

Launch Chapel Hill: Community Engagement

Internship Recommendations Presentation

KFBS has allowed me to pivot professionally to focus on consulting and entrepreneurship



Carnegie Mellon University

COVINGTON



KENAN-FLAGLER BUSINESS SCHOOL

Ortho | Dermatologics

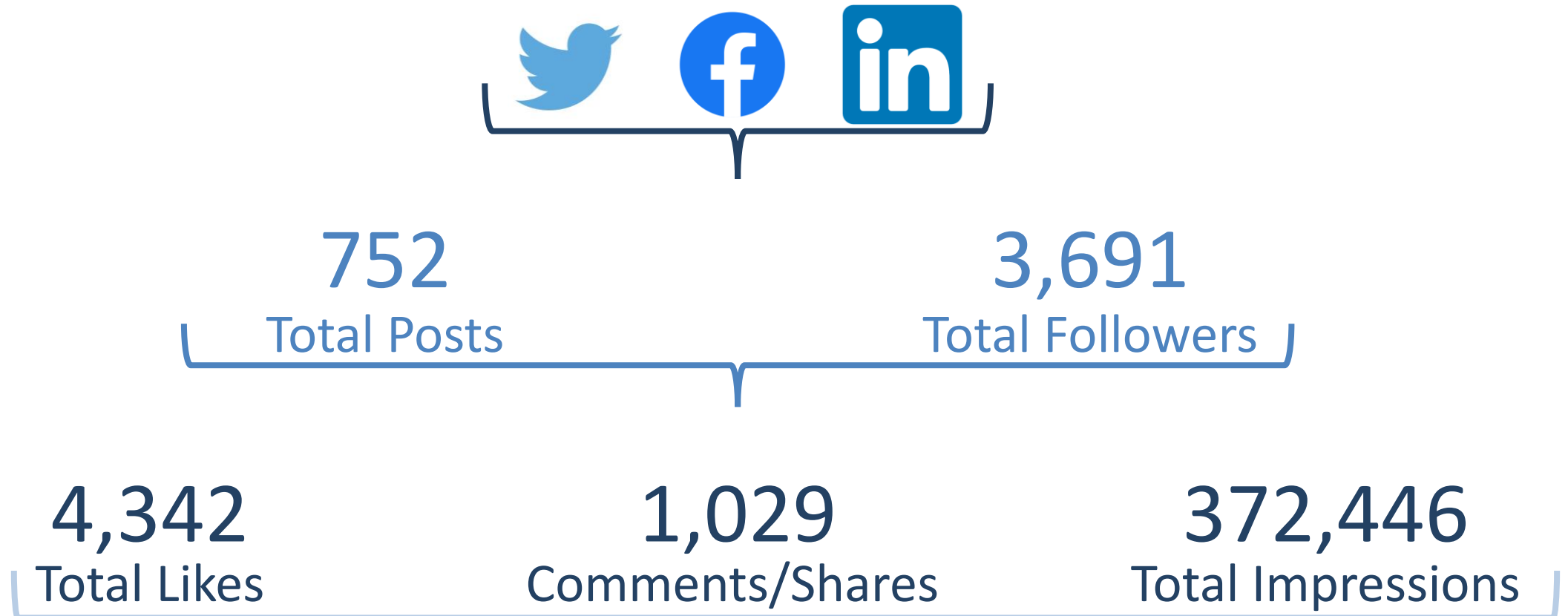
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Launch has made significant progress in community social media engagement since May



Source: Intern Research

Community engagement internship has focused on research to inform go-forward programming

Launch Chapel Hill Mission

Provide community for entrepreneurs to access resources and network they need to grow and sustain their businesses

Key Questions

1. How can Launch and Chapel Hill support existing entrepreneurs?
2. How can Launch and Chapel Hill bring new people into the entrepreneurial community?
3. How can Chapel Hill retain businesses and fill storefronts?

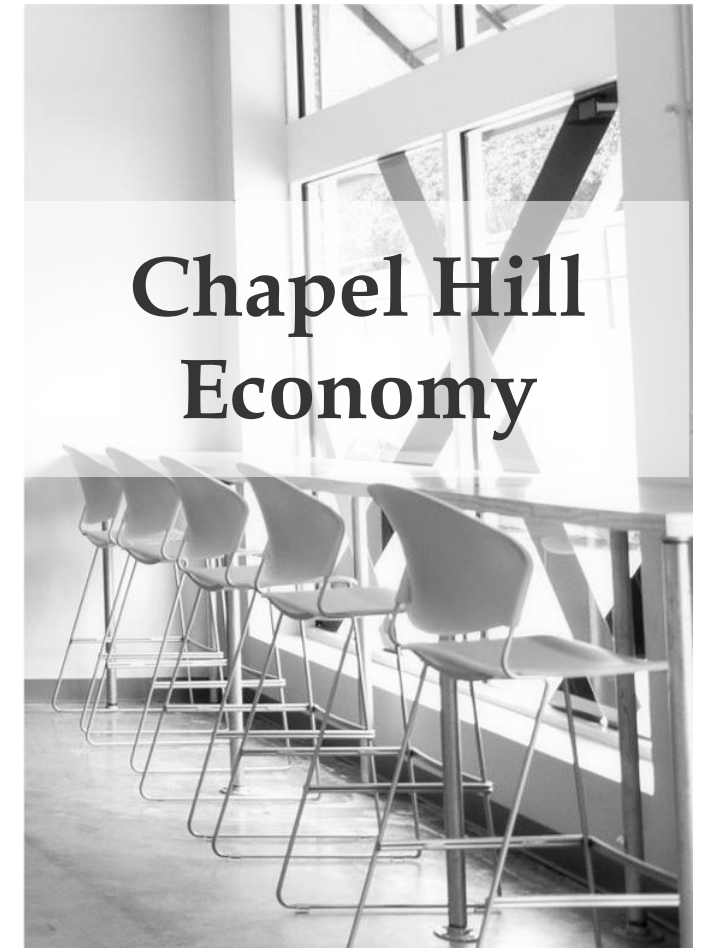
Making Chapel Hill attractive to entrepreneurs requires political change and university support



Existing
Entrepreneurs



New
Entrepreneurs



Chapel Hill
Economy

Customer discovery interviews surfaced challenges in Chapel Hill that other towns also face

Sheryl Waddell
(Innovate Carolina)

Kristin Heimstra
(TAP)

Patrick Mateer
(Seal the Season)

Chapel Hill (Synchronous)

Mike Wesner
(Enrollment Fuel)

Willie Barron
(WAVE)

Megan Miller
(MICA)

Richie Burke
(GoGeddit Marketing
& Media)

Steli Efti & Hiten Shah
(Y Combinator Alumni)

External (Asynchronous)

Ronnie Chatterji (Duke) &
Charlie Williams (Bocconi
University)

Andrew Gillum
(Former
Mayor of
Tallahassee)

Supporting entrepreneurs requires tackling both low-hanging fruit and systemic issues

Resources for new entrepreneurs are overwhelming and difficult to locate

UNC could do more to support Chapel Hill entrepreneurial ecosystem

Young professionals must leave to find affordable housing, parking, transit, & family activities

There is no personal or career growth trajectory for young professionals in Chapel Hill

Launch has the potential to provide a sense of cohesive community



Source: Intern Interviews

Launch, UNC, and Chapel Hill must work together to support our community's entrepreneurs

Relationships with businesspeople help towns retain graduates

Graduate students are much easier to retain than undergraduates

“Sticky” incentives like mortgages, children in school, and spouses with jobs keep entrepreneurs in place



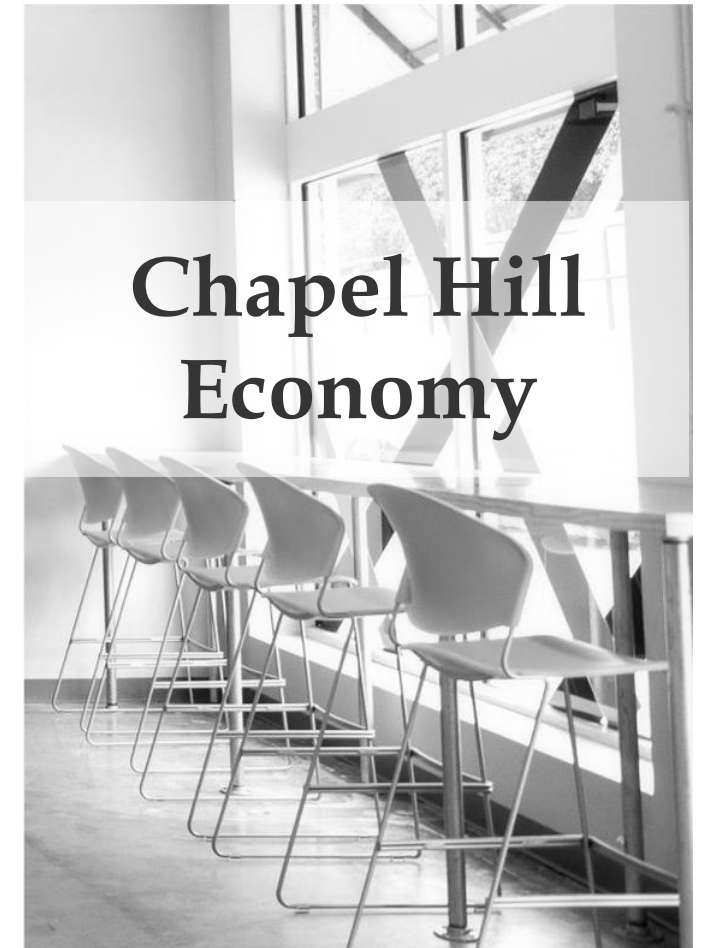
Political leadership, strong vision, and a willingness to weather criticism are required to create long-term changes

Tech companies are unlikely to create high number of jobs

Smaller accelerators must prove their value to woo talented founders

Source: Intern Research

Launch Accelerator can be tweaked to better support new entrepreneurial ventures



Successful accelerators provide intense education and structured mentoring to participants



Concentrated Consultation

72-200 short meetings with mentors and customers over early days of accelerator help founders focus on themes and revisit their implicit assumptions



Transparent Disclosure

Observing pitches, displaying goals and progress publicly, and working in close proximity to cohort-members prod founders to keep up intense effort



Standardized Activities

Mandatory, sequenced mentor meetings and educational seminars force founders to consider broad, collectively exhaustive strategy decisions

Source: Cohen, Bingham, Hallen; "The Role of Accelerator Designs in Mitigating Bounded Rationality in New Ventures" (2019)

Comparable orgs were selected for benchmarking with EY ReVive input and consultation from Velvet

Comparable Municipalities

- Columbus, OH
- Raleigh, NC
- Austin, TX
- Winston-Salem, NC
- Evanston, IL
- Madison, WI
- Tempe, AZ
- Norman, OK
- Durham, NC
- Boulder, CO
- Ann Arbor, MI
- *Pittsburgh, PA**

**Added based on intern research.*

Palo Alto, CA; Cambridge, MA; Berkeley, CA; and Davis, CA were removed from consideration.

Comparable Organizations

- Capital Factory (Austin, TX)
- Merge Lane (Boulder, CO)
- Gener8or (Madison, WI+)
- AlphaLabs (Pittsburgh, PA)
- FHI Ventures (Durham, NC)
- NC IDEA Labs (Durham, NC)
- Excelerate Health Ventures (Raleigh, NC)
- American Underground (Raleigh, NC)
- NSF Innovation Corps (Greensboro, NC)
- Nussbaum Center for Entrepreneurship (Greensboro, NC)
- New Ventures NC (Winston-Salem)

Source: EY, ReVive Chapel Hill: Recovery & Resiliency Plan (February 2021)

73% invested in educational and other services, with only three offering robust independent programming

- Educational programming is commonly offered, but social activities are not
- Mentoring takes the form of meetings with coaches or entrepreneurs in residence
- Financial resources deployed to offer seed funding or grants and to hire additional staff



CAPITAL FACTORY **NEWVENTURES** **NCIDEA LABS**

Prioritize Programming



MERGELANE **EXCELERATE™**
— HEALTH VENTURES —

CORPS
NSF Innovation Corps
THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO
NORTH CAROLINA A&T STATE UNIVERSITY

fhi VENTURES

AU
AMERICAN UNDERGROUND

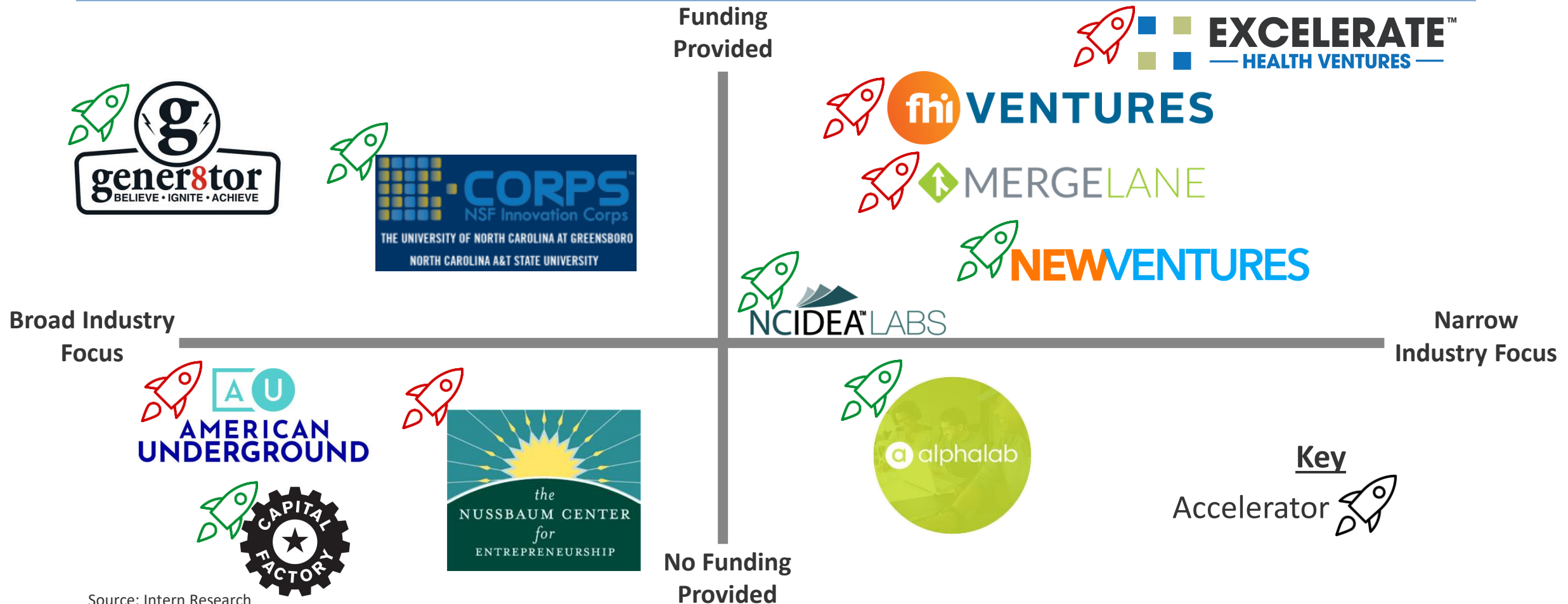
alphaslab **gener8tor**
BELIEVE • IGNITE • ACHIEVE

the NUSSBAUM CENTER
for
ENTREPRENEURSHIP

Prioritize Services

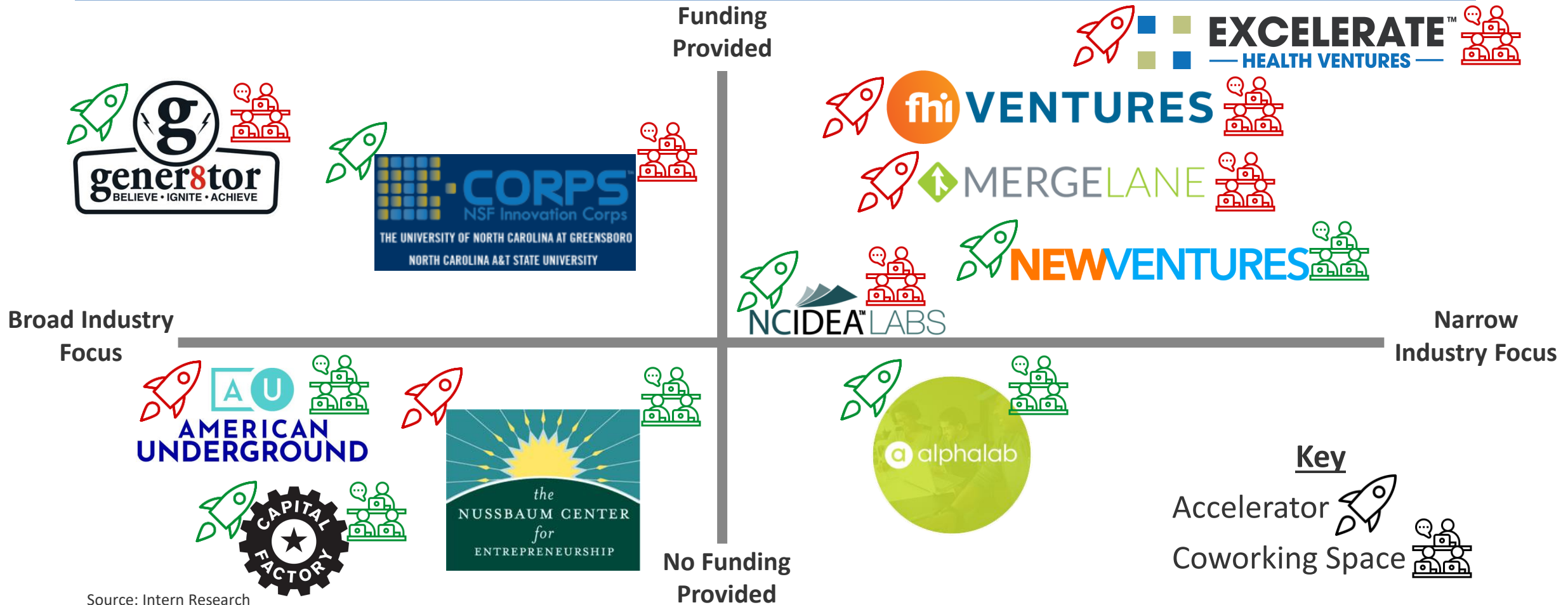
Source: Intern Research

Most accelerators provide funding, but split in terms of cultivating wide or narrow industry network



Source: Intern Research

Successful organizations typically to focus on one core competency (investing, accelerator, or coworking)



Source: Intern Research

New activities from Launch, Chapel Hill, and UNC can help retain businesses and fill storefronts



Education-focused accelerators positively impact economic development in their communities



Accelerators are associated with a large increase in early-stage investing in their MSA



Accelerators are associated with positive and significant increase in venture activity



Educational activities are necessary, funding and space alone not sufficient alone

Sources: Gonzalez-Uribe & Leatherbee; "The Effects of Business Accelerators on Venture Performance: Evidence from Start-Up Chile" (2017); Fehder & Hochberg, Accelerators and the Regional Supply of Venture Capital Investment (2014)

Recommendation: Launch Chapel Hill should organize a municipal hackathon



- Hackathons are competitions conducted over 24-48 hours where individuals or teams present creative solutions to predefined problems
- Connect students, local entrepreneurs, and municipal leaders over meaningful community issues
- Straightforward planning and relatively inexpensive

Source: City Toolbox - Urban Hackathon

Recommendation: Open Office Hours, beginning with EIRs & SBTDC and expanding over time



- Entrepreneurs in Residence and Small Business and Technology Development Center
- Office hours allow entrepreneurs to access needed guidance for new and existing ventures
- Can help orient founders as to the appropriate resources available for their stage, scale, and industry

sbtcdc

Recommendation: Entrepreneurial Advisory Committee to keep “voice of customer” central



- Approximately 7 small business owners and entrepreneurs meeting monthly
- Focused on improving diversity of voices and ideas surrounding entrepreneurship support in Chapel Hill
- Increased connections can create a mentoring pipeline

Long-Term: Kenan-Flagler should target scholarships to retain entrepreneurs in Chapel Hill



- Current scholarship policy does little to promote long-term reinvestment in Chapel Hill
- Leading business schools offer entrepreneurship scholarships, but none tied to local business community
- One or two MBA scholarships could attract entrepreneurs with a desire to build a business in Chapel Hill
- Structure to disincentivize students from relocating after graduation

Source: Suheb Hussain, "MBA in Entrepreneurship – These 7 business schools are the best," E-GMAT.com (June 23, 2020); MIT Legatum Center Website; Harvard Business School Entrepreneurship Website

Long-Term: Town of Chapel Hill should explore multi-use alternatives to fill storefronts



- Baltimore City revitalized a struggling neighborhood by creating dedicated Arts District
- Repurposed vacant buildings as low-cost living and working studios to retain talent from leaving for larger cities nearby
- Similar opportunity to reimagine space use in Chapel Hill to promote entrepreneurship

Source: Katrishia Velez, "Housing Baltimore Artists," WordPress (2010)

Appendix

Existing Entrepreneurs

[EY ReVive Themes](#)

[Willie Barron](#)

[Patrick Mateer](#)

[Mike Wesner](#)

[Kristin Hiemstra](#)

[Sheryl Waddell](#)

[Y Combinator](#)

[Milwaukee](#)

[Baltimore](#)

[Research Chatter](#)

[Tallahassee](#)

New Entrepreneurs

[Capital Factory](#)

[Merge Lane](#)

[Gener8tor](#)

[AlphaLabs](#)

[FHI Ventures](#)

[NC IDEA Labs](#)

[Excelerate](#)

[Health Ventures](#)

[American](#)

[Underground](#)

[NSF Innovation](#)

[Corps](#)

[Nussbaum Center](#)

[for](#)

[Entrepreneurship](#)

[NewVentures](#)

Chapel Hill Economy

[MBA Entrepreneurship
Scholarships Landscape](#)

EY ReVive - Themes

- Economic diversification driven by increase in entrepreneurial small businesses
- Chapel Hill needs to do a better job connecting the resources and human capital of UNC with the broader community
- Downtown needs investments in retail revitalization and in livability improvements (public transportation, greenspaces, bike lanes)
- Major roadblocks to change include housing and office space affordability, traffic/parking, permitting, and a mass exodus of college-educated talent

Source: EY, ReVive Chapel Hill: Recovery & Resiliency Plan (February 2021)

Willie Barron



Source: Intern Interview

- Founder of Wave NC; Working with Town of Chapel Hill on economic development proposals
- Launch Accelerator was a great way for Willie to build his confidence as an entrepreneur
- There are so many resources available it can be overwhelming to figure out where to start
- Young professionals do not see a growth trajectory for themselves in Chapel Hill
- Lack of unified leadership makes it impossible to fix the underlying problems causing people to leave

Patrick Mateer



- Founder and CEO of Seal the Season
- Mentorship and skills building were most impactful parts of Launch Accelerator, especially working with the Entrepreneurs in Residence
- Town of Chapel Hill and University of North Carolina are seen somewhat synonymously, and both struggle with racial and social justice issues
- Chapel Hill does not have enough to offer entrepreneurs or young professionals 25-55 in terms of social life or affordability

Source: Intern Interview

Mike Wesner



- Principal and Chief Imagination Officer of Enrollment Fuel
- Joined Launch Accelerator due to “entrepreneurial loneliness,” but did not find community or innovative spirit he hoped to find
- Skilled talent does not want to relocate, and it is too expensive to attract people to Chapel Hill
- Parking is a barrier to activities and businesses on Franklin Street
- Lack of unified entrepreneurial leadership in Triangle

Source: Intern Interview

Kristin Hiemstra



- Founder and President of The Art of Potential
- Lack of centralized resources for young entrepreneurs – even people who are looking cannot find it
- Chapel Hill is not currently a fit for young professionals (unlike Charlotte, Asheville, or DC)
- Parking, transit, and housing are one part of the problem, but so are nightlife and family-friendly, community activities

Source: Intern Interview

Sheryl Waddell



Source: Intern Interview

- Director of Innovate Carolina Global Network
- Town of Chapel Hill needs to focus on creating true incentives around taxes and leases
- UNC could do more to provide space, interns, and training to local businesses
- Launch needs clarity around its core mission in order to identify stakeholders and then target what needs Launch can meet

Steli Efti & Hiten Shah



- Y Combinator Alumni
 - Co-Founder and CEO of Close
 - Founder of Crazy Egg and KISSmetrics
- Participating in Y Combinator gave them more credibility as entrepreneurs than they would have had otherwise
- Less well known accelerators have to really prove their value proposition in order to attract talented founders

Source: Startup Chat Podcast

Richie Burke



Source: GoGedders Podcast - The Commons Innovation Fellows

- Founder & CEO of GoGeddit Marketing & Media
- Discussed Milwaukee Commons Innovation Fellowship with a panel of undergraduate student participants
 - Building relationships among entrepreneurs requires giving them something **meaningful to work on together**
 - To retain students in Milwaukee, the students need to **build relationships with businesspeople outside the university** and they need **access to capital**

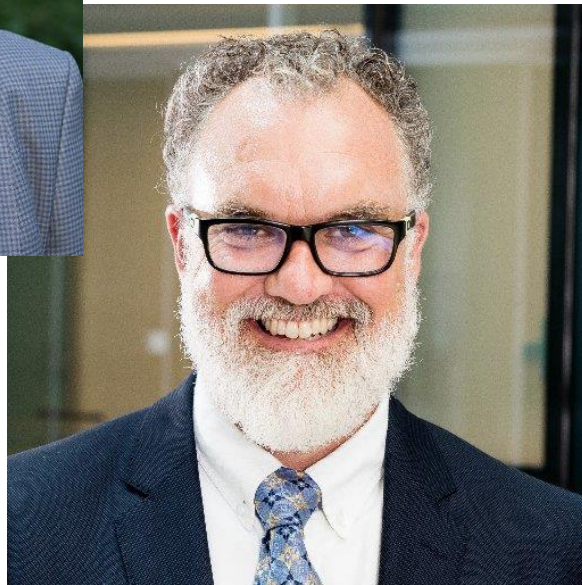
Megan Miller



- Current Associate Dean for Student Integrated Learning at Maryland Institute College of Art (MICA) in Baltimore, MD
- Former Career Development Center Director at MICA
- Baltimore has invested significantly in revitalizing community around MICA as an urban art hub to prevent exodus to DC or NY
 - Maryland & Baltimore established tax incentives
- MICA finds it much easier to retain graduate students in Baltimore than undergraduate students

Source: Technical.ly Podcast

Ronnie Chatterji & Charlie Williams



- Strategy Professor at Duke University in Durham, NC
- Management & Technology Professor at Bocconi University in Milan, Italy
- Entrepreneurs stay in place when they have “sticky” incentives like mortgages, children in school, and spouses with jobs
- Tech companies do not often employ a lot of people, and when they do, they are often located in other countries

Source: Research Chatter Podcast

Andrew Gillum



Source: Startup Southerner Podcast

- Mayor of Tallahassee (2014-2018)
- Making a town hospitable for entrepreneurs requires bold political leadership with a vision that is strong enough to withstand criticism because changes take time to pay off
- Smaller municipalities need to have a response to the demand for urbanization among college graduates, such as livability, walkability, and other “city” amenities

Chris Bingham's research shows trends among successful accelerators

- Accelerators can improve continued existence, follow-on funding, web traffic, and employee growth of their ventures
- Positive impacts are not universal, and level of acceleration is not completely dependent on having a developed ecosystem
- Complement rather than substitute for founder pre-entry experience
- Learning is the key mechanism, not sorting or signaling
- Successful accelerators provide an environment in which entrepreneurs learn *how to do things* and *which things to do*
- Although the ventures do pivot, they can avoid costly mistakes by creating “conversational prototypes” with their mentors

Sources: Hallen, Cohen, Bingham; “Do Accelerators Work? If So, How?” (2019); Cohen, Bingham, Hallen; “The Role of Accelerator Designs in Mitigating Bounded Rationality in New Ventures” (2019)

Ventures and founders learn in environments focused on “BIP Consultation” from outsiders

- **Broad** – many interactions with variety of knowledge sources, should be interactive and cumulative
- **Intensive** – full time endeavor focused on learning, slowing down trial-and-error experimentation and product design allows smarter subsequent experimentation
- **Paced** – founders need structured learning with defined points for decision-making and action to allow advice to build in the best direction instead of constantly reinventing the business
- **Consultation** – focused on the current venture, not generalized best practices; comes from domain experts, customer interviews, cohort peers, accelerator director, and seminar speakers

Sources: Hallen, Cohen, Bingham; “Do Accelerators Work? If So, How?” (2019); Cohen, Bingham, Hallen; “The Role of Accelerator Designs in Mitigating Bounded Rationality in New Ventures” (2019)

Capital Factory (Austin, TX)



- **Services:** coworking space, mentoring, accelerator program
- **Community Served:** entrepreneurs in Austin, TX
- **Programming:** frequent educational and social virtual events



Source: Capital Factory Website

Merge Lane (Boulder, CO)



- **Services:** venture funding, Conscious Leadership Camps
- **Community Served:** pre-seed to series A startups with at least one woman in leadership, preference for technology-enabled businesses
- **Programming:** leadership and pitching educational webinars

Source: Merge Lane Website

Gener8tor (Madison, WI+)



- **Services:** accelerator and funding, conference series, pitch sessions, office hours
- **Community Served:** Madison, WI; Milwaukee, WI; Minneapolis, MN startups in a variety of business and artistic areas
- **Programming:** Premier Night (akin to demo day)

Source: Gener8tor Website

AlphaLabs (Pittsburgh, PA)



- **Services:** software accelerator, mentor network, educational sessions, and coworking space
- **Community Served:** early-stage software technology startups
- **Community Programming:** No programming published publicly

Source: AlphaLabs Website

FHI Ventures (Durham, NC)



- **Services:** late seed-stage and Series A investment, priority investment in woman- and minority-led businesses
- **Community Served:** Technology-enabled education, healthcare, water-sanitation-hygiene businesses in US and Southeast Asia
- **Community Programming:** No programming published publicly

Source: FHI Ventures Website

NC IDEA Labs (Durham, NC)



- **Services:** accelerator programming, micro grants, seed funding, and targeted programming
- **Community Served:** entrepreneurs in North Carolina, especially in technology
- **Community Programming:** annual ecosystem summit, Ice House training, IDEA SOAR female-founder specific offerings

Source: NC IDEA Labs Website

Excelerate Health Ventures (Raleigh, NC)



- **Services:** consulting and advising services for early-stage startups, investment funding in new ventures
- **Community Served:** healthcare technology startups (IT, tech-enabled healthcare service industries)
- **Community Programming:** No programming published publicly

Source: Excelerate Health Ventures Website

American Underground (Raleigh, NC)



- **Services:** Coworking locations, programming, events, and mentorship
- **Community Served:** Durham, NC entrepreneurs
- **Community Programming:** approximately monthly educational webinars
- **Sponsorship:** American Underground is one of 11 “Google for Startup” Tech Hubs in North America

Source: American Underground Website

NSF Innovation Corps (Greensboro, NC)



- **Services:** Launch UNCG administers \$5,000 mini-grants for to explore commercial potential of new ideas or innovations and provides cohort-based mentorship and guidance
- **Community Served:** Students, faculty, and alumni of UNCG and NCAT
- **Community Programming:** No programming published publicly

Source: NSF Innovation Corps Website

Nussbaum Center for Entrepreneurship (Greensboro, NC)



- **Services:** Private Offices, Conference Rooms, Business Coaching, Manufacturing Space
- **Community Served:** Greensboro entrepreneurs
- **Community Programming:** Promote and host events from other organizations; no internal programming publicly discernable

Source: Nussbaum Center for Entrepreneurship Website

NEW VENTURES (Winston-Salem)



- **Services:** New Ventures Challenge, Accelerator, & investing funded by Triad-Region entrepreneur-investors as well as coworking space
- **Wake Forest Innovation Quarter**
 - 50 companies, 3,000 workers and 2,000 students engaged in research, business, and education
 - Biomedical science, information technology, clinical services, and advanced materials
 - 1.5M sqft of office, lab, and classroom space
 - 600 apartments, lofts, and condominiums
- **Programming**
 - Demo Days, Fireside Chats, Panel Discussions, Pitch Competition
 - Centered around cohort “graduations” and funded by corporate donations



Source: New Ventures Website

Entrepreneurship-Focused MBA Scholarships

- UC Berkeley Haas School of Business
 - Brian Maxwell Fellowship - \$80,000 awarded to individual who has “demonstrated entrepreneurial spirit and a drive to create and implement innovative projects, products, and ideas”
 - Mike and Carol Meyer Fellowship - \$20,000 awarded to students with undergraduate degrees in engineering or science and intend to pursue an entrepreneurial career
- MIT Legatum Center for Development & Entrepreneurship: Legatum Center Fellowship – tuition, travel, prototyping support, mentors, and educational seminars provided to 20-25 students dedicated to building and scaling ventures in the developing world
- Harvard Business School: Rock Center
 - MBA Financial Aid – Details not disclosed
 - Loan Forgiveness - \$1,000-\$20,000 one-time need-based award to graduating MBA student committed to pursuing their own for-profit entrepreneurial ventures

Source: Suheb Hussain, “MBA in Entrepreneurship – These 7 business schools are the best,” E-GMAT.com (June 23, 2020); MIT Legatum Center Website; Harvard Business School Entrepreneurship Website