

Besides access to the financial resources they need for success, once businesses get started, they frequently encounter the complexity of the system in which they must operate. This is true whether business owners seek specific help or assistance or they are dealing with issues tied to licensing and regulation.

Promote "no wrong door"

Certainly in Michigan there is a vast array of support services for entrepreneurs, but very often entrepreneurs do not know where to start to get the information they need. Also, while they often are well-connected to resources and services, it is not uncommon for entrepreneurship support organizations themselves to lack awareness of existing programs or how/when to refer an entrepreneur to an external area of expertise.

A Mid Michigan study on the culture of entrepreneurship found that the first place people seek information is banking institutions, followed by government programs that offer financing and loans, and then the internet. Michigan State University's Institute for Public Policy & Social Research found that would-be entrepreneurs all across Michigan will go to their peers first, then banks and financial institutions, and then the internet. These results provide directional evidence that government is not a likely first place entrepreneurs stop to find information.

To help meet this need, communities can benefit from conducting **entrepreneurship asset inventories**, with the goal of helping support organizations connect to one another and helping entrepreneurs connect to them. With this purpose in mind, it is important for inventories to be easily findable, accessible, and searchable. This could mean, for example, that the asset inventories are available on the web, much like the Michigan Business One-Stop, but with community-driven, community-relevant information to which entrepreneurs can easily connect and relate.

To help resource providers and entrepreneurs find these tools, the state and other stakeholders should develop **robust marketing and awareness initiatives** and explore how to incorporate these tools as part of the State Small Business Ombudsman and SBTDC services. But based on the survey results above, they really must engage banking and financial institutions in getting out the word

about tools to help connect businesses to available resources, and it would be wise to engage communities in sharing information about their own resources and promoting the availability of tools that help connect to them. The approach should be a **"no wrong door" system of support** as opposed to a single "front door" that people may or may not encounter in their search for assistance.

It also could prove helpful to assess which tools and resources entrepreneurs most frequently demand and which of these are most successful in meeting businesses' needs. This would allow better **resource channeling to where needs and benefits are greatest**, resulting a more effective service approach.

Continuously benchmark and improve regulatory processes

It is unclear how Michigan's regulatory environment compares to other peer states. *Forbes* magazine, in 2009, ranked Michigan's environment #6 in the nation (down from #2 in 2007), yet other rankings point to deficiencies in various legal systems and regulatory costs. Even if Michigan is performing as well as *Forbes* seems to indicate, the state must continually improve its regulatory climate, which remains a perceived business barrier. The committee recommends:

- **completing an independent benchmark analysis** of Michigan's regulatory system to better understand the policies and procedures that most impede small business success. Like the State of Ohio, Michigan also could require state departmental and agency leaders to conduct their own regulatory review and then take action to improve the system.

- **Identifying point-persons** (or raising awareness that point-persons are available) to help entrepreneurs better navigate the state's regulatory system, augmenting efforts of the Michigan Ombudsman Office. The Michigan Business One-Stop is a step in the right direction, but every department and agency should have a go-to person charged with helping entrepreneurs get to the right place.

Consider cost of business

Finally, it is important that the cost of doing business in Michigan remains competitive – including a consideration of the impact of taxation on small business. This issue was frequently referenced as a barrier by survey and focus group respondents. And, while the committee agrees that these are important concerns, members recognized that the economic and political environment makes this conversation volatile and that they lacked the expertise to make specific recommendations to address the issue. However, it is a topic likely to be in the forefront as Michigan's economic status continues to evolve, and the committee recommends that the impact of taxation on small business, including complexity, continue to be taken into consideration as future policies are developed.

	4b. Structural barriers *Make it easier to start and grow a business (systems)*

B.	• Understand and address system challenge, including regulatory and other barriers, and make it easier to get help
	• Foster a culture of "no wrong door" to entrepreneurship information, versus "front door“
	  o Support state and regional entrepreneurship asset mapping (e.g., resources, technical assistance providers, etc.), with results shared statewide and available online for entrepreneurs
	  o Make transparent and otherwise promote resources available for entrepreneurs
	  o Assess resources and services that entrepreneurs demand and from which they benefit most, then better channel resources and support to them
	• Complete an independent benchmark analysis of Michigan's regulatory system (an internal review with recommended actions for improvement); repeat periodically
	  o Identify departmental point persons to help entrepreneurs better navigate the state’s regulatory systems
	• Always consider and minimize the cost of doing business in Michigan

5. Global partnerships

Spearhead new ways of leveraging global partnerships

While many of Michigan's economic challenges relate to forces in the global economy, the state must continue to look outward if it is to compete in the 21st Century. Michigan entrepreneurs can benefit through deliberate efforts to promote their products and services to the growing global marketplace.

Further, living in a technology-driven, interconnected society means that the most valuable innovation partnerships may not necessarily be next door, but could be somewhere around the globe. Southeast Michigan's Detroit Regional Economic Partnership is exploring the Open Innovations initiative, which would pair area businesses with each other, regardless of geography, but with the goal of matching expertise and opportunities. (Similar program exists elsewhere on the national stage.) Helping Michigan firms realize and maximize the **potential of the global marketplace** will be an important element in the state's future economic success.

Another way in which global relationships become relevant is with regard to talent attraction and retention. Since 2001, Michigan has seen a net loss in population of roughly 466,000. Of these, more than 20,000 were adults with college degrees. In 2007 alone, the state lost $1.6 billion in paychecks due to outmigration. This represents a 45 percent increase in lost wages in just one year, with money no longer being spent in the state, including on mortgages, with business, etc.

The attraction, development, and retention of talent with a propensity toward entrepreneurial action will be key to our future success. The current global reputation of our universities and colleges, can be leveraged to accomplish these ends. Multiple studies have suggested that first generation **immigrants have a high propensity to participate in entrepreneurial activity**. Michigan should take proactive steps to encourage all students who study here to stay and people who move here to create economic wealth. Efforts that can be taken to support talent attraction and enterprise development are listed in this section's recommendation summary.

Recommendations summary

5. Global partnerships *Spearhead new ways of leveraging global partnerships*	
A.	Explore business matching services that help companies find each other, including missing expertise, regardless of geography. (Identify promising practices to encourage adoption.)
B.	Conduct outreach efforts to encourage outstate and international students to live and study in Michigan
C.	Explore loan or tuition offsets or similar programs for all students who graduate from Michigan colleges and who stay and work here for a certain number of years
D.	Consider tuition incentives or special internship programs for those students, national and international, looking to study entrepreneurship (or other desired fields) in Michigan

E.	Engage diversity partners in all entrepreneurship efforts, including those representing minority and immigrant communities
F.	Broadly promote Cool Cities and other positive aspects of Michigan quality of life
G.	Ensure that tools, resources, asset maps, and other reference materials produced for entrepreneurs exist in frequently encountered foreign languages to support our diverse entrepreneurship base

6. Capacity for change

Aggregate and align financial and human resources to support successful action

The committee's recommendations to create and enhance a culture of entrepreneurship in Michigan are varied and robust. Certainly, implementing many of these efforts will require human and financial support, as well as the necessary infrastructure to coordinate and track results. With this in mind, the committee urges the creation of an entrepreneurship funders collaborative comprised of foundations, benefactors and others who value entrepreneurship and have demonstrated an interest in resourcing strategic, supportive activity. There also is need for outreach and awareness to integrate entrepreneurship into funders' core missions.

To track success and report on efforts tied to the committee's recommendations over time, one of the near-term needs is a public web or wiki site that consolidates and shares information about the state's entrepreneurship cultural movement.

Above all, for the committee's efforts to succeed, partners and stakeholders must understand that this is a long-term initiative and will take time to accomplish. The state's **entrepreneurship movement** should be viewed as **transcending changes in personal and institutional leadership over time**, and it is important to give consideration to how the state can play an important role as leader, convener and investor in the effort, **partnering for success but without having to own every component**. Pursuing such an ambitious undertaking will help Michigan reconnect to its entrepreneurial roots, where bold vision and thinking created vibrant, prosperous roadways to the future.

Recommendations summary

6. Capacity for change *Aggregate and align financial and human resources to support action*	
A.	Convene a multi-faceted stakeholder group to steer adoption of the recommendations
B.	Form a state funders collaborative to support entrepreneurial efforts (these recommendations and others)
C.	Build the infrastructure necessary to communicate, organize, manage, track and report on success over time

Conclusion

Entrepreneurial growth in Michigan, above all, requires a strong economy and sound market conditions, which currently pose significant statewide challenges. Despite this, there are steps that Michigan can take to create a more favorable culture for those starting and growing businesses, which diversifies the economic base and enhances innovation, agility, and competitiveness.

Setting the tone for this culture involves **lauding the benefits of entrepreneurship, celebrating the successes of entrepreneurs, acting like entrepreneurs, and encouraging others to act like entrepreneurs.** These behaviors must be embraced at every level, from the grassroots up to top leadership.

The committee has presented a range of options that can help Michigan move down a path friendlier to the startup, growth and retention of new businesses and the infusion of innovation and agility in existing ones. Michigan should set the goal of being the nation's top performer in this regard. While achieving this vision will take substantial effort, investment and time, the outcomes and benefit are well worthwhile. The first step along the way is launching a strongly-led cultural movement that re-embraces Michigan's entrepreneurship legacy, where steady, determined action takes place in lockstep with bold vision and thinking.

Appendix

Sample indicators and metrics

Below are examples of indicators and metrics to consider in assessing movement around identified goals. Ultimately, those who implement and oversee the committee recommendations—likely a mix of government and non-government actors—should establish goals around the strategies they will move.

In some cases data will serve as indicators of the health of the state's entrepreneurial culture but will be difficult to affect directly because various other factors, like the general health of the state economy, may affect them greater than any policy action or other activity (e.g., quarterly firm establishments and closings). Others will be reflective of changing entrepreneurial mindset and behavior and may require tracking through surveys and other forms of primary data gathering.

The examples below identify "strategic metric" targets, which represent overall outcomes desired to achieve as a result of particular activities taking place. "Tactical metrics" aim to demonstrate the extent to which particular actions are occurring and to create goals around them.

Having a three-year check point around potential indices and metrics allows for assessment of progress, course corrections, and celebrations of success that can result in meaningful change.

Entrepreneurial culture

Michigan is "the place" to start, grow, and retain a business

Indicator: health of entrepreneurial culture

- Entrepreneurs per 100,000 people

  For example: Set a goal of growing the amount of time people spend actively working on business creation. In 2008 the number of people who spent 15 hours per week or more on business creation was 280 per 100,000. (Data from Kauffman Foundation's Index of Entrepreneurial Activity 2008)

Indicator: health of entrepreneurial activity in Michigan

- Annual quarterly establishment opening

  In 2008 the number of quarterly establishment openings was 43,592.*

Quarterly establishment openings		
2006	2007	2008
43,744	43,092	43,592

Source: Small Business Administration

- Quarterly establishment closings

  In 2008 the number of quarterly establishment closings was 46,967.*

Quarterly establishment closings		
2006	2007	2008
45,415	45,727	46,967

Source: Small Business Administration

- Jobs created by early-stage entrepreneurs. (Data from YourEconomy.org).

*These indicators are difficult to affect through discrete policy action. They can be largely influenced by general changes in economic climate and should be considered indicators of health rather than metrics that can be moved easily.

Alternative mindset

Be bold, visible, and deliberate about creating a culture of entrepreneurship—stimulate an entrepreneurial movement

Indicators: state entrepreneurial mindset/culture

The following sample indicators could be collected through a regular state entrepreneurial culture survey:

- Percentage of residents who:
  - Have ever thought about starting a business
  - Would feel comfortable with a child choosing entrepreneurship as a career path
  - Feel that smaller firms make a valuable contribution in their community
  - Would feel comfortable or even prefer working in a smaller vs. larger company
  - Say they work in an environment where innovation strategies are valued and implemented

- Say they help drive innovation strategies and implementation
- Say they have seen or heard positive messages about entrepreneurs in their community

Sample tactical metrics

The following metrics could be collected to verify and determine the extent to which key activities are taking place:

- Survey Michigan residents regarding entrepreneurial culture, with comparisons to at least five benchmark states; track cultural change over time
- A certain number of media releases per year that underscore an important contribution of entrepreneurship to the state economy
- A certain number of entrepreneurs (a mix of business and demographic type)celebrated per month in each of the state's top media markets (with a mix of business and demographic type)
- A certain number of monthly media hits at the state and national levels
- Identification of several private-sector entrepreneurship and innovation ambassadors charged with promoting a more robust state culture of entrepreneurship

System alignment

Infuse entrepreneurship and entrepreneurial support into departmental/agency objectives, goals and actions

Indicators: system awareness, navigability

The following sample metrics could be collected through a regular state entrepreneurial culture survey:

- Percentage of residents who:
    - Say they would know where to go for help in starting a business
    - Say they feel confident they could find the help they need upon seeking it from a given source
    - Say they have seen or heard messages announcing availability of resources and assistance for entrepreneurs
    - Report being satisfied with their business-related encounter with government officials

Sample tactical metrics

The following metrics could be collected to verify and determine the extent to which key activities are taking place:

- Customer service training to a sizeable percentage of state employees regulating or providing service directly to businesses
- Outreach to a certain number of local communities per year to encourage participation in automated licensing and regulation systems (up to and including assistance identifying enabling resources)
- Support grant or other resource initiatives to help communities develop their entrepreneurship eco-systems and participate in economic-gardening strategies (a certain number of communities targeted in first 2-3 years)
- A certain number of communities apply each year for entrepreneurial community certification program
- Several communities recognized each month on website and through media for efforts to support local entrepreneurs

Education and training

Infuse entrepreneurial culture and support entrepreneurs—present and future—through education and academia

Indicators: higher education engagement in supporting entrepreneurial activity

Course offerings:

The following sample metrics could be collected through review of some existing national reports and/or a regular inventory of state collegiate entrepreneurial offerings:

- Number and quality of entrepreneurship course offerings offered at various education institutions K-12 through postsecondary (NOTE: in 2007 Michigan had no four-year institutions appearing in EntrePoint's Top 50 Entrepreneurship Colleges)
- Percentage of institutions offering *integrated* entrepreneurship curriculum
- Percentage of institutions and students participating in experiential learning activities

University commercialization activity:

The following sample metrics could be tracked based on previously-existing national data collection efforts:

- University spinout business: improve from 12 spinout businesses per $1 billion in research and development, as reported in 2006 (represents 43% increase from 2003-6).[22]
- University licenses to small businesses: grow from 27.2 licenses per 100,000 firms in 2006. Association of University Technology Managers. [23]
- University royalty/license income: improve from $77.5 per one-million gross GDP of university budgets derived from royalty and licensing income (represents a 2003-6 decline of over 42%).[24]

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[22] Association of University Technology Managers. "AUTM Licensing Survey." Start-up Companies. www.autm.net, as cited by the Michigan Entrepreneurship Scorecard 2008-9.

[23] Association of University Technology Managers "AUTM Licensing Survey." Start-up Companies. www.autm.net, as cited by the Michigan Entrepreneurship Scorecard 2008-9.

[24] Association of University Technology Managers. "AUTM Licensing Survey." www.autm.net and U.S. Bureau of Economic Analysis. "Regional Economic Accounts, Gross Domestic Product." Retrieved from: http://www.bea.gov/bea/regional/gsp. Cited by the Michigan Entrepreneurship Scorecard 2008-9.

Sample tactical metrics:

The following metrics could be collected to verify and determine the extent to which key activities are taking place:

- Engage a statewide steering group to promote experiential learning and integrated curriculum
    - Identify and benchmark state/national leaders in experiential learning models and integrated curriculum models targeting entrepreneurship
    - Support raising a target-funding level per year (for example, in support of Michigan Initiative for Innovation and Entrepreneurship—MIIE) to support curriculum innovations (integrated and 2+2) and experiential learning
        - Conduct outreach to a certain percentage of 4-year institutions, 2-year institutions, and K-12 institutions
        - Fund a certain number of initiatives

- Evaluate a substantial number of past-funded CTE programs to identify outcomes of entrepreneurship articulation
- Reintroduce CTE grant initiative for articulated entrepreneurship education
    - Funds raised through foundation and other support
    - Another round of several articulated programs supported

- A certain number of exemplary practice awards per year for experiential, integrated, and articulated learning programs, pending benchmarking and exemplary practice review
- At certain number of media hits per year on entrepreneurship education initiatives
- Integration of entrepreneurship education initiatives into a certain number of public official comments each year
- Mapping of Michigan's credential and non-credential entrepreneurship and training education programs; grow the percentage on the eligibility list for WIA and other workforce development funding
- Mapping of statewide university commercialization services, with available services and resources promoted among a network of practitioners and made available to businesses
    - Identify potential service gaps, promote agreements/practices for cross-institutional referral of businesses who may need services

- Creation (or re-establishment) of a State of Michigan higher education commercialization liaison that connects with the state's colleges and universities several times per year

Structural barriers

Make it easier to start, grow, and retain Michigan businesses

Indicators: financial and regulatory-system health

The following sample metrics could be tracked based on previously-existing national data collection efforts:

- Performance on financial capital standing, for example:
    - Increase the level of venture capital financing coming to Michigan firms, from $3.0 per $1,000 GDP in 2007, which represents nearly a 34% decline from 2004-7.[25]
    - Maintain and grow relatively high rates of private lending to small businesses ($55,664 per 1,000 firms in 2006 represented a 2.3% increase from 2003-6).[26]
- Performance on indicators of the state's regulatory environment (6th place ranking in Forbes in 2009)

Sample tactical metrics

The following metrics could be collected to verify and determine the extent to which key activities are taking place:

- Engage several banking/finance and entrepreneurship stakeholders in a forum/summit to kickoff action planning to better support entrepreneurs
- Identify and celebrate top small business lenders/credit providers in the state, whether in conjunction with SBA's current efforts or above and beyond their focused measures; post information on government and private websites; pursue broad media penetration
- Create an outreach strategy and materials targeting a percentage of top-volume angel and venture capitalists in Michigan and in the nation

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[25] PriceWaterhouseCoopers. "MoneyTree Survey: Historical Trend Data." Retrieved from: http://www.pwcmoneytree.com/moneytree/nav.jsp?page=historical123 and U.S. Bureau of Economic Analysis. "Regional Economic Accounts, Gross Domestic Product." Retrieved from: http://www.bea.gov/bea/regional/gsp. Cited by the Michigan Entrepreneurship Scorecard 2008-9.

[26] U.S. Small Business Administration. "Banking Studies: Small Business Lending in the U.S., 2005." Retrieved from: http://www.sba.gov/advo/research/lending.html U.S. Bureau of Labor Statistics. "Covered Employment and Wages Program." Retrieved from: ftp://ftp.bls.gov/pub/special.requests/cew/. Cited by the Michigan Entrepreneurship Scorecard 2008-9.

- Each relevant state department/agency undergoes benchmarking and continuous process improvement with regard to support for state businesses
- Each relevant agency identifies an entrepreneurship/business champion to support better system navigation for firms

Spearhead new ways of leveraging global partnerships

Indicators: global integration

The following sample metrics could be tracked based on previously-existing national data collection efforts:

- Rates of Michigan firms that participate in export-related activity[27]
- Rate of foreign direct investment in Michigan[28]

The following may be collected based on higher education reporting statistics:

- Rates of non-resident students, including international students, that study and then stay in Michigan

Sample tactical metrics

The following could be collected to verify and determine the extent to which key activities are taking place:

- Number of non-resident students, including international, who receive information and other contact about personal and professional opportunities in Michigan

The following could be collected through client/customer satisfaction surveys among users of Small Business and Technology Development Center or other services for entrepreneurs:

- Percentage of immigrant-owned businesses who say they are able to access resources and information that is easy for them to understand

[27] U.S. Census Bureau, Foreign Trade Statistics. "State Exports by Country." Retrieved from: http://www.census.gov/foreign-trade/statistics/state/country/index.html
[28] U.S. Bureau of Economic Analysis. Survey of Current Business. "U.S. Affiliates of Foreign Companies, Operations." Retrieved from: http://www.bea.gov/bea/pubs.htm.

Aggregate and align financial and human resources to support successful action

Indicators: investment in activities to support entrepreneurial culture

The following could help determine the level of investment in the state's entrepreneurial culture:

- Funds raised/invested in support of various entrepreneurship-related initiatives:
    - Awareness/acculturation
    - Education (curriculum, experiential learning, commercialization)
    - Financial community engagement
    - Cultural research (public attitude surveys)
    - Benchmarking studies
    - Evaluation

Sample tactical metrics

The following could be collected to verify and determine the extent to which the following are taking place:

- Foundation, benefactor, private-sponsor, and others convened in a statewide entrepreneurship funders collaborative
- Entrepreneurship integrated into the missions of more state funding institutions
- Creation of a website to track progress and monitor identified strategies, tactics, and desired outcomes