



The Creation of
**INCLUSIVE
ENTREPRENEURIAL
ECOSYSTEMS**

**How Technology-Enabled Hub and Spoke Models
are Helping Small Business Communities Thrive**



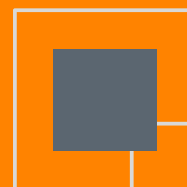
INTRODUCTION

The recent economic crisis, induced by the COVID-19 pandemic, ignited waves of federal relief programs to save America's small businesses. Within weeks, reports revealed that millions of minority-owned small businesses were unable to, or were denied access to, these critical programs and resources. As traditional entrepreneurship infrastructure failed, attention turned toward innovative organizations developing and deploying unique models for entrepreneurship-led economic development and small business support. Built on a "Hub and Spoke" system and practiced in some communities for decades, this model became widely recognized during the economic crisis as a viable solution for strengthening outreach to historically marginalized communities.

This white paper examines the Hub and Spoke model as a framework that can be used to catalyze equitable, impactful, scalable economic impact in diverse communities through entrepreneurship. The selected case studies present current examples of economic development strategies leveraging Hub and Spoke networks and technology-enabled data-driven tools to create small business ecosystems with "no wrong doors." The objective was to democratize access to all of the resources that will help their small businesses thrive, and to measure the impact of their work.

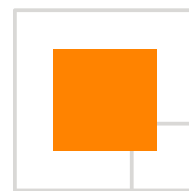
This white paper was first published by Startup Space, LLC, in June 2021 and was re-released with updates in January 2022 under the company's new name, Economic Impact Catalyst (EIC). EIC is a leading provider of technology-enabled solutions, including the Startup Space platform, and data analytics for entrepreneurship-led economic development. Today, EIC's solutions are used to help entrepreneurs from underrepresented communities build wealth, autonomy, and improve outcomes for their communities in more than 100 U.S. markets.

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Part One

THE FIRST LESSON OF THE COVID CRISIS:

Traditional Entrepreneurship Infrastructure (or lack thereof) is Failing Minority-Owned Small Businesses

The historic events of the COVID-19 pandemic and racial justice movement of 2020-2021 have revealed insights for nearly every sector of our society. The insight for traditional entrepreneurship infrastructure in the United States—particularly in the areas of banking and finance—is that during that time frame, the infrastructure essentially failed underserved communities, especially women and minorities. That’s a strong statement to make, but there’s a growing body of evidence to show that it’s an accurate take.

Consider:

In a story highlighting the experience of minority-owned companies applying for the first round of Paycheck Protection Program (PPP) loans, the Associated Press reported, “Loan data analyzed, according to ZIP codes, found that in that first round of funding, six loans were approved for every 1,000 people living in the 20% of ZIP codes with the greatest proportions of white residents; nearly twice the rate of loans approved for people living in the 20% of ZIP codes with the smallest proportions of whites [emphasis added].”

In a report on the results of its Business Owners of Color and COVID-19 survey, Reimagine Main

Street—a multi-stakeholder, cross-sector initiative focused on helping small business and their workers recover from effects of the pandemic—found that the success rate of white applicants [for PPP loans] was 30% compared to a success rate of 29% for Black applicants.

Research group, The Brookings Institution, reported that as minority business owners struggled, many were forced to take high-interest loans from online lenders.

While news reports might couch the problem as “low participation in COVID-19 relief programs by minority-owned small businesses,” let’s be clear: these business owners are not to be faulted. Historical discrimination (as well as current,

¹Rosenberg and Myers, “Minority-owned companies waited months for loans, data shows”, AP News, 31 Dec. 2020, <https://apnews.com>.

²Reimagine Main Street, “Business Owners of Color and COVID-19”, 10 Dec. 2020, retrieved from: irp-cdn.multiscreensite.com.

³Liu and Parilla, “New data shows small businesses in communities of color had unequal access to federal COVID-19 relief”, Brookings, 17 Sep. 2020, <https://www.brookings.edu>



ongoing discrimination) and a legacy of predatory lending by large banks within these communities, combined with financial readiness requirements that are unachievable for many in the short-term, contribute to a high proportion of minority-owned businesses being unbanked or underbanked. And when the only access to relief is through those very banks, “low participation” is almost inevitable.

In one analysis of several sources conducted by the New York Times, including data from the Small Business Administration which manages the loan program, and interviews with small businesses and bankers, “Black- and other minority-owned businesses were disproportionately underserved by the relief effort, often because they lacked the connections to get access to the aid or were rejected because of the program’s rules.”⁴

When an industry or ecosystem seeks to serve a group of people or businesses, but doesn’t acknowledge that its processes or requirements present barriers that prevent those same people and businesses from participating, it has to be said to be failing them.

The Role of Technology: A Transformational Solution

For economic and community developers committed to inclusivity, equality, or diversity, learning that thousands of minority-owned businesses are at a disadvantage in recent government loan programs was, of course, wholly unacceptable but came as no surprise.

It was obvious years ago that the small business sector faced big challenges—not least of which was connecting the disparate components of the entrepreneurial ecosystem into a cohesive, coordinated, accessible whole. This is why the Startup Space platform, operated under parent company Economic Impact Catalyst, was founded in 2018. The founder, David Ponraj, had struggled as an immigrant entrepreneur to find resources for his small business and set out, instead, to create new models for entrepreneurship support.

At the time of COVID-19 shutdowns and anti-racist uprisings, more than 40 communities across the country, that shared a mission to

⁴ Cowley, S. “Minority Entrepreneurs Struggled to Get Small-Business Relief Loans,” New York Times, 4 April 2021, www.nytimes.com/2021/04/04/business/ppp-loans-minority-businesses



democratize access to entrepreneurship, were already implementing Startup Space's tech-enabled, data-driven small business community platform.

Because the Startup Space platform offers unified systems for managing entrepreneurial programs, resources, and data online, both new and existing clients immediately sought new solutions as the shutdowns began, looking for support in expanding outreach and pivoting to virtual programming focused on vulnerable communities. They turned to platforms like Startup Space because the value of having a technology and data platform in place was salient, and the need to break down the barriers to entrepreneurship and democratize access to resources was urgent. As a result, the number of communities leveraging the Startup Space platform as their entrepreneurship infrastructure nearly doubled between April and August of 2020. In supporting their relief efforts, a new model emerged as the gold standard for how business support and technical assistance would be effectively delivered to the 19,000

entrepreneurs served by the hubs (or communities) using the Startup Space platform, powered by EIC.

A Shift in Small Business Support & Entrepreneurial Ecosystem-Building

"Paradigm shift" is an understatement in characterizing all that has changed in the small business sector since 2020. Any economic or community development organization that hesitated on the innovation curve in response to racial injustice (more inclusive/responsive) or COVID-19 (virtual, revamped programming) is now being left behind in the race for recovery and equitable economic impact.

In working with communities across the country, we have seen that those ahead of the curve are adopting three key innovation strategies in economic and community development to advance entrepreneurship:

#1. Formalizing new roles to achieve impact for underserved communities

Roles once secondary in ecosystem building have been substantially elevated in the past year.



Trusted Connectors

During the 2020-2021 crisis, economic and community developers more frequently activated community partners with specific relationships to help reach target populations in the small business sector. These partners became “Trusted Connectors.” Where programs were once “siloes,” working through networks and connections of ambassadors is now widely accepted.

In Detroit, for example, reaching the immigrant business community was a priority as these small business owners were being inundated with misinformation about relief programs; for them, separating credible information about relief programs from spurious information was extremely difficult. The organizations with legitimate, reliable technical assistance, resources, and support needed a conduit to the immigrant community: a partner whose credibility and reputation they could leverage. They found that conduit in Global Detroit, an economic and community development organization serving the immigrant-owned business community in Southeast Michigan.

Trusted Connectors act as ambassadors. Like Global Detroit (globaldetroitmi.org), they broker trust and provide guidance to overcome specific barriers. This is especially important for BIPOC founders who are often offered programs and support services that are not designed to meet their unique needs or do not recognize their unique challenges. Trusted ambassadors can also help facilitate feedback and design solutions for underserved entrepreneurs. As one “Minority-Owned Business” columnist wrote in Entrepreneur, “To find solutions that work, it's incredibly important that ideas for development are shaped within communities, instead of from outsiders purporting to understand a community’s perspective and needs.”⁵

Ambassadors can break down language and technology barriers, connect businesses to accessible capital and culturally-aware technical assistance, advocate for policy change, and build trusted networks for their small business ecosystem.

⁵Thames, G. “To Fuel Inclusive Entrepreneurship, Give Communities a Voice”, Entrepreneur, 6 May 2020, <https://www.entrepreneur.com>.

Community Navigators

In addition, many entrepreneurial community leaders are now recognized as “Community Navigators.” This role fulfills the function of helping a small business owner/entrepreneur find appropriate resources and support. Community Navigators can canvass a multitude of available resources; from mentoring and advisory services to educational or accelerator programs, technical assistance, or cultural support to manage founder strife. Funders of entrepreneurship initiatives, particularly foundations with an economic focus, are now looking for organizations that can serve in this essential intermediary role. Organizations in the Community Navigator role often feature resource mapping prominently in their strategy and convene other actors in the ecosystem around the mission to “create a culture of entrepreneurship” in their communities.

#2. Adopting “Hub and Spoke” models to improve program design and inclusivity

The year 2021 and the passing of the Cares Act, in particular, brought forward a rise in entrepreneurship-led economic and community development strategies. This trend in the traditional economic development arena, combined with a critical need to deliver entrepreneurship support, has led to more centralized coordination—not only of entrepreneurial support activity and resources, but also of crucial data to measure and demonstrate impact and progress toward outcomes.



Hub and Spoke Ecosystem
Models Grow Nationwide

Ecosystem builders are increasingly using a “hub and spoke” model. In a hub and spoke model, one organization or central partnership (the “Hub”) is responsible for passing information along to others in the network (the “Spokes”). The spokes are Trusted Connectors and support organizations that are better positioned to directly reach underserved communities. The Hub is often a first point of contact for entrepreneurs looking for support. Where the Hub helps small businesses navigate the ecosystem to find the right resources at the right time, the Spokes interface directly with them.

The building blocks in the hub and spoke models we are seeing in rural and urban ecosystems across the country include:

Conveners: Actors that “promote entrepreneurs, organize the ecosystem, and build awareness.”⁶ Conveners focus on fostering the ecosystem and creating a culture of entrepreneurship.

Community Navigators: A role that can be held by multiple organizations or individuals that are knowledgeable of the resources available in the community and serve to help entrepreneurs find the right resources at the right time.

Support Organizations: Groups dedicated to training, supporting, educating, or funding, or that otherwise interact directly with entrepreneurs.

Trusted Connectors: Culturally competent and knowledgeable organizations or individuals with established relationships in target communities.

The hub and spoke model allows the creation of a centralized structure to leverage funding opportunities and improve entrepreneurial outcomes and outreach. It promotes diversity in the types of organizations that are involved and invested in the ecosystem by clarifying needs and supporting the flow of information.

⁵

In addition to making space for support organizations not typically involved in entrepreneurship (but that can offer important resources), the hub and spoke model helps overcome the fragmentation problem that occurs in ecosystem building; fragmentation happens when actors with common target populations are not incentivized to coordinate strategies. Further, the hub and spoke model accommodates strategically important stakeholders that might

⁶ Ewing Marion Kauffman Foundation, “Entrepreneurial Ecosystem Building Playbook 3.0”, Retrieved 14 June 2021 at: <https://www.kauffman.org>.

otherwise be left on the sidelines (e.g., chambers of commerce, private and community foundations, churches and community nonprofits, etc.). A hub and spoke approach ensures these organizations are able to contribute materially to the ecosystem and can work alongside accelerators and incubators, angel groups and VCs, universities, and other typical actors to foster an entrepreneurial ecosystem inclusive of marginalized and underserved communities.

Because the network created by the hub and spoke model holds space for more diverse actors to play a role in the ecosystem, it creates a “no wrong door” effect. The result is that entrepreneurs can enter the ecosystem through any number of points in the network—from the church, to the SBDC, to the local chamber of commerce—and be assured they will be routed to any and all appropriate resources in the network. Thus, it is useful in breaking down the silos traditionally present in an entrepreneurial ecosystem. This interconnectedness among technical assistance providers, including SBDCs, women’s business resource centers, community colleges, mentorship networks, and others—particularly when facilitated by a tech- and

data-enabled platform—results in a system that organically builds coordination and data sharing, and makes resources and programs more accessible to the target population(s).

Examples of Hub and Spoke Ecosystems

In Colorado, [The Commons on Champa](#) in downtown Denver and the Longmont Economic Development Partnership have assumed the “hub” role and duties of community navigation in their respective areas.

In Michigan, the [New Economy Initiative](#) is a central hub coordinating the effort to build and fund a culture of entrepreneurship and innovation for underserved entrepreneurs.

In Illinois, the [Illinois Small Business Development Center at Champaign County EDC](#) serves as a resource hub connecting entrepreneurs to resources throughout the region.

Myriad organizations serving wide-ranging missions make up the hundreds of spokes connected to the hubs across these communities using Startup Space. Most are conventional ecosystem players, such as small business resource centers or accelerators, but many are nontraditional partners providing resources ranging from childcare support and financial literacy to translation or transportation services and mental healthcare.

#3. Leveraging technology to build capacity and enhance services

Before the COVID-19 pandemic, virtual entrepreneurship platforms were a “nice to have.” With physical spaces closed and a mandate for improving outreach in marginalized communities, virtual platforms rapidly became a “must have.” And even as COVID-19-related vaccination efforts proceed and restrictions are lifted in 2022 and beyond, the general sentiment among leaders in the entrepreneurship arena is that virtual programming and services are here to stay. Additionally, funders are increasingly seeking programs that are innovative and are able to leverage technology to enhance the small business support mission.

Select examples demonstrate how technology is building capacity and enhancing programming for underserved entrepreneurs:

In Nevada, the statewide SBDC received a Google Impact Challenge grant to implement the Nevada Entrepreneur Network, a virtual entrepreneurship platform to increase business formation in the state by seamlessly connecting entrepreneurs to support. Utilizing the Startup Space platform, the Nevada Entrepreneur Network operates as a hub through regional spokes in Reno and Las Vegas but also through SCORE (SBA’s mentoring program), StartupNV (an incubator), and the state’s Department of Business & Industry. (Technically speaking, because each of the spokes listed above functions as its own hub, Nevada Entrepreneur Network can be viewed as a “super-hub” to aggregate, amplify, and coordinate the work of “sub-hubs”. We’ll discuss this approach in subsequent sections of this white paper.

In Southeast Michigan, the New Economy Initiative formed out of a community foundation to enable a network of inclusive business support in the region. In 2021, NEI



launched a three-year \$22 million fund for its network of nonprofit business support organizations (BSOs) in the region. With funding in part from NEI, this network provides small businesses with inclusive access to capital, assistance, information, and trusted connections to business resources. NEI is now investing philanthropic dollars to establish a virtual

platform via Startup Space to manage the portfolio, support BSOs, and provide hubs for the BSOs it supports. This ensures BSO services reach more underserved entrepreneurial communities. NEI funds a local full-time staff role with Startup Space to ensure a Trusted Connector is wholly involved in the strategy, implementation, and process.

The role of technology in these entrepreneurial hub-and-spoke ecosystems is significant in catalyzing entrepreneurship-led economic development:

As a tech- and data-enabled community platform, Startup Space is a tool used by economic developers to support central organizations (Hubs) and measure outcomes in their strategic efforts to:

- Strengthen partnerships among actors in the entrepreneurial ecosystem
- Unify a once fragmented ecosystem and encourage coordinated strategic planning across mission-aligned organizations
- Increase access to resources and support for underserved communities
- Streamline the flow of information and triage support for entrepreneurs
- Reduce the burden of data collection and simplify the workflow involved in programs
- Survey target populations to evaluate program effectiveness, identify needs and analyze resource gaps
- Provide a system for partners to manage small business training, assistance, or grant programs and track outcomes
- Collect data and draw economic insights, report impact, and make decisions based on current, relevant data

Part Two

HOW TO LEVERAGE TECHNOLOGY IN A HUB AND SPOKE MODEL

A hub and spoke model has quickly emerged as the most impactful, contemporary structure for inclusive entrepreneurial ecosystem building. Not only does it help to reach target underserved populations, it enables organizations that have historically been excluded (community nonprofits, schools, and churches, for example) to directly contribute to wealth creation through entrepreneurship.

However, the hub and spoke model is not easy to sustain without a system that provides the infrastructure to centralize the core activities an ecosystem must facilitate in order to advance entrepreneurship.

To meet the need for a unified community and a data platform for entrepreneurial ecosystems, Startup Space powered by EIC, began implementing these systems in 2019. By the end of 2021, the Startup Space platform provided support infrastructure and online portals for small business communities in more than 100 markets. These markets vary from 50 to 500 miles in range and represent urban and rural communities in 20+ states. These hubs have mapped 19,000 entrepreneurs and 7,400 resource providers/spokes using the platform.

Technology platform functions for economic impact include:

- Building/hosting dynamic searchable digital maps of local resources
- Creating a centralized entry point for entrepreneurs to connect and access information and resources
- Coordinating activities across the ecosystem, such as programs and events
- Tracking small business outcomes over time
- Tools for collecting data/surveys from the small business community to determine needs
- Providing real-time dashboards with insights into the entrepreneurial ecosystem

Entities leveraging technology in entrepreneurship-led economic development:

Types of organizations that have successfully implemented the Startup Space platform as the backbone infrastructure for their entrepreneurial ecosystem include:

- Community Governments
- SBDCs
- Coworking Spaces & Entrepreneurship Centers
- Economic Development Organizations & Partnerships
- Community Colleges
- Chambers of Commerce
- Community Foundations

The Hub and Spoke Model in Practice

A hub and spoke model provides the framework an entrepreneurial ecosystem requires to maintain its structure and optimize interconnectedness. It helps to clarify complex relationships and coordinate the work of infrastructure and support organizations. The model functions best when an inclusive system is in place. While technology alone won't solve racism or economic crises, it can help determine whether or not resources are readily accessible to all small businesses and entrepreneurs regardless of race, gender, location, or social status. Technology offers a way for a hub and its spokes to communicate, coordinate, and include underserved communities.

Used well, a hub and spoke strategy can foster engagement throughout the entrepreneurial ecosystem.

Prevailing Hub and Spoke Models

Over the past five years of implementing platforms for entrepreneurship-led economic development, two sustainable, scalable hub and spoke models have emerged:

- **Central Hub and Spoke:** A central hub serving to organize resources ("spokes") and provide entrepreneurs with a map to navigate the ecosystem
- **Super-Hub and Spokes:** A network of "sub-hubs" operating under a "super-hub" that provides operating support and resources for network members

We will explore both models and real-world examples in the next section.

Central Hub and Spoke Model: A central hub serving to organize resources (“spokes”) and provide entrepreneurs with a map to navigate the ecosystem

In this model, the relationship between the hub and spokes is informal. The hub is an ecosystem convener that typically funds the system through federal or state programs or through philanthropic giving from corporate partners or foundations focused on economic development. A common goal to foster entrepreneurship connects the hub and spokes together. In this scenario, the Startup Space platform becomes a public-facing resource for the entrepreneurial community and a behind-the-scenes toolkit for organizers.



Roles and Responsibilities in a Central Hub and Spoke Ecosystem Model

The Hub

- Help foster the connected network and environment for entrepreneurs to start and build their businesses
- Identify and map partners and resources that are aligned with the region’s needs
- Organize information and resources across the ecosystem
- Lead programming involving the community-at-large (e.g. events, mentoring, pitch competitions)
- Curate a resource “map” to help entrepreneurs navigate the ecosystem
- Work with Trusted Connectors to make the ecosystem more inclusive

The Spokes

- Interface with entrepreneurs and small businesses
- Provide entrepreneurs with assistance, training, education, funding, and other support
- Work with Trusted Connectors to reach underserved communities

The Platform

- Provide the necessary tools, technology and data for the model to work
- Create a single, accessible online portal for entrepreneurship stakeholders
- Map the network of support organizations and resources
- Onboard all platform administrators and provide ongoing support
- Provide real-time insights through easy-to-use admin dashboards within the platform

Working Central Hub and Spoke Models



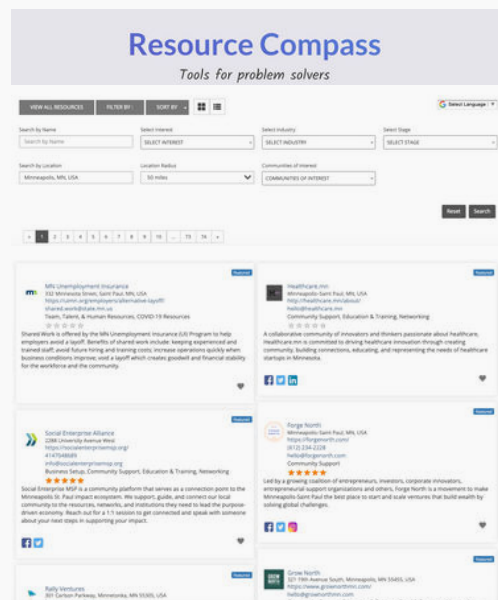
Oklahoma City, OK

In Oklahoma City, Launch OKC Metro (www.launchokcmetro.com) is a portal and resource map built on the Startup Space platform. To build the portal, a group of ecosystem partners including a college, accelerator, and chamber of commerce came together to map the region's resources for entrepreneurs. The portal is branded under Launch OKC Metro to convey a community-owned experience for the region's small businesses and microbusinesses.



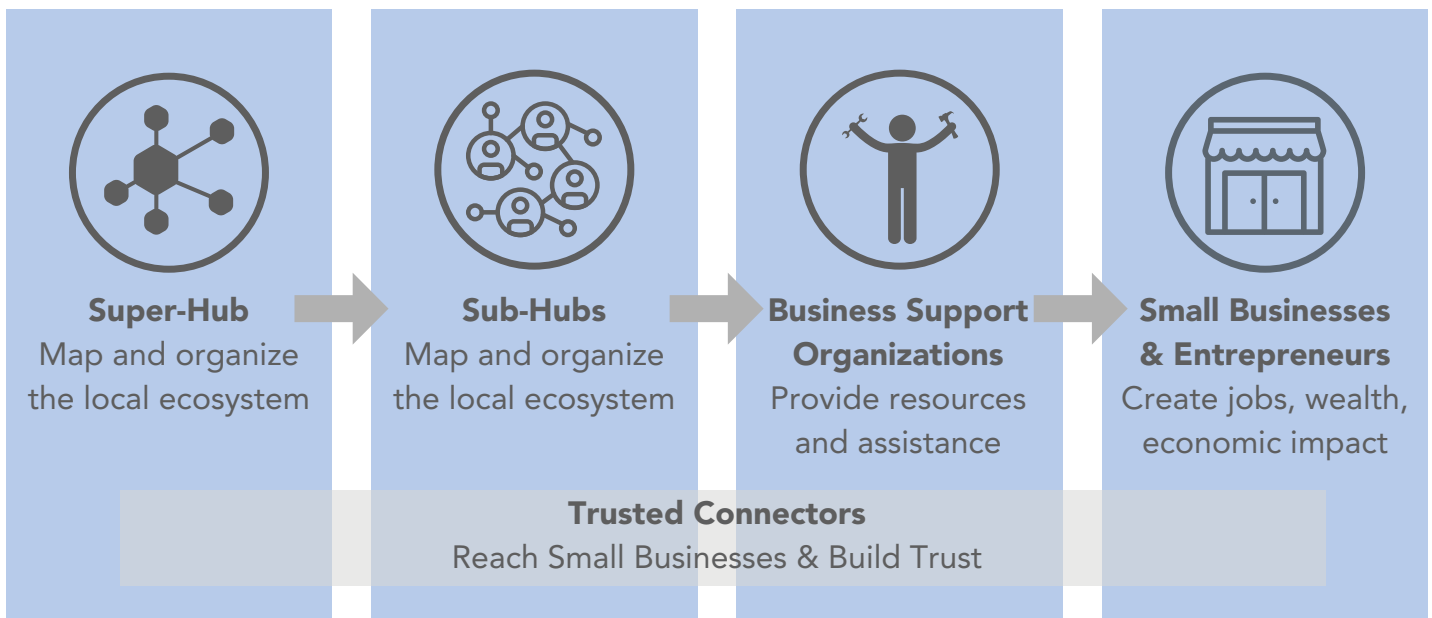
Greater Minneapolis, MN

Funded by the Bush Foundation and other philanthropy in Minnesota, Greater MSP assembled an asset map and ecosystem navigator tool under the Forge North brand (www.forgenorth.com) to provide a comprehensive set of resources for small businesses and entrepreneurs. Resources are tagged to reflect intentionality around underrepresented small business resources. This serves as a statewide single-stop for entrepreneurship support organizations (ESOs) to be able to connect their resources to small businesses.



"Super-Hub" Model: A network of "sub-hubs" operating under a "super-hub" that provides operating support and resources for network members

This approach on the Startup Space platform starts with a Super-Hub. A Super-Hub is an organization that brings a group of hubs (Sub-Hubs) together to amplify the impact of entrepreneurship in a regional or national economy. The Super-Hub organization can look like an economic development organization (EDO), a philanthropic organization or community foundation, or a government agency. The Sub-Hubs are infrastructure organizations working to advance entrepreneurship and business growth in the region.



In this scenario, the relationship between hub and spokes is formal. The Sub-Hubs may be recipients of operating support and direct funding or grants from the Super-Hub. The Super-Hub may implement common systems to build capacity, provide data and insights for decision-making, build public awareness, and drive policy. The Super-Hub may be funding this work through federal or state

initiatives,⁵ philanthropic support, or corporate giving tied to regional economic or community development. The Startup Space platform serves as the common system for the structure—providing a public-facing community platform and toolkit for each Sub-Hub and a system for the Super-Hub to manage the group, measure impact, and provide critical data and analysis.



Roles and Responsibilities in Super-Hub/Sub-Hub Ecosystem Model

The Super-Hub

A regional, statewide, or national organization supporting a portfolio of ecosystem Sub-Hubs

- Identifies Sub-Hubs and initiatives that are aligned with the ecosystem's needs
- Provides operating and financial support for infrastructure organizations to build capacity in serving their respective communities within the ecosystem; makes entrepreneurship support work feasible
- Develops common systems that build capacity for entrepreneurial support in the ecosystem
- Helps to identify asset gaps, mobilize resources, advocate for policy, and guide program design

The Sub-Hubs & Spokes

Infrastructure organizations working to improve the entrepreneurial ecosystem in their areas

- Maintain their own inclusive hubs with local resources for the entrepreneurial community
- Help create the cohesive environment entrepreneurs need to be successful
- Organize information and resources across the ecosystem
- Lead programming involving the community-at-large (e.g. events, mentoring, pitch competitions)
- Conduct outreach and promote entrepreneurial opportunities
- Curate a resource "map" to help entrepreneurs navigate the ecosystem
- Work with Trusted Connectors or provide trusted connections to business resources, capital, information, and assistance

The Platform

Technology and data provider with community/hub platform and toolkit

- Provides the ability for the Super-Hub to manage the grant process end-to-end
- Provides real-time performance reports for the network
- Provides a unique virtual hub for each Sub-Hub, including customized branding, resource maps, and system configurations
- Provides a central virtual destination for the Super-Hub to manage the portfolio, including funding, data, and resources
- Provides onboarding, training and ongoing support to ensure successful implementation of a community and data platform for the Super-Hub and each Sub-Hub in the portfolio
- Consults on data analytics and impact reporting

Working Super-Hub Models



State of Tennessee

Launch Tennessee's (launchtn.org) mission is to empower Tennessee's bustling entrepreneurial ecosystem by facilitating capital formation, market building, and resource connection through their Network Partners. They work formally with seven regional infrastructure network partners in both urban and rural areas and with five statewide partners with specific niches, including Bunker Labs (veteran and military spouse entrepreneurs) and BioTN (biotech startups).



State of Nevada

Nevada SBDC wanted to help fill the void for a centralized hub. With funding from a Google Impact Challenge grant, they launched the Nevada Entrepreneur Network (nve.network). It includes two regional hubs led by infrastructure organizations in Reno and Las Vegas that work to advance entrepreneurship across widespread areas. Statewide partners include the State of Nevada, SCORE, and others.



National Association for Community College Entrepreneurship

Based in Cary, NC, the National Association for Community Colleges for Entrepreneurship (NACCE, www.nacce.com) uses a Super-Hub model in its mission to support local economies via entrepreneurship. It launched the Everyday Entrepreneur Venture Fund as a grant program with network community colleges (Sub-Hubs) which then provide underfunded community college entrepreneurs with resources, connections, and support to launch businesses. The Super-Hub uses the Startup Space platform to connect the network community colleges to centralized resources and provide them with tools and funding to support their work in the local ecosystems. The entrepreneurship centers at the community colleges serve as Trusted Connectors to deliver technical assistance to ensure the venture fund's investments result in the launch and growth of student-owned businesses.

Part Three

THE TECH-ENABLED HUB AND SPOKE MODEL

The community and data-insights technology platform, Startup Space powered by EIC, is the result of three years of collaboration with entrepreneurial ecosystem builders who wanted a better way to do their work and measure the impact. This process has enabled us to focus technology development on the most critical functions that an entrepreneurial ecosystem needs to thrive. As of early 2022, this platform provides the backbone infrastructure used by economic developers to support small businesses in more than 100 markets across the country.



A Tech-Enabled Toolkit to Support Entrepreneurial Ecosystems

Core functionality of the Startup Space technology solution built by Economic Impact Catalyst to accelerate entrepreneurship, facilitate small business assistance, and measure the impact of entrepreneurship-led economic development includes:

Community Platform Plus: More than a customer relationship management (CRM) or workflow management tool, ecosystem builders wanted a unified system that supports the entrepreneurial community at-large. A hub can now use the back-end of Startup Space to manage workflow and track ecosystem activity. Entrepreneurs can use the front-end platform to access resources and support—and manage their own work! (See the next section, “The Platform That Communities Need to Thrive”). The access point to the virtual hub can be integrated or embedded into the client’s existing website and platforms while maintaining their own brand integrity.

Workflow Management: In addition to managing the community, hubs can use Startup Space to manage: resource mapping and partner (spoke) engagement; cohort-based training; learning system and knowledge center; coworking space; events and community calendar; mentoring and business advising; and surveys and data collection.

Performance Reporting & Data Migration: Hubs need to be able to report on their performance and sometimes have a need to import/export data. Startup Space makes this process easy by enabling import/export using XML files.



Toolkit, continued

Dynamic Resource Mapping:

Ecosystem builders are tired of costly one-and-done resource maps and they want to own the decision for what resources are mapped. Startup Space created the Resource Compass to simplify how resource maps are built, organized and maintained, putting the hub in full control (though we often share guidance and best practices). The system allows resource "owners" to easily update their profiles, but hubs are in control of what and who gets added to the resource map. Pricing is not based on volume, so there is no cost pressure to limit the number of resources in a hub.

Data Collection and Impact

Measurement: Ecosystem builders need data to inform their work and support fundraising efforts. Moreover, they need a system that eases the burden of data collection, management, and analysis. Hubs can rely on Startup Space to collect standardized data and track various activities; they can use real-time dashboards to draw insights into the entrepreneur's journey and monitor the health of their ecosystem day-to-day. Longitudinal individual data and aggregated data can be used to track program efficacy and resource gaps,

report (and celebrate) outcomes, design interventions, and change policy.

Custom Configuration: We've seen how every community is different. Modules (e.g. cohort management, coworking) on the platform can be switched on/off to ensure the toolkit meets the entrepreneurial community's needs. Some, in different settings such as universities or accelerator programs, choose varying levels of access so that only invited members may join the hub, while anyone using their website can search the Resource Compass.

Portfolio Management and Analytics for Super-Hubs: Super-Hubs need a dashboard featuring metrics specific to their portfolio and investments in Sub-Hub organizations and their outcomes. This dashboard rolls up all the Sub-Hub data, enabling the Super-Hub to have a universal picture of the ecosystems they support.

Inclusive Design: The digital divide is still very real for many communities—particularly those that are rural, underrepresented and/or marginalized. We made our system accessible via desktop and mobile devices so it can be used via a



Toolkit, continued

cellular network without an internet connection. It is ADA compliant and integrates Google translation technology. In addition, the system incorporates inclusive technology that improves resource navigation based on an entrepreneur's stage of business, cultural identity and more.

Transparent Managed Services:

Ecosystem building is still a relatively new field and using technology can feel like a big step. We provide a dedicated Client Experience team member to share best practices, troubleshoot, check-in once a month, and ensure everyone understands the investments required to be successful; including the time needed for support, onboarding (of staff and users) and ongoing training (in-person and self-directed online).

Flat License Fee: Entrepreneurial ecosystems are fluid, and funding the work is tricky enough as it is. Unlike software-as-a-service (SaaS) platforms, Startup Space went with a flat-fee pricing structure so hubs could control the budget and have peace of mind about the number of users joining their platforms (because doing otherwise would have a chilling

effect). A license to the Startup Space platform is typically for a three-year period based on how the client is funded to do their work.

End-to-End Grant Management:

Grantees (Sub-Hubs) can manage the grant process through Startup Space; from tracking technical assistance and other grant requirements to measuring business impact and providing coaches and Trusted Connectors with a platform and set of tools to conduct their programming and track progress. Granting organizations (Super-Hubs) get real-time metrics and reports that minimize the burden of reporting on the grantees. The small business data can also be measured on a continuum across multiple programs and services utilized.

A National Professional Network: We gather economic development professionals to advance the practice of entrepreneurship-led economic development. This network of practitioners meets regularly to share experiences, best practices and resources. Effective use of technology to measure impact is a core topic, as well as access to capital, policy, storytelling, and more.



A Platform for Small Business Communities to Thrive

Ecosystem builders in the EIC/Startup Space network want to be able to provide their communities with inclusive access to resources, support, practical assistance, capital, and more. This is the heart of our mission, and Economic Impact Catalyst exists to help communities create this solution.

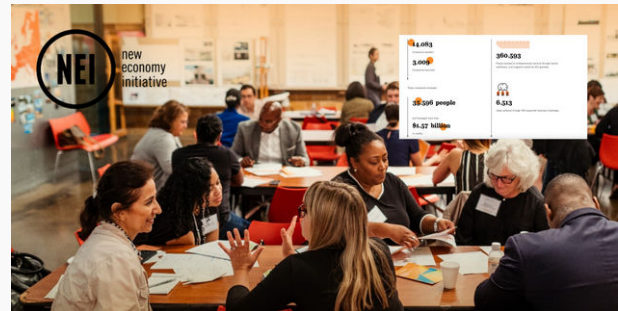
Here's what the small business and entrepreneur community experiences through the Startup Space platform and their local portal:

- **Free Membership** - Community members may join any time; there is never a fee for them to access Startup Space. Members belonging to multiple hubs can easily switch between them while using the platform.
- **Easy Access** - The virtual hub on Startup Space is available 24/7/365 via desktop or mobile device.
- **Resource Compass** - This searchable, vetted resource map empowers the entrepreneur in navigating the ecosystem while also increasing public awareness for the spokes' programs and helping Trusted Connectors make recommendations.
- **No Login Required** - Select resources can be made accessible without the need to log in to the hub. Many hubs choose this setup for the Resource Compass and Community Calendar.
- **Personalized Profiles** - Members may choose up to three personas from dozens of options to indicate their roles in the ecosystem (entrepreneur, mentor, lender, service provider, volunteer, investor, etc.). This ensures a role and sense of belonging for any interested stakeholder, while making it easy for the hub to standardize data and identify groups of stakeholders.
- **A Locally-Branded Experience** - The Startup Space environment is customized to reflect the brand identity of the client/hub. The experience for the entrepreneur or small business owner, from any point of entry, is cohesive and feels specific to the hub.
- **Connect Now** - Members can engage in peer-to-peer or community-wide conversations about starting and growing a business.



Platform, continued

- Knowledge Center - Members can access the hub's compendium of articles, videos, business startup tools and templates, and other content related to the entrepreneurial journey.
- Mentors & More - Members can easily find and access the hub's mentoring, business advising, coworking spaces, and other services offered by the hub and spokes.
- Programs & Events - Members can access and search a calendar of the hub's/spokes' events and learn more about/apply for business development programs.
- Workspace & Inbox - Members can organize business information and documents, share files, send direct messages, and receive push alerts.
- News - Members can read recent news from their local entrepreneurial ecosystem and get or share updates



"Follow NEI's journey in creating an inclusive small business support network."

The evolution of Detroit's entrepreneurial ecosystem has been documented by the New Economy Initiative as a resource for entrepreneurial ecosystem builders at: neinsights.org

Key Terms

Ambassadors: Individuals or organizations who hold trust within segments of the community and can represent its interests and create connectivity between it and other actors in the ecosystem. See also, Trusted Connectors.

Entrepreneurial Ecosystem: “Collections of actors and factors in a physical place that interact in a way that influences entrepreneurs and produces entrepreneurship.”⁷ It “consists of a set of individual elements—such as leadership, culture, capital markets, and open-minded customers— that combine in complex ways.”⁸The terms “ecosystem” and “network” are often used interchangeably in the Hub and Spoke model.

Entrepreneurship Support Organizations:

Groups dedicated to training, supporting, educating, and/or funding or that otherwise interact directly with entrepreneurs.

Community Navigator: A knowledgeable organization or individual helping entrepreneurs get oriented within the ecosystem and identify and access appropriate resources and support.

Conveners: Actors that “promote entrepreneurs, organize the ecosystem, and build awareness” in order to create a culture of entrepreneurship in a community.⁹

Entrepreneurship: According to Professor Howard Stevenson at Harvard Business School: “entrepreneurship is the pursuit of opportunity beyond resources controlled.”

Hub: An organization or group of organizations serving as the center point of an entrepreneurial ecosystem and as an organizer of activity in the network. Typically broad in its scope of services for the entrepreneurial community.

“Hub and Spoke”: In the context of entrepreneurial ecosystems, a structure in which a central organization (hub) passes information to and establishes connections with entrepreneurs through various elements or partner organizations (spokes) within the ecosystem.

⁷ Feld and Hathaway, *The Startup Community Way*, Wiley, 2020.

⁸ Isenberg, “The Big Idea: How to Start an Entrepreneurial Revolution”, *Harvard Business Review*, June 2010, <https://hbr.org>.

⁹ Ewing Marion Kauffman Foundation, “Entrepreneurial Ecosystem Building Playbook 3.0”, Retrieved 14 June 2021 at: <https://www.kauffman.org>.

Key Terms, continued

Inclusion: Defined by the New Economy Initiative as, “A guiding principle that considers all people, regardless of their abilities, race, ethnicity, or orientation, are entitled to respect and appreciation as valuable members of their communities with equal access to opportunities.”

Small Business: The SBA sets the standards for the size of small business as, “Most manufacturing companies with 500 employees or fewer, and most non-manufacturing businesses with average annual receipts under \$7.5 million.”

Spoke: A partner or support organization offering the network a focused set of programs or resources and able to effectively communicate information and opportunities to entrepreneurs.

Super-Hub: An organization that brings a group of hubs (sub-hubs) together to amplify the impact of entrepreneurship in a regional or national economy.

Sub-Hub: Infrastructure organizations working with support from a Super-Hub to advance entrepreneurship and business growth in the region.

Trusted Connectors: Culturally competent and knowledgeable organizations or individuals with established relationships and close ties to people in target communities.

Underserved Communities: Describes populations that have traditionally faced barriers in accessing credit, capital other resources necessary to start and grow businesses, often women -, veteran-, minority-owned businesses and/or businesses from low-to-moderate income or rural communities.

ECONOMIC IMPACT CATALYST

Economic Impact Catalyst (EIC) creates best-in-class, technology-enabled solutions to support entrepreneurship-led economic development. We work in more than 100 markets in the United States to help entrepreneurs from underrepresented communities build wealth, autonomy, and improve outcomes for their communities. In addition to access to the Startup Space platform, we provide meaningful data and surveys to help our clients understand their impact and drive policy.

Learn more about our solutions, our mission, and our clients at www.economicimpactcatalyst.com.

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