EMERGENT METHOD

BATON ROUGE ENTREPRENEURSHIP ECOSYSTEM ASSESSMENT

APRIL 2019

CONTENTS

LIST OF ACRONYMS USED

ATI – Austin Technology Incubator
AURP – Association of University Research Parks
BRAC – Baton Rouge Area Chamber
BRCC – Baton Rouge Community College
BRNEDD – Baton Rouge North Economic Development District
CEA – Cooperative Endeavor Agreement
DMC – Digital Media Center
FAST – Federal and State Technology
HBCU – Historically Black Colleges and Universities
KPI – Key Performance Indicator
LED – Louisiana Economic Development
LETC – Louisiana Emerging Technology Center
LSBDC – Louisiana Small Business Development Center
LSU – Louisiana State University
MEPE – Mary Ellen Pleasant Entrepreneurship
NBIA – National Business Incubator Association
NOEW – New Orleans Entrepreneur Week
R&D – Research and Development
RPC – Research Park Corporation
RTF – Research Technology Foundation
SEC – Southeastern Conference
SU – Southern University
SUIC – Southern University Innovation Center
TUFF – The University Financing Foundation
UAB – University of Alabama at Birmingham
UL – University of Louisville
UTC – University of Tennessee at Chattanooga
VC – Venture capital

EXECUTIVE SUMMARY

PURPOSE

Emergent Method was engaged to conduct a comprehensive assessment of possible synergies within the Baton Rouge area entrepreneurship ecosystem, with a specific focus on highest and best use of resources and efforts involving Research Park Corporation (RPC) and Louisiana State University's (LSU) Innovation Park and Louisiana Emerging Technology Center (LETC).

FINDINGS

While the Baton Rouge entrepreneurship ecosystem has experienced some clear successes over the years, it is also challenged in many ways. Three significant shortcomings were identified that minimize potential ecosystem impacts and as a result hinder entrepreneurship. These findings are supported through an analysis of financial and operational documents from each organization, in-depth interviews with local stakeholders and experts in comparable markets, and a review of national ecosystem best practices.

1) The structure of the current ecosystem leads to duplication in services offered while not addressing service gaps that may otherwise more broadly spur entrepreneurship in the area.
2) There is a notable absence of ecosystem-wide and outcome-oriented performance measures, making it difficult to assess the health and success of the ecosystem; this lack of clear-cut, consistent metrics also makes it difficult to compare performance between organizations and similar programs.
3) The fragmented nature of the ecosystem results in a disjointed understanding of available resources on the part of entrepreneurs, creating unnecessary and complex challenges to accessing resources at critical stages of a startup's life cycle.

PROPOSED CHANGES & BENEFITS

Both LSU and RPC must take measures to address these deficiencies and inefficiencies that exist within the ecosystem, which can be accomplished through a phased approach toward stronger and more integrated coordination of ecosystem resources and assets. Existing resources in the form of funding streams, physical resources (land and facilities), and staff must be considered as both organizations more intentionally define their respective value propositions to the ecosystem, and how future ecosystem strategy impacts the manner in which these resources are applied or utilized.

The two organizations should establish a collaborative joint venture, governed through equal representation from each, responsible for setting and implementing ecosystem-wide strategy in alignment with the governing bodies that oversee and manage individual LSU and RPC assets and activities. Collectively, through this joint venture, these two entities should be held publicly accountable for the collective impact of the ecosystem in the years to come through jointly established success metrics. Greater and more intentional coordination of entrepreneurial support services in this manner would foster a more cohesive service delivery environment for supporting entrepreneurs at various stages of their startup's lifecycle, drive efficiencies and savings that can be reinvested into the ecosystem, and operate in a way that is more nimble and responsive to the needs of entrepreneurs.

ASSESSMENT OVERVIEW

BACKGROUND

As recipients of public funds directed toward entrepreneurship, both Research Park Corporation (RPC) and Louisiana State University (LSU) have an obligation to ensure those funds are utilized with maximum efficiency and effectiveness. This must be supported through constant introspection of how resources are utilized to aid and further entrepreneurship in the Baton Rouge area through incubation, programming, and generalized support, as well as through strategically addressing how the outcomes from these efforts impact the growth of businesses within the region and across Louisiana.

While both have attempted to differentiate service offerings over time, these organizations still maintain significant duplication of services, programming, and facility offerings. Recent turnover in leadership and a renewed sense of camaraderie among the entrepreneurial community provided a unique opportunity to evaluate the potential for increased collaboration and shared services, as well as assess how such coordination would optimize stewardship of public funds and more efficiently serve all stakeholders.

This analysis – jointly funded by LSU and RPC – was undertaken based on a clear need to provide a pathway for entrepreneurs to better access and utilize the limited but valuable resources that exist within the entrepreneurial ecosystem, supported by an environment of clarity and collaboration focused on serving entrepreneurs and stimulating entrepreneurial activity in Baton Rouge.

Furthermore, as the regional economic development organization for the Capital Region and a key partner to both RPC and LSU, this focus is in alignment with the Baton Rouge Area Chamber's (BRAC's) goal of growing and diversifying the Baton Rouge economy, positioning BRAC as a willing and valuable stakeholder in supporting the long-term success of this ecosystem.

OBJECTIVES

This ecosystem-wide assessment was undertaken with the purpose of answering a series of distinct questions:

- What resources does the ecosystem have?
- How are resources being used?
- What limitations are there in how resources can be deployed?
- How can resources be reorganized to better serve entrepreneurs?
- What are best practices nationally and from other comparable ecosystems?
- What is the optimal model in which the Baton Rouge ecosystem can utilize existing resources to more efficiently support entrepreneurship in the Baton Rouge area?

METHODOLOGY

This report was developed through a comprehensive approach and methodology, including a qualitative, in-depth interview structure to gather information about both the current state of this ecosystem, as well as to evaluate the strengths and best practices utilized in comparable markets throughout the country. A quantitative lens was utilized to evaluate the financial health and assets of each standing organization and to provide a contextual understanding of how Baton Rouge performs when compared to similar cities with comparable entrepreneurial resources.

STAKEHOLDER INTERVIEWS

More than 40 interviews were conducted with stakeholders in the greater Baton Rouge area, selected for their understanding of and experience operating within this ecosystem. These interviews included discussions with former and current entrepreneurs, tenants and staff at both Research Park Corporation and Innovation Park, stakeholders at LSU and Southern University, venture capitalists, and community business leaders.

ORGANIZATIONAL ANALYSIS

In an effort to understand the current state environment and how each in-scope ecosystem participant is currently structured and funded, the following organizational documents for RPC and LSU's Innovation Park and LETC were analyzed: annual operating budgets, assets, organization charts, operating models, financials, occupancy rates, tenant composition, and existing commitments.

DESK RESEARCH

Comprehensive desk research was conducted to understand common practices of high-functioning ecosystems across the country along with national best practices. Additional research was conducted to understand how entrepreneurial ecosystems incorporate and collaborate with area universities for potential applicability to the Baton Rouge market.

COMPARABLE MARKETS

Baton Rouge’s ecosystem was reviewed and compared to the resources, structures, and practices of three comparable markets – Louisville, Kentucky; Birmingham, Alabama; and Chattanooga, Tennessee. Each of these metro areas is considered to be comparable to Baton Rouge, either in size or regional industries. Interviews were conducted with stakeholders in these regions to gain a comprehensive understanding of how each ecosystem functions, including discussions with regional chamber of commerce leadership, entrepreneurs, and incubator and accelerator staff.

THE BATON ROUGE ECOSYSTEM TODAY

IN-SCOPE ORGANIZATIONS

Louisiana State University (Innovation Park, Louisiana Emerging Technology Center)
Research Park Corporation

BATON ROUGE ECOSYSTEM SNAPSHOT

IN-SCOPE ORGANIZATIONS

LSU

RESEARCH PARK CORPORATION

Baton Rouge's ecosystem is home to a diverse group of stakeholders, including, but not limited to: Research Park Corporation, LSU's various entrepreneurial entities, including Innovation Park and Louisiana Emerging Technology Center, the Baton Rouge Area Chamber, Southern University, and Louisiana Economic Development. Each of these entities cite support of entrepreneurship throughout the Capital Region as a priority.

Innovation districts are designated areas structured to encourage entrepreneurship and economic development, consisting of dense, mixed-use spaces that serve as a hub for innovation. Baton Rouge's incubators and physical assets are located in disparate parts of the community, presenting a challenge to the development of a single, cohesive innovation district.

In recent years, Baton Rouge has cultivated a national reputation for business growth and conditions, which represent successes that should be leveraged to drive additional activities and outcomes for business growth.

- 1st in cost-friendly business locations among mid-sized cities (KPMG, 2016)
- 1st in a ranking of Top 10 Mississippi River Corridor Metro Areas (Site Selection, 2017)
- 3rd best city in country for female entrepreneurs to start a business (GoodCall, 2015)
- 6th in U.S. metro areas with highest levels of manufacturing productivity (Garner Economics, 2016)

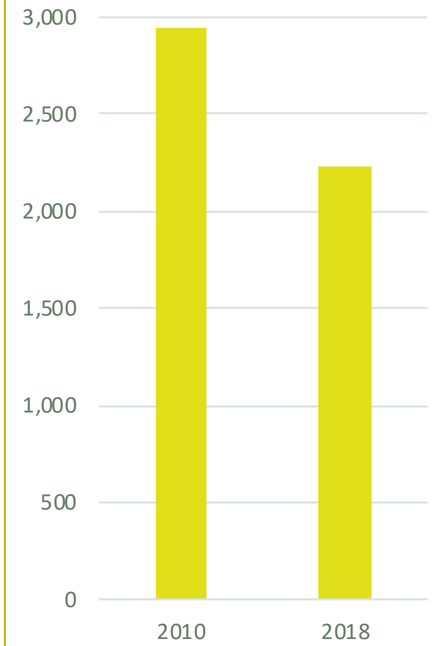
Access to capital, in the form of local venture capital (VC) firms or angel investor networks, represents an important resource for entrepreneurs, not only in the form of financial investment, but for the accompanying guidance and/or technical expertise. Baton Rouge lacks an angel investor network, but is home to two venture capital firms. However, there appears to be a lack of alignment between the types of businesses pursued by area firms and the types of new businesses in the region that seek capital.

Target industries, or identified centers for focused economic development effort, serve as anchor points for clusters of startups that either align with or support the target industries, boosting enterprise formation and ultimate survival.

Baton Rouge's target industries include:

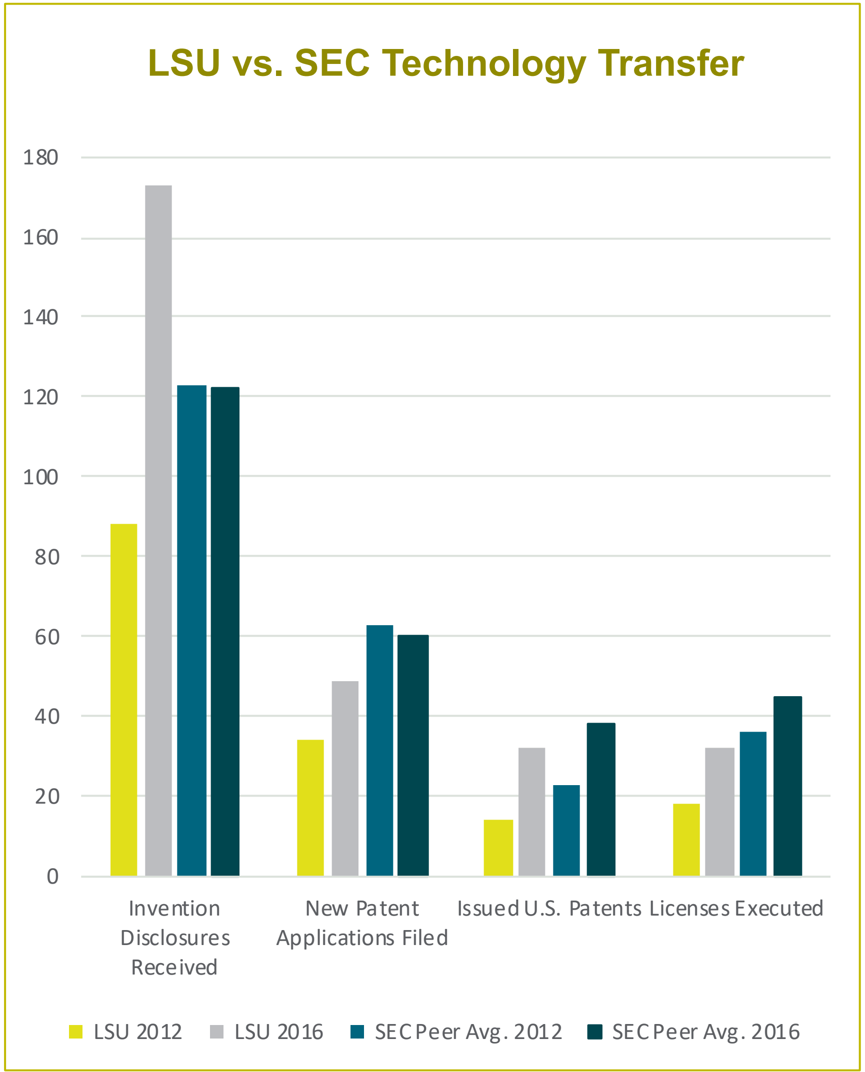
- Chemicals and new energy production
- Fabricated structural materials
- Software development
- Advanced shared services
- Technical research and consulting
- Logistics

New Businesses Registered with East Baton Rouge Parish



Based on parish-level data of new business registered for either sales tax or occupational licenses, **entrepreneurship in Baton Rouge has decreased steadily** in recent years. From 2010 to 2018, the number of new businesses started has declined from 2,951 in 2010 to just 2,231 in 2018.

BATON ROUGE INNOVATION SNAPSHOT

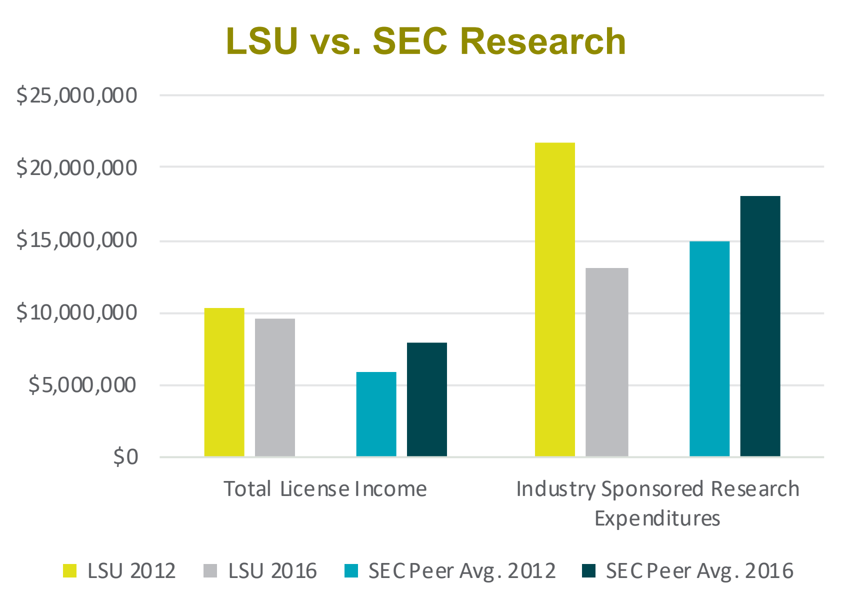


LSU has made marked progress in its technology transfer and commercialization processes.

Accomplishments over four years (2012-2016) include:

- 97% increase in invention disclosures
- 44% increase in new patent applications
- 129% increase in number of U.S. patents issued

This progress is despite the slight drop in licensing income, corresponding with a similar decrease in research expenditures.



LSU INNOVATION PARK

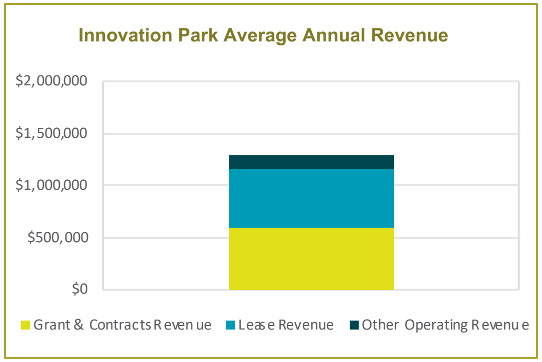
The Louisiana Business Technology Center was created in 1988 to promote economic growth by assisting in the creation and support of new businesses, and to assist in technology transfers. In 2004, it moved to its current location, later rebranding as LSU Innovation Park. It currently houses a general business incubator, prototyping center, and the LSU Student Incubator.

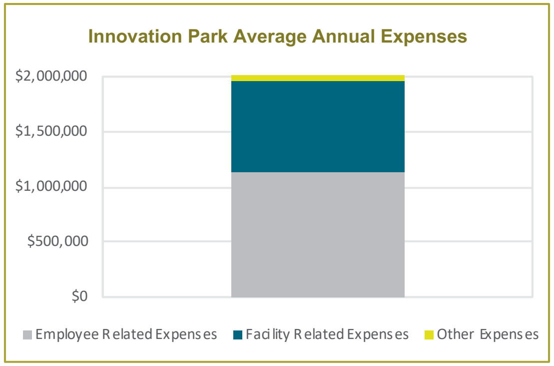
Tenants currently served: 48 organizations (including two virtual, two non-paid, and 14 student businesses)

Considerations: Innovation Park currently provides incubation and business support services to small businesses and startup enterprises, including those conceptualized by LSU students, with limited consideration for the type of business or industry in which a business operates. Many of the buildings at Innovation Park were built in the 1960s and a significant portion are unusable due to needed repairs. Currently, LSU Main Campus subsidizes the majority of operating expenses related to facilities.

Opportunities: Innovation Park is uniquely positioned as a Louisiana Economic Development certified site to meet the needs of specific industries and business with nontraditional or large square-footage space requirements; this represents an asset that should be leveraged to expand economic development efforts in alignment with regional target industries. There is also excess land currently available, as well as additional adjacent land that could be purchased if necessary. Addressing deferred maintenance needs and investing in building improvements to make more space inhabitable for tenants could increase tenant revenues significantly.

Financial considerations: Innovation Park has no debt and significant building and land resources. Tenants rent inexpensive office space but many do not utilize all of the consulting/counseling services available. An uncharacteristically high percentage of yearly operating revenues are spent on staff expenses. Ideally, in the future, more of these funds should be directed to provide additional tenant-focused services. The continued development of specialized, easily-accessible programmatic offerings for tenants should increase leasing demand. The RTF/LETC property management agreement is structured to accommodate the addition of Innovation Park to the agreement, which could spread overhead costs across more facilities and offer access to other incentives from TUFF, in addition to increased efficiencies.





- Staff: 8.5 employees at an average annual expense of $1.1 million between July 2016 – June 2018
- 51% occupied
- 27% occupied at no charge
- 22% currently vacant
- Average tenant rental: $11/sq. ft.
- Comparable market rate: $12/sq. ft.
- Average tenant rental revenue: $563,000/year
- If fully occupied and improvements make all spaces inhabitable, potential rental revenues could reach $1.18 million/year

***Financial data as of June 2018*

RESEARCH PARK CORPORATION

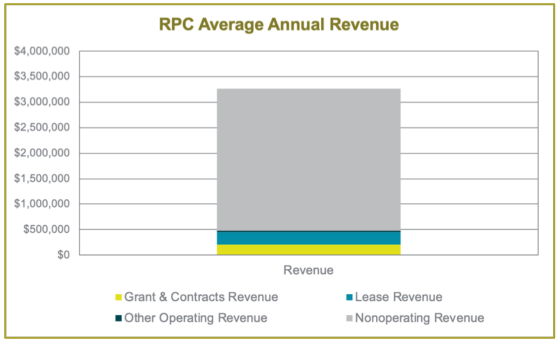
Research Park Corporation was created in 1992 by the Louisiana Legislature to “promote research and economic development opportunities through the encouragement of high technology.” Though tasked with supporting economic development throughout Louisiana, the organization was directed to work in cooperation with LSU and Southern University, both of which have A&M campuses located in Baton Rouge, and its primary revenue stream is through a portion of the local Hotel/Motel Tax. RPC is located in the Bon Carre’ development on Florida Blvd. Historically, the organization has served a key role in both supporting technology startups and facilitating economic activity in the North Baton Rouge area.

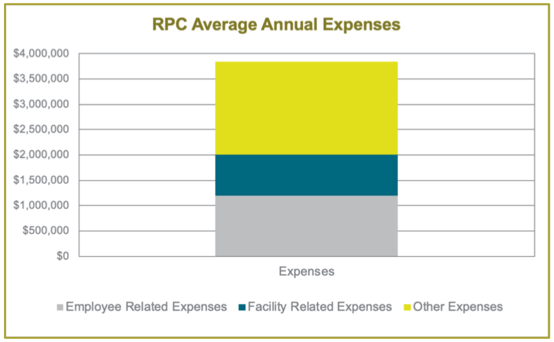
Tenants currently served: 32 organizations (including eight virtual, two non-paid, and six Level Up Lab Digital Media Developers)

Considerations: The organization’s building lease expires at the end of 2019; any future facility planning should continue to prioritize the needs of entrepreneurs in North Baton Rouge with a focus on utilizing organizational resources to support direct service delivery.

Opportunities: RPC is an independent organization with dedicated financial resources. Better utilization of existing resources to support a redefined footprint in North Baton Rouge, as well as community-wide, offers potential to provide area entrepreneurs with direct access and proximity to service, while freeing up capital that could be used to augment startups, either through technical assistance or in the form of direct funding support.

Financial considerations: RPC receives 2% of the East Baton Rouge Parish Hotel/Motel Tax, averaging $1.3 million annually in 2016 and 2017. Any repositioning of the RPC within the ecosystem should take into account how best to further direct this funding stream toward supporting entrepreneurship in Baton Rouge. RPC has a significant cash balance that generates supplemental non-operating revenue streams. RPC experienced an average net operating loss of $3.4 million and total net operating loss of $582,000 between 2016 and 2017; these losses have been subsidized by its non-operating revenue stream at an average of $2.8 million per year. As a result, total assets have decreased $3.5 million in just the past three years. During the same three year span, RPC’s cash investments have fluctuated greatly with market conditions, generating returns as high as $2.25 million in 2017 and as low as a loss of $405,000 in 2015. As illustrated below, tenant rents have not been able to support facility expenses, and staff expenses have averaged 2.5 times the annual operating revenue in both 2016 and 2017, suggesting a need to stabilize financial activity in the near future with decreased reliance on tax and investment non-operating revenues.





- Staff: 9 employees at average annual expense of $1.2 million between 2016-2017
- 94% occupied
- 4% occupied at no charge
- 2% currently vacant
- Average tenant rental rate of $15/sq. ft.
- Comparable market rate of $20/sq. ft.
- Average tenant rent revenue: $238,000/year
- Full capacity potential revenue at market rates: $428,000/year

***Financial data as of December 2017*

LOUISIANA EMERGING TECHNOLOGY CENTER (LETC)

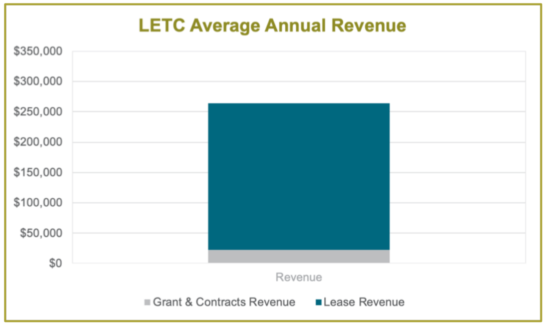
The Louisiana Emerging Technology Center is a 64,000 sq. ft. facility built in 2005, located at the edge of LSU's Main Campus. The center was designed to assist Louisiana universities with technology transfer, assist startup technology entrepreneurs with accessing capital, and provide infrastructure to assist with the development of university research. LETC has shifted recently from its original intent of being an incubator for companies with wet-lab needs and investments in related equipment to instead offer more traditional office space. Currently, a significant portion of the building is available for customized buildout based on prospective tenants' needs.

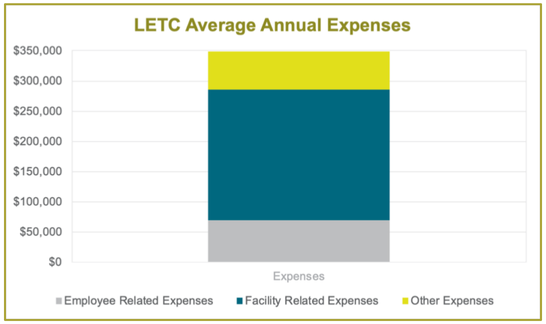
Tenants currently served: 11 organizations (including one non-paid)

Considerations: LETC and the Digital Media Center (DMC) adjacent to it are overseen by the LSU Research and Technology Foundation (RTF). As a stand-alone entity, RTF has greater flexibility in disbursing funds and the potential to make nimble decisions outside the limitations of the complex LSU organizational structure. LSU provides facility assistance to both LETC and DMC and covers any annual operating losses up to $750,000 for both buildings, though operating losses have historically not reached $750,000.

Opportunities: According to LETC property managers, rental space is prioritized for companies interested in recruiting LSU students, seeking to leverage the benefits of being located close to LSU's campus and applied research efforts, plugging into the innovation community, and/or seeking SBIR funding. Attracting additional mature companies that fit these parameters would allow LETC to better maintain rental prices that reflect going market rates and fill vacant spots, ideally generating a profit. Additional consideration should be given to making LETC more accessible to the students it seeks to serve, particularly through direct connectivity to the LSU Student Incubator at Innovation Park, while providing access for tenants to leverage student resources.

Financial considerations: Financials reviewed through this assessment represent the average of LETC activities from 2017 and 2018. To-date, LETC has not generated enough revenue to cover its expenses. The University Financing Foundation (TUFF) has expressed a willingness to extend below-market financing to the university to support commercial leasing at the LETC that aligns with the mission of the property and the greater innovation ecosystem (e.g., building improvements/leasing costs). These and other referenced changes will likely contribute to the organization's net income, as staff and many facility expenses are fixed and would not increase proportionally as revenue increases.





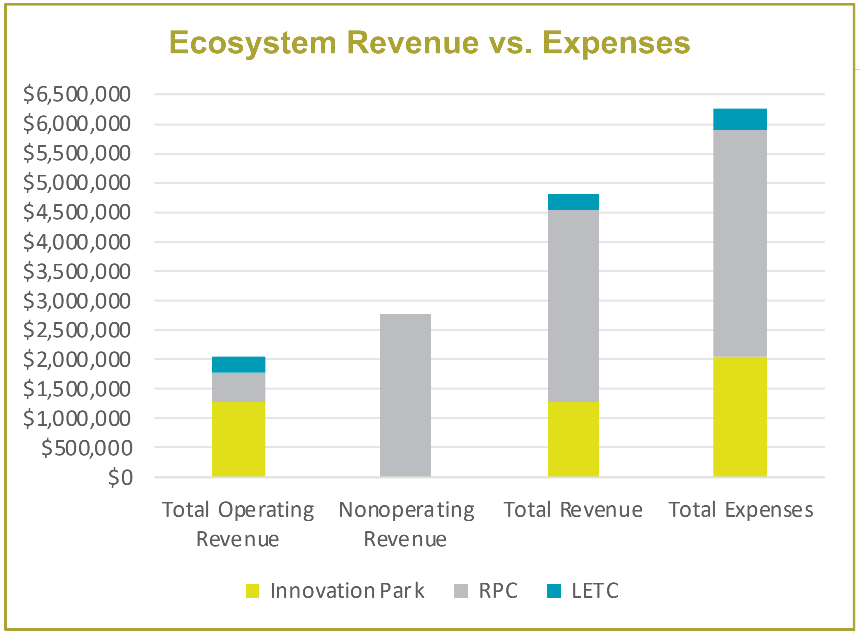
- Staffing: Two individuals perform property management duties for both LETC and DMC, supported by a third-party property management agreement between RTF and TUFF; total LETC management expenses, including related personnel, were $144,351 annually between 2017-2018
- 33% occupied
- 10% occupied at no charge
- 57% currently vacant
- Average tenant rental: $16/sq. ft.
- Comparable market rate: $25/sq. ft.
- Average tenant rental revenue: $241,000/year
- Full capacity potential revenues at market rates: $1.1 million

***Financial data as of December 2018*

FINANCIAL OVERVIEW

By better managing expenses across the ecosystem and attracting more paying tenants to better utilize existing facilities, the financial stability of each organization could be enhanced, thus creating greater certainty in the future of the ecosystem and allowing more funds to be invested directly into services or assistance for entrepreneurs. If the combined operating income of the ecosystem were more intentionally directed to support overarching operating expenses, more non-operating revenues could be made available to leverage matching funds from other sources, further maximizing the benefit to the local entrepreneurial community.

The chart below highlights how combined ecosystem operations result in a significant annual deficit, with each entity's total expenses exceeding their total revenues. During this same timeframe, RPC's non-operating revenue from the Hotel/Motel Tax and investment income has exceeded operating revenue of the three entities, combined. If RPC's non-operating revenues ($2.8 million annually over 2016-2017) were excluded, the ecosystem's combined operating deficit would be $4.2 million annually.



FINANCIAL SUMMARY
(Dollars in Thousands)

	LSU INNOVATION PARK	RPC	LETC
OPERATING REVENUE	$1,294	$487	$264
EMPLOYEE RELATED COST	$1,139	$1,200	$69
EMPLOYEE COST AS % OF OPERATING REVENUE	**88%**	**246%**	**26%**
FACILITY EXPENSES	$816	$805	$216
OTHER EXPENSES	$98	$1,839	$63
TOTAL EXPENSES	$2,053	$3,844	$348
TOTAL EXPENSES AS % OF OPERATING REVENUE	**159%**	**789%**	**132%**
NET OPERATING LOSS	$(759)	$(3,357)	$(84)
TAX & INVESTMENT INCOME	N/A	$2,775	N/A
CHANGE IN POSITION	**$(759)**	**$(582)**	**$(84)**

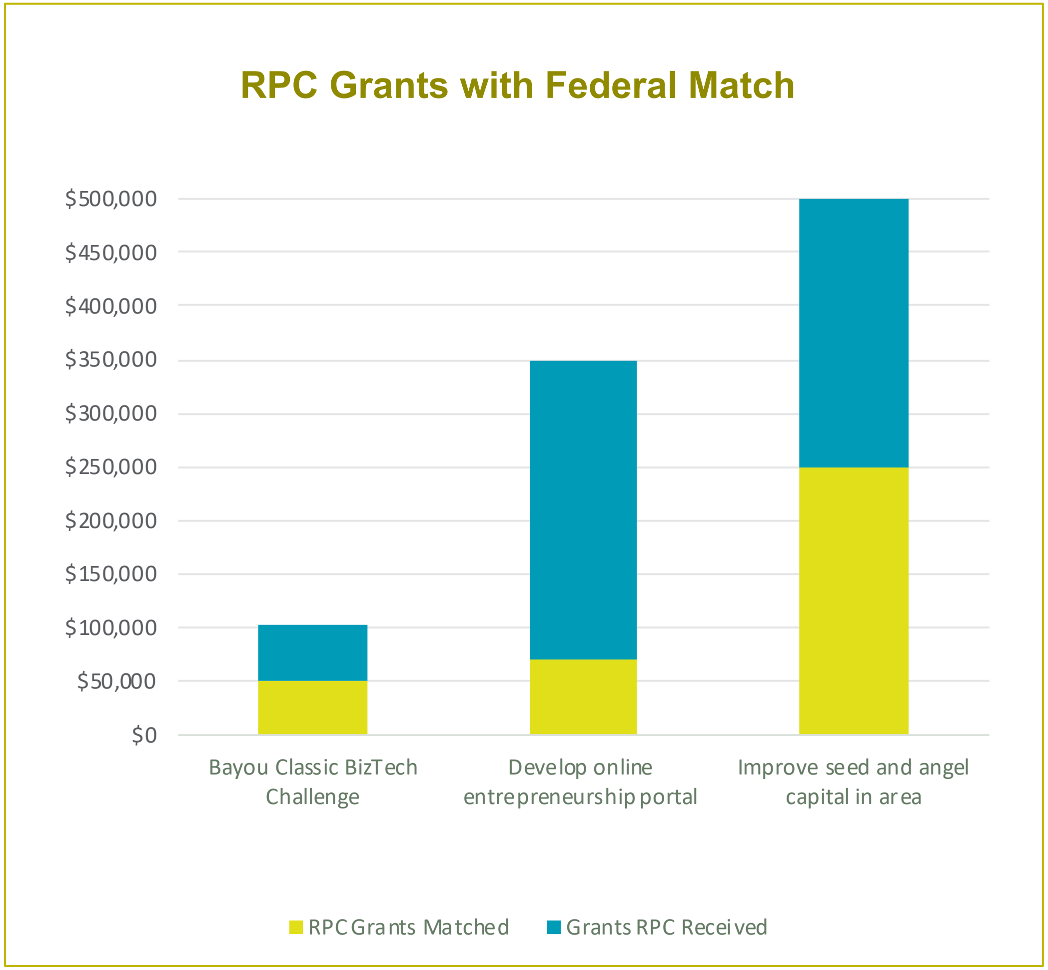
***Data reflects the average financial performance over the last two fiscal years available for each entity, which differ based on each organization*

USE OF TAX REVENUES TO AUGMENT AVAILABLE RESOURCES

In recent years, RPC has applied for—and received—grant funds from other entities such as private and nonprofit organizations and federal agencies.

Serving in this capacity is a significant benefit for the ecosystem, as RPC draws down external funds that would otherwise not be available to entrepreneurs in Baton Rouge. However, in order to access these funds, the organization frequently has to provide local matching funds. Utilization of the public funding available to RPC, in the form of a percentage of the East Baton Rouge Parish Hotel/Motel Tax, to draw down these funds is a strategic and important value-add to the ecosystem, extending the impact of the initial public investment in regional entrepreneurship.

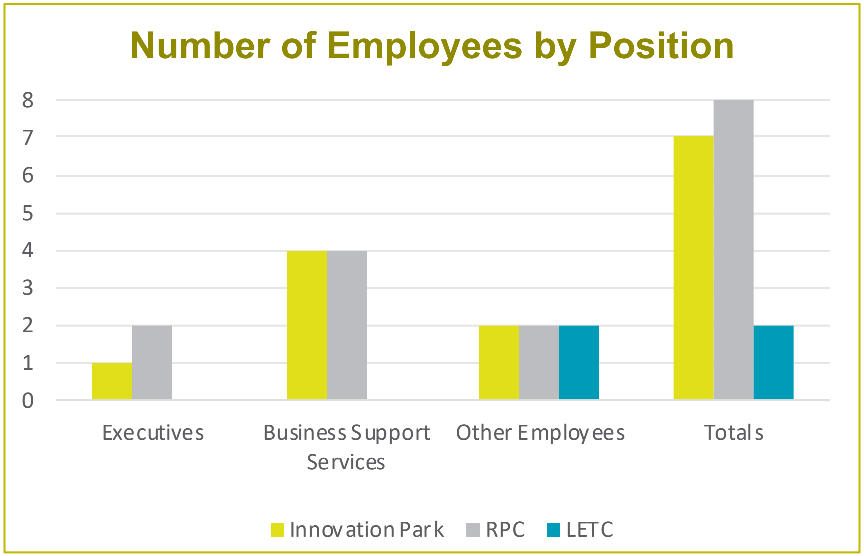
Illustrated are three recent examples of RPC's use of tax revenues to meet federal grant matching requirements, ultimately drawing down federal grant funding and expanding the pool of resources available to regional entrepreneurs.

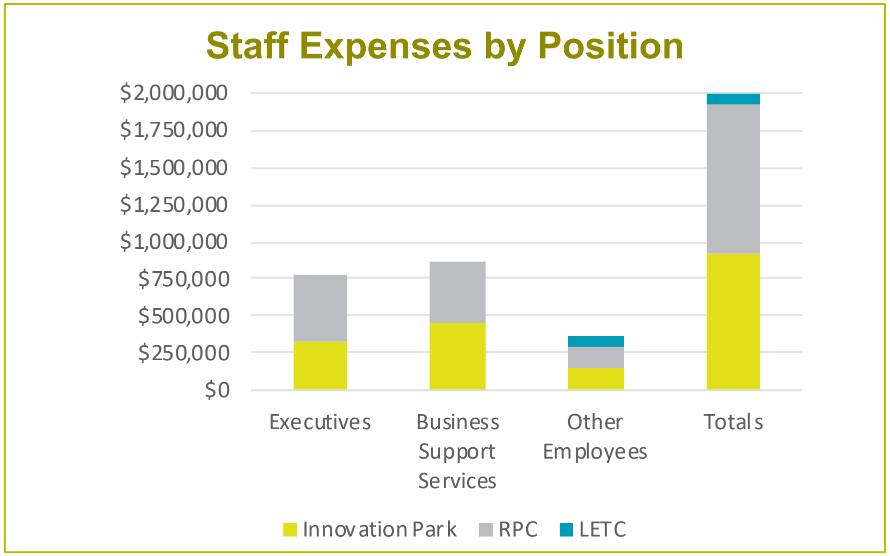


STAFFING OVERVIEW

Innovation Park, RPC, and LETC currently employ a total of three executives, eight employees providing business support or comparable services, with six other employees performing administrative functions, for a total of 17 full-time employees.

Across these 17 positions, the three organizations are projected to spend $2 million annually on employee related expenses, or roughly the same as the combined average annual operating revenues for all three entities over their past two fiscal years. While this is necessary as stand-alone organizations that maintain separate facilities and services in the current environment, it is not optimal. Collaboration across the organizations would present opportunities for clearer delineation of service offerings and long-term cost savings, freeing up more financial resources that could be used to enhance existing services and potentially fund additional services, such as streamlined connections to capital or supporting rapid business growth and scaling needs.





***Data reflects the most recent available personnel data for each organization. Data for LSU-affiliated organizations is from 2018 and excludes the previous Innovation Park executive director's salary; RPC's numbers are drawn from the organization's 2019 budget.*

CURRENT MEASUREMENTS OF INCUBATOR SUCCESS

Current metrics for measuring success vary greatly between these organizations, making it difficult to assess the growth and success of individual organizations or their effects on the macro ecosystem.

METRIC USED	RPC	INNOVATION PARK
State And Local Taxes Generated	$13.6 million (2017)	N/A
Economic Impact	$233 million (2017)	N/A
Jobs created or Supported	3,698 (2017)	134 (2017) 9,993 (Jan. 1999 – July 2017)
Current Tenants' Revenue	$13,804,889 (2017)	$22,052,400 (excludes student businesses; as of July 2017)
Businesses and Entrepreneurs Assisted Over Organization's Lifetime	118	7,247 (Jan. 1999 – July 2017)
Businesses Graduated from Incubator	30	140

***LETC provides no incubation services. The organization measures success as a function of financial sustainability of the facility.*

SWOT CONSIDERATIONS

THE BATON ROUGE ECOSYSTEM: STRENGTHS, WEAKNESSES, OPPORTUNITIES, AND THREATS

Each layer of stakeholder input gathered through this assessment, along with desk research and analysis of recent or prior planning efforts, served as an important data point in analyzing the current and potential positioning of Baton Rouge's entrepreneurial ecosystem.

The results of the corresponding SWOT analysis are outlined here as key themes within each category of analysis; each area is discussed in depth in the following sections.

STRENGTHS	WEAKNESSES
• Ecosystem stakeholders are willing to collaborate • Desire among ecosystem stakeholders to work together to prioritize how to best serve entrepreneurs • Ample resources directed to supporting entrepreneurship • Presence of established institutions (universities, incubators) that are committed to entrepreneurial success	• Lack of access to startup capital • Gaps in types of businesses and industries currently served by ecosystem • Lack of clear, uniform metrics across entrepreneurial ecosystem
OPPORTUNITIES	**THREATS**
• More intentional alignment of resources around established and/or target industries • National growth trends in entrepreneurial activity • Opportunities for increased collaboration between entrepreneurs, the existing business community, and entrepreneurial support organizations	• Lack of notoriety or strong reputation for attracting and cultivating entrepreneurship in the area • Lack of a local angel investor network • Systematic decreases in higher education funding that can affect university-backed innovation, as well as the recruitment and retention of talent and students

STRENGTHS

The Baton Rouge area is fortunate to have an expressed willingness and desire among key stakeholder groups to cultivate innovation, as demonstrated by the incubator services and institutionalized resources for entrepreneurs available within East Baton Rouge Parish. Innovation Park has ample land to accommodate and incubate the growth of companies in more space-sensitive industries, such as larger-scale manufacturing, logistics, and water management, as well as the growth of corresponding innovation clusters.

Entrepreneurs within the ecosystem largely point to an abundance of affordable, below-market office space as a key strength of the ecosystem. These business owners also share that the accessibility of startup business consulting services helps early-stage entrepreneurs find the necessary support services to successfully launch a business. Organizationally, the fee for service/rent models provides adequate funding for maintaining the facilities for each organization, making them somewhat self-sufficient; however, further attention placed on repositioning both facility and service offerings will better align the organizations with best practices nationally.

Innovation Park has won numerous awards, including the 2016 Association of University Research Parks' (AURP) Innovation Award for the Emerge Center, the 2015 Delta Regional Authority Award for Prototype Assistance, the 2013 AURP Emerging Research Park of the year, and the 2005 National Business Incubator Association's (NBIA) Incubator of the Year Award. Additionally, in 2016-2017, Innovation Park was designated by the U.S. SBA as the Federal and State Technology (FAST) Agent for Louisiana.

HIGHER EDUCATION INSTITUTIONS

LSU

SU

batonrouge COMMUNITY COLLEGE

AVAILABLE INCENTIVES

Louisiana is home to numerous tax credits and incentives intended to attract and retain businesses that contribute to the state's economy, including, but not limited to:

- Businesses in enterprise zones
- Digital Media incentive
- Quality Jobs incentive
- Technology Commercialization tax credit
- Research and Development tax credit
- Sound Recording Investor tax credit
- Modernization tax credit

In addition to statewide incentives, other legislatively established entities such as the Baton Rouge North Economic Development District and Downtown Development District continue to promote and advance incentives intended to attract and retain diverse companies for these respective areas.

NATIONAL AND REGIONAL POSITIONING

LOUISIANA

Louisiana recently ranked tenth in the country for its business climate (Site Selection, 2018) and ranked second in the South in terms of economic development (Southern Business & Development, 2018), demonstrating that the state is nationally and regionally competitive.

BATON ROUGE

East Baton Rouge Parish has demonstrated its commitment to entrepreneurship through the dedication of 2% of the East Baton Rouge Parish Hotel/Motel Tax to RPC in support of regional entrepreneurship.

Additionally, the Baton Rouge area is projected to add 5,100 jobs in 2019, a 1.3 percent job growth rate. This is a clear indication of the economic growth the region is experiencing, representing a built environment for startups to cluster around key industries helping to drive this growth in employment.

WEAKNESSES

There is a clear gap in the types of businesses currently served within the ecosystem. The area's two general business incubators express a sector focus in which each seeks to serve specific types of businesses, even if this is not consistently adhered to in practice. For RPC, this includes technology-focused businesses that are past the ideation stage, while Innovation Park staff focus on recruiting and developing manufacturing-related business, those businesses with a tech transfer component, or those that can benefit from the available chemistry labs. LETC, which currently does not serve as an incubator, focuses on recruiting and renting space to businesses that have an expressed interest in tapping into the resources of LSU, be it through research support or leveraging proximity to LSU's Main Campus to recruit talent. These organizations do not adequately serve main street-type businesses, or lifestyle businesses that need basic business consulting assistance.

Baton Rouge's lack of angel funds and angel investor networks appears to be largely due to siloed networks of investors with limited exposure or access to the entirety of the ecosystem, or historical experiences on the part of investors who may have experienced losses and/or negative encounters related to prior angel investment opportunities. However legitimate or experiential these issues are, area entrepreneurs suffer from the lack of local, available funding. Correspondingly, the lack of angel and venture capital in the Baton Rouge area is a weakness often expressed by incubator staff and entrepreneurs. Greater access to capital would provide many entrepreneurs the extra support they need to enter rapid growth stages of development.

Finally, the lack of comprehensive, standardized reporting of performance metrics across organizations makes it difficult to accurately evaluate the stand-alone strength and performance of individual ecosystem participants, as well as the ecosystem as a whole.

ENTREPRENEURS

- Though partially by design, the decentralized placement of incubators throughout Baton Rouge is perceived by entrepreneurs as a weakness. Entrepreneurs expressed a preference that incubators be placed in areas closer to other economic hubs and/or maintain stronger cohesion with one another if geographically dispersed.
- Though the office space rental rates offered by both Research Park Corporation and Innovation Park are below market rates, some buildings and facilities do not receive the level of attention and maintenance that would otherwise be expected in office venues rented at fair-market value.
- Redundant offerings of initial startup business consulting services are confusing to businesses seeking assistance or support.

INSTITUTIONAL WEAKNESSES

- Incubators lack discernment in selecting tenants that are a good fit with the industries they aim to serve, and instead are primarily focused on maintaining their occupancy rates. This confuses entrepreneurs seeking support tailored to their business and need. Such actions also represent a disservice to the ecosystem, encouraging competition, rather than collaboration, between organizations. Duplication of services fragments the impact of funds invested into the ecosystem, diluting the return on investment.
- The disparate physical footprints throughout the community make it difficult to pinpoint a specific area that serves as a hub for entrepreneurship and innovation. The lack of a cohesive, unifying presence and culture is perceived to be a weakness as it further fragments an already disjointed ecosystem.

OPPORTUNITIES

PARTNER WITH EXISTING AREA INDUSTRIES

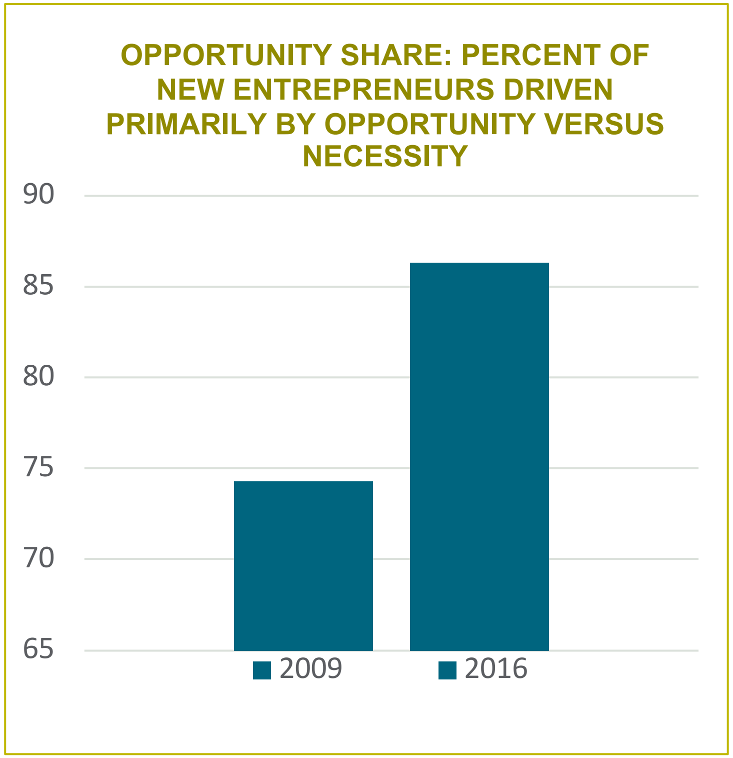
Target industries identified by the Baton Rouge Area Chamber offer clearly established and aspirant industries for the Baton Rouge area that present an opportunity for focused and coordinated innovation.

Ecosystem stakeholders should better leverage relationships with existing anchor companies (e.g., refineries and manufacturing) to cultivate support systems and organic connections among existing, established organizations and entrepreneurs in comparable industries, as well as provide targeted acceleration support for those startups poised to achieve rapid scaling and thus influence the continued growth of a given industry or sector.

WIDEN THE ENTREPRENEURIAL PIPELINE

LSU, Southern University, and Baton Rouge Community College (BRCC) offer a built pipeline for expansion of entrepreneurship through students and faculty. These academic institutions also represent opportunities for increased collaboration among industry professionals and researchers, as well as in the recruitment of new businesses hoping to utilize research resources.

Additionally, the Innovation Center on Southern University's campus represents an opportunity to continue expanding the accessibility of entrepreneurial services and resources within North Baton Rouge, providing linkages between Southern University students and the entrepreneurial community as a whole.



CAPITALIZE ON NATIONAL TRENDS

For the third year in a row, entrepreneurship in the U.S. is on the rise. More than in any one year since the Great Recession, greater proportions of new entrepreneurs are driven to start their businesses by "opportunity" rather than by "necessity," as measured by the Kauffman Index on Startup Activity (2016). Main street entrepreneurship (small businesses less than five years old) has reached higher levels than those recorded even before the recession of the late 2000s, with more than half of new businesses making it to their fifth year of operation (Kauffman Index on Main Street Entrepreneurship, 2016). There is a clear appetite nationwide and a growing desire on the part of individuals to innovate.

Providing programming that focuses on serving all new businesses, not just those positioned to quickly scale, represents an opportunity to reach a broad swathe of new entrepreneurs that may not otherwise have been served by existing ecosystem resources, thereby diversifying the types of entrepreneurs and business sectors engaged.

THREATS

LACK OF LOCAL CAPITAL

- Baton Rouge's lack of an active angel investor network, paired with the lack of alignment between the types of businesses started in the area and the types of industries in which area VC firms focus investments, have resulted in few viable local funding mechanisms – a void that can ultimately discourage growth and affect regional business retention
- Due to the lack of local capital, many startups decide to start their businesses in other areas of the state, or even other states within the region
- Businesses in later growth stages often go outside the area to locate additional resources to support rapid scaling of their ventures

COMPARATIVE DISADVANTAGE

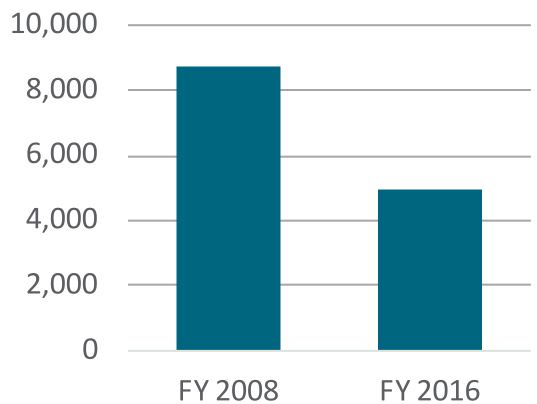
- New Orleans is viewed by many in and out of Louisiana as the state's innovation capital, luring over 45 high-tech startups to the metropolitan area between 2006-2018 (US News, 2018)
- New Orleans is perceived as having an advantage in attracting more out-of-state talent, in part due to having an international airport, two private universities that recruit higher numbers of out-of-state students, a growing reputation as a tech hub, or a combination of these and other factors
- Comparatively, Baton Rouge continues to work to build a unique brand and value proposition that is nationally recognized

FUNDING INSTABILITY

- Long-term instability within the state budget and funding for public higher education has affected both the recruitment and retention rates of teaching and research faculty and staff
- Faculty turnover negatively impacts student learning outcomes and depresses rates of tech transfer and commercialization

ANGEL INVESTOR NETWORKS IN LOUISIANA

LOUISIANA HIGHER EDUCATION APPROPRIATIONS, PER STUDENT



NATIONAL & REGIONAL COMPARISONS

NATIONAL BEST PRACTICES

A national survey of 116 incubator managers, conducted by the U.S. Department of Commerce's Economic Development Administration, confirms that the most efficient and effective incubators share many of the same operating practices and policies. These industry best practices were identified through the corresponding survey research and analysis ("Incubating Success: Incubator Best Practices that Lead to Successful New Ventures." 2011).

There is no single best practice, policy, or service that in and of itself creates a functional and efficient entrepreneurial ecosystem. It is only through the synchronization of various practices and services that measurable progress can be achieved.

MEASURING SUCCESS	• Develop goals and KPIs, and collect data to track performance • Collect longer-term client outcome data, including client and graduate revenues and employment, survival rates, and metrics for specific programs
RECRUITMENT & MARKETING	• Select clients based on cultural fit and potential for success • Explicitly market incubation services in a way that maximizes accessibility to aspiring entrepreneurs
MANAGEMENT PRACTICES	• Provide pre- and post-incubation services for businesses at different stages of business growth • Conduct regular and rigorous reviews of incubator expenditures and services provided • Prioritize low staff-to-client ratio
FINANCIAL PRACTICES	• Receive large portion of revenues from rent and service fees • Optimize ecosystem financial resources for direct entrepreneurial support
STRATEGIC POSITIONING	• Use research parks as anchors for innovation districts – hubs of startups and established research entities comingled with other lifestyle businesses and residential offerings, designed for easy access and collaboration • Engage successful area entrepreneurs through organizational advisory and leadership boards to prioritize feedback mechanism and grounding of leadership decision-making

LOUISVILLE, KENTUCKY

REGIONAL STATISTICS

- City population: 616,261
- County population: 771,158
- Businesses in county: 52,983

MAJOR INDUSTRIES

- Advanced manufacturing
- Business services
- Research and development
- Food and beverage
- Health care and social assistance
- Distribution and logistics
- Energy creation and transmission

SUCCESS METRICS

- Startups funded to $1 million in calendar year (39)
- Venture capital and angel investment secured ($19.9 million)
- Clients serviced (132)
- Jobs created (178)
- Density of ecosystem

OVERVIEW

Louisville benefits from a strong and centralized brand under which the majority of entrepreneurial support programs and entities operate. Collectively, stakeholders within the ecosystem have adopted the following practices:

- Focus on intentionally engaging a broad audience (experienced entrepreneurs, potential entrepreneurs in ideation stage, and members of the business community, among others)
- Examine gaps and encourage new organizations to fill those gaps, as well as collaborate on how to meaningfully provide gap services
- Instead of focusing on growing into new areas, Louisville accelerators “play to their industry strengths” and focus on development in those clusters that already have established infrastructures
- Create specific, tactical goals for growth (i.e., increasing yearly number of early stage companies that cross a threshold of $1 million in revenue, or increasing the density of the entrepreneurial ecosystem)

COMMUNITY PARTNERSHIPS

The University of Louisville (UL), the Greater Louisville Chamber of Commerce, XlerateHealth, and Louisville Healthcare CEO Council recently entered into a $1.3 million partnership to create a healthcare-focused entrepreneurship center. The university will provide the physical space, technology, and education, the Council will provide mentorship, and the local chamber will lead in connecting entrepreneurs with access to funding. Members of the entrepreneurial community often guest-lecture UL business classes. Entrepreneurship professors are connected to the entrepreneurial community and connect students to entrepreneurs. The Chamber also sponsors a “Launch in Louisville” package that provides incentives for recent graduates to start businesses in Louisville.

CHATTANOOGA, TENNESSEE

REGIONAL STATISTICS

- City population: 175,462
- County population: 354,098
- Businesses in county: 23,956
  - 28.9% startups
  - 16% stage 2 companies
  - 1.9% high-growth companies

MAJOR INDUSTRIES

- Advanced manufacturing
- Automotive manufacturing
- Information technology
- Back office
- Corporate headquarters
- Food and beverage

SUCCESS METRICS

- Job creation (9,575)
- New business investment ($55.7 million)
- Incubator graduates to date (556)
- Accelerator cohorts graduated (61)
- Graduate survival rate at 5 years (95%)

OVERVIEW

Chattanooga was the first mid-sized city in the country to establish an innovation district; the district, located downtown, spans part of the University of Tennessee, Chattanooga (UTC) campus, and houses a 90,000 sq. ft. innovation center. The city has made significant investments in the infrastructure supporting its ecosystem, such as through the development of its high-speed municipal fiber network that delivers some of the world's fastest broadband internet services.

The city is also home to the largest incubator in the state of Tennessee, and third largest in the U.S. (INCubator), which has graduated 556 companies. Entrepreneurs in Chattanooga benefit from two additional industry-specific incubators and the aforementioned innovation center, which serves as a physical center for entrepreneurship in the city and houses the CO.Lab accelerator.

After businesses graduate from INCubator, many move into the innovation center in the center of the innovation district, ultimately benefitting from the established startup networks within the innovation district, and positioning themselves to access support services offered by the CO.Lab accelerator. The strategic use of this innovation district to catalyze innovation in a specific geographic area also increases the accessibility of ecosystem offerings.

COMMUNITY PARTNERSHIPS

The UTC Business School offers a formalized internship program through which INCubator businesses are provided access to entrepreneurship student interns. The school also hosts an annual Entrepreneurial Forum to facilitate connections between students, faculty, and entrepreneurs. Furthermore, UTC and Chattanooga State Community College have a joint partnership with the Chattanooga Area Chamber and Small Business Administration to develop economic research internship opportunities for students at both schools.

BIRMINGHAM, ALABAMA

REGIONAL STATISTICS

- City population: 210,710
- County population: 659,197
- Businesses in county: 54,140
  - 27.2% startups
  - 14.8% stage 2 companies
  - 1.8% high-growth companies

MAJOR INDUSTRIES

- Automotive manufacturing
- Biosciences
- Information technology
- Finance and insurance
- Metal and machinery manufacturing

SUCCESS METRICS

- Businesses incubated (90)
- Businesses accelerated (10)
- Jobs created (91,064)
- Total funding secured by incubated companies ($57.7 million)

OVERVIEW

Alabama was recently rated No. 1 in business climate by Business Facilities, and Birmingham was recently named by Inc. as one of the top places to start a business (#37, 2018 rankings). Birmingham is home to Innovation Depot, an incubator funded by the regional business community, private foundations, and public entities.

Innovation Depot has served over 100 businesses since its inception in 2007 and offers, in addition to incubator services, a short-term acceleration program provides funding and consulting services to accepted businesses. Innovation Depot offers incubation (90 total companies), an accelerator program that launched its first cohort in 2017 (104 applicants, 10 startups selected), and ongoing educational offerings (bootcamp courses, some partnered education with stand-alone business development firms).

Birmingham benefits from a small but cohesive entrepreneurial community that works together without formalized agreements. Leaders of entrepreneurial support organizations serve on each others' boards and designate specific organizations to fulfill specific ecosystem-wide needs (e.g., one organization leads pipeline growth through programming with local secondary schools). The strength of existing relationships and commitment to ecosystem-wide success feed into a culture of collaboration. The presence of a centralized access point for services provides clarity to entrepreneurs interested in entering or further engaging with ecosystem resources.

UNIVERSITY PARTNERSHIPS

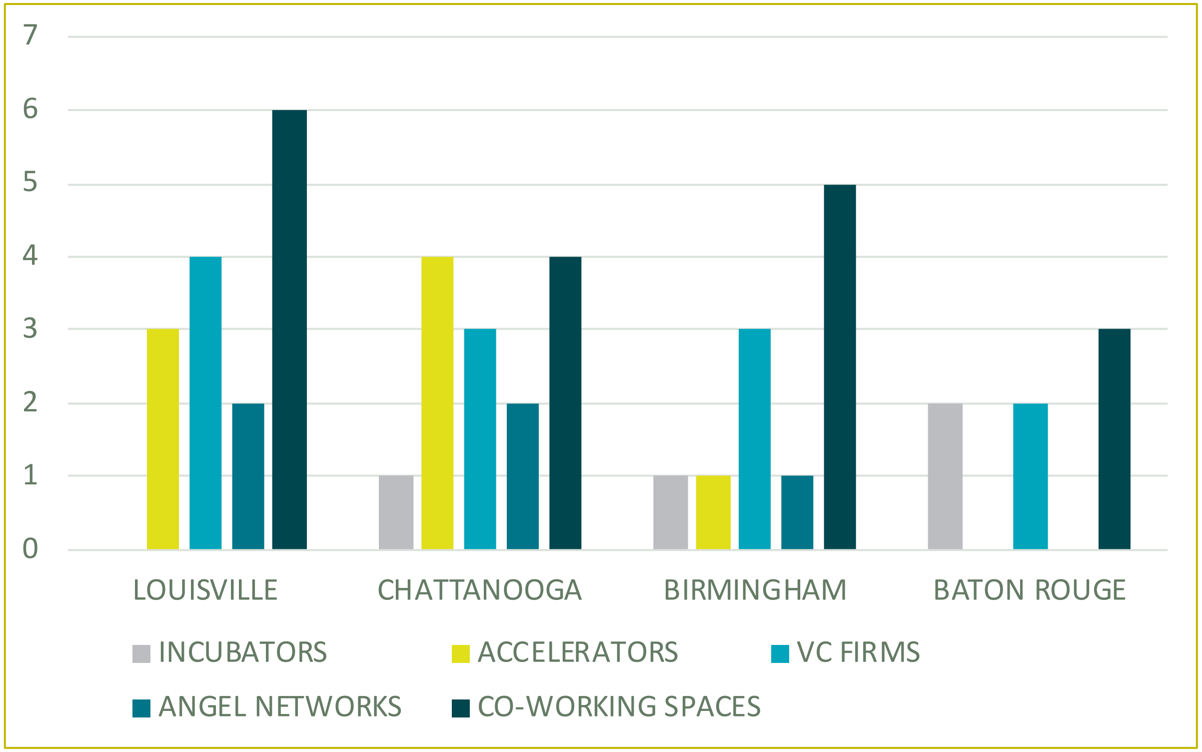
Innovation Depot has a formalized relationship with the major public university in the city, University of Alabama, Birmingham (UAB). The university's student incubator is housed inside Innovation Depot, and a professor from the university serves as a "Professor in Residence," holding office hours in the incubation space and building linkages between the business school and the entrepreneurial community. Innovation Depot businesses also hire UAB entrepreneurship students through an informal internship pipeline facilitated by the presence of the student incubator within the city's entrepreneurial center.

COMPETITIVE ADVANTAGES OF COMPARISON ECOSYSTEMS

LOUISVILLE	CHATTANOOGA	BIRMINGHAM
• The Louisville entrepreneurial ecosystem benefits from a strong internal brand. Stakeholders within the ecosystem collaborate through monthly meetings in which they communicate program updates and news about upcoming resources for entrepreneurs. • The leaders of the Louisville ecosystem are intentional about engaging different stakeholders through roles that specifically allow them to contribute in meaningful way, looking closely at gaps and encouraging new organizations to collaborate on how to meaningfully provide gap services. • Stakeholders are currently developing a mentorship program in which experienced entrepreneurs and professionals from larger, established organizations work with startups and entrepreneurs. This provides entrepreneurs the opportunity to “gut-test” ideas and keeps successful incubator graduates involved in the community. • Area accelerators “play to their industry strengths” and focus on growing new startups within industry clusters in which they already have established businesses.	• Chattanooga’s entrepreneurs benefit from a community that systematically prioritizes collaboration. Collectively, stakeholders in this ecosystem solve civic problems through entrepreneurship. A key example of this “Chattanooga Way” is the creation of the city’s downtown Innovation District, founded through a public-private partnership. • Entrepreneurs in Chattanooga operate with a “sense of ownership” of their ecosystem. While difficult to quantify, multiple stakeholders mentioned this in interviews as a point of pride and contributor to the ecosystem’s overall health and success. • Organizations within the ecosystem offer longer-term incubation services, as well as seasonal shorter-term accelerator programs to support entrepreneurs in as many phases as possible. • Community stakeholders understand that while not all businesses that receive services will undergo rapid growth, all contribute to the diversity of the ecosystem.	• Stakeholders within the Birmingham ecosystem know each other and work closely (i.e., serve on each others’ boards of directors), even without formalized agreements. • Stakeholders are invested in and prioritize the health and progress of ecosystem, benefiting from the collaboration through referrals and informal partnerships. • Birmingham’s incubator, Innovation Depot, serves as an anchor for the city’s newly created innovation district. This innovation district provides incubator graduates a designated area to move after they have transitioned out of the incubator but still need partial support, while simultaneously developing the immediate area into a hub for commerce. • Placement of the student incubator in the community incubator space has created greater synergies between the University of Alabama, Birmingham and Birmingham’s entrepreneurial ecosystem.

HOW BATON ROUGE COMPARES TO THESE PEER CITIES

Access to capital in the form of regional angel investor networks and venture capital firms, as well as other organizations with supporting infrastructure – such as co-working spaces, formalized incubators, and accelerators – are essential components of any robust entrepreneurial ecosystem. Baton Rouge possesses many of the necessary elements for a strong ecosystem but lacks some critical resources that would catalyze a more vibrant and complete environment for entrepreneurs.



KEY COMPARISONS

Baton Rouge lacks an active angel investor network, representing a key deficiency in the local ecosystem. Additionally, there is no formal business accelerator within the ecosystem, a challenge that is shared among many local areas throughout Louisiana but a function that is distinctly driven by entrepreneurial capacity and demand, given the cohort model of traditional accelerators with a target industry focus. Separately, there is an overabundance of incubators, compared to peer markets.

A lack of structured access to angel investor support, combined with the lack of alignment between local investors and the types of businesses seeking that capital, has resulted in few if any viable funding streams that are readily accessible by entrepreneurs looking for financing outside of friends and family funding.

*** Southern University's Innovation Center is publicly marketed as an incubator, but appears to have significant capacity for further defining and building upon this use case.*

ADDITIONAL FORMAL UNIVERSITY & INCUBATOR LINKAGES

Universities and incubators are natural partners, given their shared interest in spurring business growth and development and leveraging resources to build startup culture, area job growth, and attract new capital to a community. In many cases, universities serve as innovation hubs, as both a metaphorical and physical gathering point for entrepreneurial activity. However, specific partnerships between institutions of higher learning and business development entities take different forms, depending on the needs of the communities and the resources available. Below are a few varying examples of structured partnerships between universities and incubators throughout the southern U.S.

TEXAS
The University of Texas at Austin

The Austin Technology Incubator (ATI) is the startup incubator of the University of Texas at Austin. ATI facilitates connections between three distinct populations: the full-time ATI professional staff, who are previous entrepreneurs, investors, technology executives and consultants with industry connections and experience; the students and faculty at UT Austin, through coordination with faculty in academic programs; and members of the Austin technology community. Simultaneously, ATI provides resources for community entrepreneurs and UT Austin students through short and longer-term programming. As the hub for accessing university resources, as well as a centralized location for students and community entrepreneurs seeking business support services, ATI is uniquely positioned to facilitate mutually beneficial connections between the university and the broader entrepreneurial community in Austin.

Tulane University

In some cases, incubators and universities partner to host specific types of programming. Tulane University's A.B. Freeman School of Business recently announced a partnership with The Idea Village, a New Orleans business incubator. Together, the two hosted the 2019 New Orleans Entrepreneur Week (NOEW). The Idea Village board oversees the partnership with Tulane and ultimately maintains responsibility for the NOEW production, while leveraging university resources in the form of student manpower and coordinating with Tulane business faculty to recruit students and ensure faculty participation.

Georgia Tech

Georgia Tech's Tech Square area boasts the highest density of startups, corporate innovation teams, and academic researchers in the southeastern U.S. This area – a collaboration between the university, multiple corporate partners, and area accelerators and incubators – focuses on growing businesses in high tech, advanced manufacturing, financial technology, heath care, IT security, and neuroscience. The proximity to Georgia Tech's campus positions it to serve as a hub for students and researchers alike, as well as a conduit for connectivity to private sector partners interested in capitalizing on the university's resources through clearly delineated pathways and programmatic offerings.

HBCU ENTREPRENEURSHIP

In tandem with growing national entrepreneurship trends, minority entrepreneurship is on the rise. The number of African American small business owners has increased nearly 400% between 2015 and 2018 (Guidant Financial, 2018). This growth correlates with increasing opportunities for Historically Black Colleges and Universities to leverage funding and programming opportunities to continue supporting minority entrepreneurship.

Southern University's recently opened Innovation Center is an area of opportunity to catalyze entrepreneurship throughout Baton Rouge but particularly in the North Baton Rouge area, much in the same way the following institutions have leveraged partnerships with economic development organizations, municipal governments, and federal governments to ultimately provide greater resources for the local entrepreneurial community.

HOWARD UNIVERSITY 1867

In partnership with the mayor of Washington, D.C., Howard University launched the city's first incubator focused on expanding the diversity of area entrepreneurs. The incubator, called the Inclusive Innovation Incubator (IN3), is located on the edge of Howard's campus and hosts regular networking events, offers rentable shared space and offices, and provides opportunities for area entrepreneurs to leverage the assets associated with Howard University.

IN3 is committed to supporting and increasing diversity among entrepreneurs, startups, and small business owners. Its programming is oriented around supporting technology and innovation sectors through providing affordable office and co-working space to minority entrepreneurs.

MOREHOUSE

Morehouse College's Entrepreneurship Center serves both student entrepreneurs and the broader Atlanta community. The Center offers a central physical location with services for startup businesses as well as college students interested in entrepreneurship. The Center is also the first in the nation at an HBCU to offer a certificate program focused on Investing in Startups and Early Stage Companies, aimed at increasing the number of minority angel investors.

The Center administers a partnership program that provides mentorship to small technology growth companies, holds a yearly innovation expo (Morehouse Innovation Expo), and provides regular programming to students, including Go Code, Y Combinator, and Village Micro Fund.

SHAW UNIVERSITY 1865

Shaw University has partnered with the North Carolina Small Business Development Fund to create an Innovation and Entrepreneurship Center in Raleigh. The Center is located in downtown Raleigh, blocks away from the Shaw University campus. It serves both minority entrepreneurs in the Raleigh area through an incubator, available rental space, and weekly programming, but also serves students interested in starting or growing their own businesses. Additionally, the Center hosts an annual Black Entrepreneurship Week to highlight and celebrate black entrepreneurship and minority-owned businesses in North Carolina.

THE FUTURE OF THE ECOSYSTEM

THE IMPERATIVE FOR CHANGE

Entrepreneurs are underserved by the current ecosystem

- There is no clear path for accessing ecosystem resources
- A "customer's journey" through the Baton Rouge entrepreneurial ecosystem is nonlinear and not readily apparent to entrepreneurs in need of assistance at various stages of their venture
- The lack of awareness on the part of entrepreneurs related to available organizations, services, and resources appears to dissuade many would-be entrepreneurs from pursuing their business ideas

Entrepreneurship is on the rise nationally and regionally

- National rates of entrepreneurship are steadily increasing each year
- Entrepreneurship programs are being created both in secondary and post-secondary institutions within the region

Scarcity of public funds has resulted in the need for efficiency, innovation, and transparency

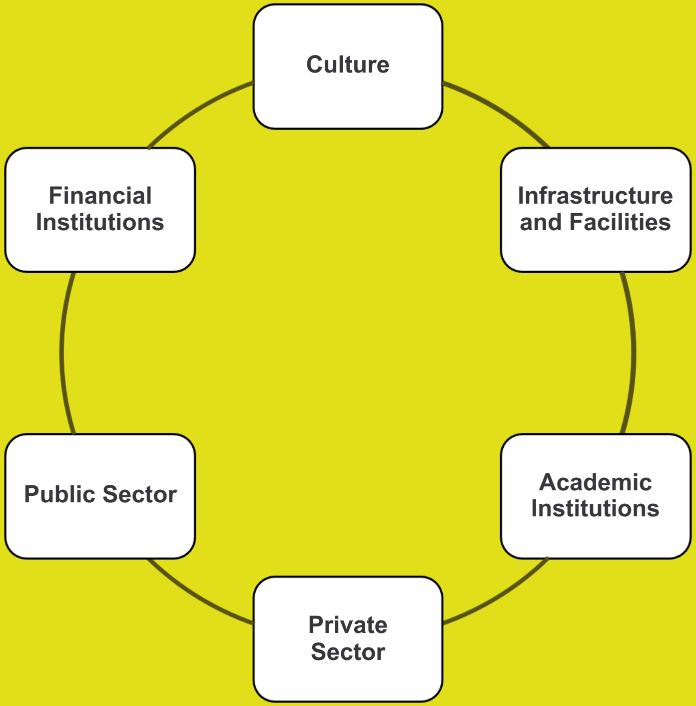
- Louisiana's ongoing state budget issues have placed a spotlight on how public dollars are being spent, supporting a continued emphasis on efficient and innovative use of these funds to drive economic growth
- Stakeholders within the ecosystem should consider how to most judiciously use funds to best meet the needs of the entrepreneurial community, ideally serving the greatest number of businesses and creating the greatest amount of value-add possible

The shortcomings of the Baton Rouge entrepreneurial culture can be addressed through greater collaboration and structured coordination

- Unifying currently siloed organizations through a structured joint venture will result in a more robust and cohesive entrepreneurial culture that attracts and stimulates growth
- A cohesive brand will make organizations within the ecosystem more accessible to entrepreneurs by boosting awareness of service offerings

ENTREPRENEURIAL ECOSYSTEM

A robust entrepreneurial ecosystem is composed broadly of the business environment, participants who interact with one another, entrepreneurial culture, and supporting institutions. Each of these components works together to form a functional ecosystem with the relevant and necessary resources to support entrepreneurship.



IDEALIZED JOURNEY THROUGH ECOSYSTEM

STARTUP PHASE

BUSINESS IDEATION

- BUILD INTEREST IN STARTING A BUSINESS (PIPELINE)
- EDUCATION
- COACHING AND MENTORING
- BUILDING CULTURE OF ENTREPRENEURSHIP
- COMMUNITY-WIDE PROGRAMMATIC OFFERINGS

DISCOVERY

- INITIAL RESEARCH
  - Market competition
  - Product/service viability
  - Funding required
  - Business registration
- CONNECTION TO LOCAL, STATE, AND FEDERAL RESOURCES
- TECHNOLOGY TRANSFER

GROWTH PHASE

INCUBATION

- PHYSICAL INCUBATION
  - Office space
  - Onsite business consulting resources
  - Co-location with other entrepreneurs
- VIRTUAL INCUBATION
  - Business consulting on demand
- STUDENT INCUBATION
  - Physical office space, if desired
  - Mentorship
  - Cultivation of minimum viable product
- TECH TRANSFER
- FRIENDS AND FAMILY FUNDRAISING

EXPANSION

BUSINESS GROWTH AND SCALING

- RAPID SCALING OF BUSINESS
  - Series B/C funding
  - Bridge funding
- SERVICE OR MARKET EXPANSION
- MENTORSHIP/ COACHING

EXIT POINT

- BUYOUT, IPO, OR BUSINESS AUTOPILOT

CURRENT ECOSYSTEM OFFERINGS

STRENGTH OF PROGRAMMATIC OFFERINGS

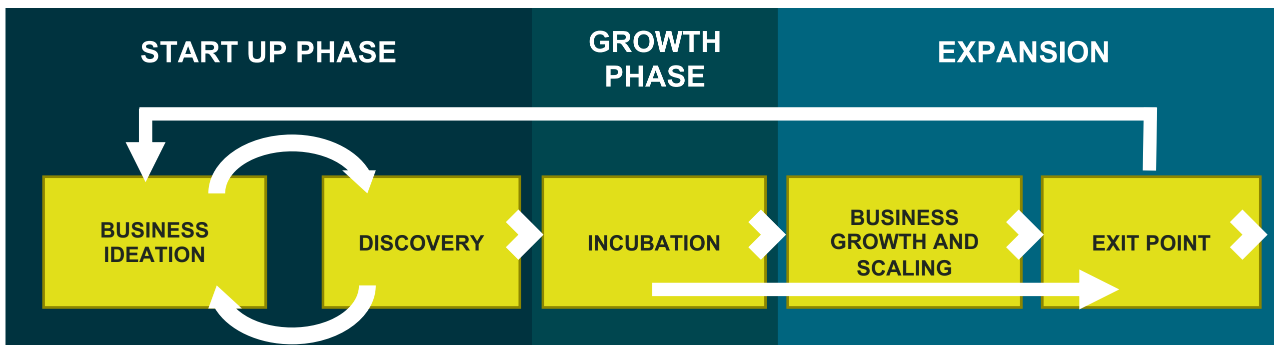
- ● STRONG
- ◍ AVERAGE
- ○ WEAK

	START UP PHASE		GROWTH PHASE	EXPANSION	
	BUSINESS IDEATION	DISCOVERY	INCUBATION	BUSINESS GROWTH AND SCALING	EXIT POINT
LSU MAIN CAMPUS	●	◍	◍	○	○
INNOVATION PARK	●	◍	◍	○	○
RPC	●	●	◍	◍	○
SU	√	√			
LSBDC	√	√			
K – 12	√				
OTHER	√	√		√	√

FUTURE IDEALIZED ECOSYSTEM OFFERINGS

The future ecosystem should be driven by coordination of assets and resources and more intentional collaboration among the organizations tasked with oversight of such assets. Regardless of their geographic location, entrepreneurs who encounter one of these organizations should be directed to the most optimal resources needed to grow their businesses throughout each stage of their startup's life cycle and in a clearly defined, streamlined manner. Each organization should in turn maintain a willingness and focus on directing entrepreneurs interested in these services to all organizations within the ecosystem, based on fit and resource availability, regardless of their initial point of entry.

Furthermore, while Southern University was not an in-scope organization for the purposes of this assessment, this coordinated ecosystem should be intentional about leveraging its footprint and resources to spur entrepreneurship among students, alumni, and the surrounding area in a similarly coordinated manner.



LSU MAIN CAMPUS **INNOVATION PARK** **RPC** **SU**	Entrepreneurial pipeline is grown through marketing of available resources and explicit recruitment of entrepreneurs.	Connections are facilitated between entrepreneurs and business development resources and support.	Businesses undergo onsite or virtual incubation and are provided with mentorship and programming.	Entrepreneurs are connected to capital.	Capital and expertise are reinvested back into the ecosystem.

CURRENT VS. FUTURE STATE

ECOSYSTEM ELEMENTS	CURRENT	IDEAL FUTURE STATE
Entry Point	• Entrepreneurs enter the ecosystem through either entity and are encouraged to utilize services and available office space or land via rental agreements	• Entrepreneurs enter the ecosystem through multiple entry points but receive a consistent experience and are referred and navigated to the appropriate service provider via intake counselors based on their need and stage
Programming & Consulting	• Organizations provide similar business coaching services, office space available for rent, and duplicative programming	• Business coaches/counselors provide sector-specific and/or stage-specific expertise • Referrals occur across ecosystem, and resources are allocated based on entrepreneur needs
Exit Point	• Capital is accessed through limited in-market venture capital funds or friends and family networks • There is minimal ecosystem-driven facilitation toward incubator or business exit strategies	• Structured programs provide clear access to capital and resources that can address rapid growth or scaling needs • Incubators are structured to help entrepreneurs progress to mature businesses and/or later-stage exits • Formal angel networks leverage the full reach and networks of all relevant organizations in a coordinated manner
Facilities	• Innovation Park facilities are managed by Innovation Park staff • Tech Park incubator is managed by RPC staff • LETC facility is managed by third-party facility managers	• An ecosystem-wide facility master plan is developed and approved by LSU and RPC governing authorities • Entities manage and develop innovation facility assets in close coordination with one another and in alignment with approved facility master plan
Accountability	• Each entity reports to its specific governing body • No standardized, shared metrics or public scorecards exist to guide ecosystem-wide accountability	• LSU and RPC staff and governing bodies collaborate on a shared and publicly available strategic plan • Entities jointly publish an annual report detailing performance toward consistent outcome metrics and how resources have been utilized to drive ecosystem success
Governance	• RPC staff report to RPC Board of Directors • Innovation Park staff report to LSU Office of Research & Economic Development • LETC staff and contractors report to RTF Board of Directors	• A joint venture between LSU and RPC governing authorities via CEA is responsible for setting and implementing overarching ecosystem strategies across relevant assets • Joint venture provides oversight for informing broad ecosystem success while holding both entities accountable for achieving ecosystem-wide performance metrics

A BETTER FUTURE STATE ENVIRONMENT AND EXPERIENCE FOR ENTREPRENEURS

In an idealized future ecosystem, entrepreneurs and aspiring business owners throughout the community are aware of the entrepreneurial ecosystem, its associated resources, and how to access resources and services.

- While entrepreneurs enter the ecosystem through various intake points, regardless of how they make initial contact with the ecosystem and its associated organizations, they receive a consistent experience that is relevant to their sector and/or business growth stage.

- From the time they enter the ecosystem, entrepreneurs are supported by relevant staff across ecosystem organizations in a coordinated and integrated manner. Staff members support entrepreneurs as they navigate the ecosystem, ensuring that no entrepreneur falls through the cracks, is unaware or unable to access the resources necessary to grow their businesses, and reduce instances of “accidental entrepreneurship” from occurring.

- Increased collaboration among the support organizations results in a unified ecosystem that operates based on a singular vision and visible, regional brand. Within the ecosystem, separate organizations work together toward shared goals. Ultimately, these organizations work together to provide entrepreneurs across the region equal access to available programming, events, and resources.

- As their businesses approach maturity, entrepreneurs are connected to the capital necessary to rapidly grow and/or scale their businesses. They are able to do so and successfully exit, eventually being guided back into the ecosystem to support new entrepreneurs in a mentoring or advisory capacity, or as a funder.

OVERARCHING RECOMMENDATIONS

Each of these recommendations is grounded in best practices demonstrated by regional and national models for high-performing ecosystems, with a focus on addressing specific needs of current and future entrepreneurs in the Baton Rouge area. These practices should be applied to all organizations within the ecosystem, with the sections that follow containing recommendations for each in-scope organization considered as part of this assessment.

INCREASE COLLABORATION

- Create feedback mechanisms for entrepreneurs to have greater opportunity to shape the direction and decision-making of incubators to better understand and meet entrepreneurial needs.
- Cultivate businesses that fit within existing industry strongholds in the Capital Region. Coordinate with BRAC in developing strategies for recruiting and growing businesses that can strengthen the target industries already supported by regional assets or the businesses that support those industries.

INCREASE TRANSPARENCY & ACCOUNTABILITY

- Prioritize greater transparency of financial operations and available resources (financial and otherwise) of each organization. This will help to build trust and awareness throughout the overall ecosystem and aid in more clearly determining the services that each organization is best positioned to provide.
- Develop and adopt ecosystem-wide, outcome-oriented key performance indicators (KPIs) to help stakeholders more effectively identify and evaluate the performance of individual organizations and programs, as well as the overall health of the ecosystem.

CENTRALIZE ACCESSIBILITY

- Commit to more intentional leveraging of existing assets in terms of properties, human capital, and programming/services across ecosystem participants.
- Cultivate a distinct ecosystem brand, which should serve as a cohesive, outward-facing brand for all services delivered by ecosystem participants. This will serve both as a reminder to those in the ecosystem of the need for increased collaboration, as well as coordinated venues through which entrepreneurs can access information and resources.

RECOMMENDED FRAMEWORK

Currently, Innovation Park, LETC, and RPC operate under distinct forms of governance. Greater alignment of these disparate organizations while preserving the distinct mission and focus of each would be achieved by establishing a cooperative endeavor agreement and a joint venture of LSU and RPC through which each organization's management of innovation assets and resources is coordinated, with day-to-day operational and organizational management continuing to reside with each organization. Through this framework, it is expected that the programs, services, and facility and land resources of each will be developed more cohesively based on financial resources and funding streams, ultimately to the benefit of area entrepreneurs.

While such a joint venture would be responsible for setting and overseeing broad ecosystem strategy, both LSU and RPC should maintain day-to-day responsibility for the organizational assets and resources to which each has been entrusted. Ultimately, this framework would facilitate more nimble and coordinated responses to market and economic trends and changing needs of entrepreneurs.

LSU/RPC JOINT VENTURE

INCREASED ACCESSIBILITY

Streamlining and branding of organization offerings to provide greater clarity among entrepreneurs about which facilities and people are best-suited to serve them

UNIQUE SERVICE OFFERINGS

Addressing long-standing duplications of programming and business consulting services, and focusing instead on raising the distinctiveness of these offerings

MEASURED SUCCESS

Implementing shared metrics, reporting, and standards for success – leading to greater efficiencies and accountability of entrepreneurial organizations in the area

COST SAVINGS

Establishing cost savings that could ultimately be redirected into the broader ecosystem, ideally through an expansion of programming aimed at underserved members of the entrepreneurial community

A PHASED APPROACH TO INTEGRATION

OVERVIEW

In order to take into account the complex and siloed nature of the current ecosystem, integration efforts and movement toward this ideal end state are recommended to occur through a phased, gradual transition over the course of 18 months. Each organization considered through this assessment owns distinct physical assets currently in operation and human resources in the form of staff actively assisting area entrepreneurs and incubator tenants. Additionally, the existence of longer-term contractual or lease obligations make any immediate facility transitions difficult. The proposed transition has been designed to provide adequate time to develop and advance appropriate CEAs through the relevant governing authorities, establish a long-term plan for facility and asset utilization, and allow for any transitioning of facility and staff resources as each organization redefines itself within this collaborative model.

STAFF

Preservation of institutional knowledge within each organization will be central to ensuring the success of these organizations. To retain knowledge and maintain staffing stability within the ecosystem, each organization should work to reallocate and/or retrain its workforce as necessary to meet the value proposition and focus for each. Over time, as each organization redefines these areas of focus, staffing levels should be considered and right-sized as necessary through natural attrition based on ecosystem needs.

The executive leadership of both LSU and RPC should remain in place as each organization migrates toward this more coordinated structure across the ecosystem. These leadership teams would be responsible for overseeing the integration efforts of both organizations, bridging many of the current gaps, encouraging the exchange of information, and catalyzing the necessary changes to inform a more coordinated and integrated ecosystem.

FACILITIES

Facilities and land represent important offerings in both RPC and LSU's asset portfolios. Physical space, be it in the form of office space, shared professional resource spaces, or districts that serve as gathering or catalyzing spaces for industries, are a critical part of any robust ecosystem. Designated spaces for entrepreneurship facilitate interactions between ideas and people, and serve as a center for learning – ultimately producing smarter, better, and more efficient startups.

Each organization should maintain its current facilities but undergo an analysis through the recommended joint venture to focus on the development of a specific value proposition and how each can serve a distinct need of the entrepreneurial ecosystem, particularly with a focus on maximizing the use of existing and future facilities. This analysis should focus on the strategic use of existing LSU assets and RPC resources to refurbish existing spaces, partnering to create joint and integrated commitments to success.

A longer-term facility master plan should be immediately authorized by the governing authorities for each organization, with the end result of this planning process expected to identify where modifications may need to be made to existing facilities or where other investments should be directed for positioning facilities in areas that will directly benefit entrepreneurship in the community.

In the interim, LSU should continue to invest in growing the utilization of Innovation Park, including the LSU Student Incubator, and LETC through targeted recruitment and facility upgrades. A special emphasis should be placed on identifying areas at LSU Main Campus and Innovation Park for co-locating student entrepreneurs with ecosystem resources that can catalyze their business ideas, while spurring innovation that can serve as a key input into building a culture of entrepreneurship within the Baton Rouge community.

ECOSYSTEM INTEGRATION PHASES

	PHASE 1: Formalized Cooperation	PHASE 2: Streamlined Integration	PHASE 3: Redefined Ecosystem
GOALS	Form joint venture between LETC, Innovation Park, and RPC	Establish formalized mechanism for guiding future ecosystem strategy and related decisions	Reposition ecosystem offerings based on entrepreneurs' needs and reinvigorate culture
ACTIVITIES	• Establish initial MOU outlining parameters and commitments to coordination across the ecosystem • Utilize MOU to inform the development of a CEA creating a joint venture between LSU and RPC • Create ecosystem advisory committee • Hold strategic planning session(s) with Innovation Park, LETC, and RPC leadership to align entrepreneurial experiences across the ecosystem • Launch a facility master plan to take into account the most strategic use of existing ecosystem physical assets • Begin to hold regular coordination meetings between LSU/RPC staff • Develop shared metrics for measuring macro ecosystem success and growing and refining programming and services • Coordinate RPC/LSU staff and ecosystem stakeholder visits to leading cities' entrepreneurial ecosystems • Initiate public communications outlining plan and receive community input	• Finalize and adopt facility master plan • Finalize and adopt a coordinated plan for physical and virtual "entrepreneur intake," as well as the coordinated delivery of programs and support services across organizations • Undertake compensation study to evaluate compensation packages with a focus on ensuring parity in future staff across the ecosystem • Finalize shared metrics for measuring macro ecosystem success growing and refining programming and service offerings • Inventory potential angel investors and establish parameters for a coordinated Baton Rouge area angel investor network • Assess viability, structure, and location options for business acceleration functions • Undertake talent recruitment strategy to address unmet needs • Align marketing functions across RPC, LETC, and Innovation Park • Continue public communication efforts to build awareness and excitement and receive community input	• Initiate early priority facility decisions and/or investments based on results of master plan (to be authorized by the relevant governing authority) • Support the launch of a Baton Rouge area angel investor network that involves LSU and RPC working together to leverage resources and connections to capital • Leveraging the statewide footprint and networks of both organizations, establish regional business acceleration function to support rapid growth of candidate startups (based on entrepreneurial demand and alignment with distinct focus on regional target industries) • Continue to refine CEA delineating respective organizations' roles and responsibilities (coordinated through LSU/RPC joint venture) • Launch public rebranding and awareness campaign
OUTPUTS	Leadership team to guide integration process and research initiated into how to most effectively utilize facilities	Coordinated operating practices, facility management, ecosystem marketing, and staffing through LSU/RPC joint venture	Defined focus on connecting capital, facilities, and programming with area startups, supported by a reinvigorated culture of entrepreneurship
TIMELINE	Months 0-4	Months 5-12	Months 13-18

PHASE 1: FORMALIZED COOPERATION

OVERVIEW

The first phase of the transition should focus on **laying the groundwork for greater collaboration**. This should be in the form of establishing an initial memorandum of understanding and possibly the use of cooperative endeavor agreements to formalize linkages between LSU and RPC in the form of an LSU/RPC joint venture, overseen with equal representation from each organization. These formal agreements will be used to begin the process of better coordinating staff efforts to better refine their business counseling and programming offerings, differentiating the incubation programs offered by the respective organizations, and beginning to coordinate resource utilization across the entities.

Once initial working agreements are in place and codified, it will be necessary to **establish an ecosystem advisory committee.**

Advisory Committee Membership
- Successful entrepreneurs
- Representatives from LSU leadership
- Representatives from RPC leadership
- Representatives from SU leadership
- BRAC leadership

Advisory Committee Goals
- Provide feedback on the ongoing transition to a more integrated ecosystem
- Provide public accountability for the transition process and ecosystem performance
- Identify differentiated value propositions for each existing organization, based on market need and the current positioning of the organizations
- Provide public communication and input into process

ORGANIZATIONAL COLLABORATION

Regular coordination meetings between LSU and RPC staff should be instituted to catalyze collaboration and information sharing, and to provide a centralized means through which current standard operating procedures and internal metrics will be implemented.

STAFFING

Through the recommended LSU/RPC joint venture, LSU Main Campus, Innovation Park, and RPC executive leadership should oversee these integration efforts and be held responsible for ecosystem performance throughout and following this transition process. Some duplication of staffing and human resources is natural in establishing a focus on more coordinated resource utilization. To address this, each organization should:
- Analyze current staffing resources against comprehensive needs of ecosystem
- Utilize natural staff attrition to meet new ecosystem-wide staffing needs

FACILITIES

There should be no movement in this phase related to existing physical organizations' campuses. However, it will be necessary to undertake the development of a facility master plan for Innovation Park, LETC, and RPC. This plan should provide a cohesive and data-driven blueprint for utilizing current facility assets and/or the development of and movement to facilities that best serve the entrepreneurial community; this plan will ultimately need approval from both LSU and RPC governing bodies.

In consideration of its 2019 lease expiration at Bon Carre', RPC should consider a short-term extension of its existing lease to accommodate the time necessary to consider longer-term facility needs.

PHASE 1 Actions Needed

- Establish initial MOU outlining parameters and commitments to coordination across the ecosystem
- Utilize MOU to inform the development of a CEA creating a joint venture between LSU and RPC
- Create ecosystem advisory committee
- Hold strategic planning session(s) with Innovation Park, LETC, and RPC leadership to align entrepreneurial experiences across the ecosystem
- Launch a facility master plan to take into account the most strategic use of existing ecosystem physical assets
- Begin to hold regular coordination meetings between LSU/RPC staff
- Develop shared metrics for measuring macro ecosystem success and growing and refining programming and services
- Coordinate RPC/LSU staff and ecosystem stakeholder visits to leading cities' entrepreneurial ecosystems
- Initiate public communications outlining plan and receive community input

Proposed implementation timeline: months 0-4

PHASE 2: STREAMLINED INTEGRATION

OVERVIEW

In Phase 2, each organization would operate as an active participant in the recommended LSU/RPC joint venture that sets and drives broad ecosystem strategy in the Baton Rouge area, supported by an advisory committee of successful entrepreneurs and business and community leaders. The leadership for each organization should work to ensure continuity during the transition while considering facility, programming, and staff needs associated with the ideal ecosystem end state. Ecosystem-wide performance metrics should be established and adopted by each organization.

FACILITIES

Early stage priorities for facility decisions and/or improvements should be identified during this phase as the facility master plan is completed, with key decisions and/or upgrades coordinated at the LSU/RPC joint venture level with input from the ecosystem advisory committee.

LETC could be repurposed to serve as the physical and programmatic innovation and connector hub for LSU resources to the entrepreneurial community. This may include businesses with expressed interest in collaboration with LSU researchers or research assets, or those interested in tapping into the LSU student resources.

STAFFING

Each organization should assess existing staff and determine strength and gaps of a future state environment based on skillsets and areas of expertise. A workforce recruitment strategy should be deployed to address needs not currently met, as well as skill gaps.

A compensation study will be necessary to evaluate compensation packages currently offered to staff. This study should take into account positions that are not currently funded or in existence within either organization, in tandem with the staff recruitment strategy, as well as the different constraints present in the current benefits structures within each organization to ensure parity and consistency in future workforce recruitment efforts.

MANAGEMENT

The executive leadership for each organization, supported by the ecosystem advisory committee, should build shared metrics for measuring the success of the ecosystem and set goals for the macro ecosystem and for the corresponding programming and service offerings. To standardize the metrics for success, regular reporting expectations should be instituted to ensure continued progress.

Through this oversight and management structure, LSU and RPC should work to establish the parameters for a formal area angel investor network and address other capital or scaling needs of entrepreneurs. This should include assessing the feasibility of establishing a business accelerator to support the rapid growth needs of entrepreneurs within target industries, with the potential for attracting cohorts of other Louisiana startups in markets similarly lacking in this function or service. Additionally, LSU and RPC should establish formal parameters for coordination of programming and marketing functions across each organization to ensure a cohesive message and service offerings are presented to area entrepreneurs with the greatest amount of efficiency and impact. Most critical to these functions is clearly communicating the unique value propositions of each organizations, providing a clear understanding to entrepreneurs of the available expertise or distinct facilities and a coordinated approach to navigating across the ecosystem.

PHASE 2 Actions Needed

- Finalize and adopt facility master plan
- Finalize and adopt a coordinated plan for physical and virtual “entrepreneur intake,” as well as the coordinated delivery of programs and support services across organizations
- Undertake compensation study to evaluate compensation packages with a focus on ensuring parity in future staff across the ecosystem
- Finalize shared metrics for measuring macro ecosystem success growing and refining programming and service offerings
- Inventory potential angel investors and establish parameters for a coordinated Baton Rouge area angel investor network
- Assess viability, structure, and location options for business acceleration functions
- Undertake talent recruitment strategy to address unmet needs
- Align marketing functions across RPC, LETC, and Innovation Park
- Continue public communication efforts to build awareness and excitement and receive community input

Proposed implementation timeline: months 5-12

PHASE 3: REDEFINED ECOSYSTEM

OVERVIEW

The final phase of this transition should focus on repositioning of ecosystem assets, services, and resources to more fully address entrepreneurial needs in the Baton Rouge area. This should include the initiation of early priority facilitation decisions in alignment with the long-term facility master plan and the establishment of key service offerings not currently present in today's ecosystem, including those that meet the needs of entrepreneurs throughout the state to support their rapid growth or scaling needs. Additionally, both organizations should adopt a clear focus on building a robust sense of culture and identity among the entrepreneurial ecosystem, informed by branding and awareness building and supported by the actions taken and investments made by each organization.

FACILITIES

All organizations should begin implementing the facility master plan adopted by the LSU and RPC governing authorities, commissioned in Phase 1 of the transition, to immediately address the expiration of the RPC lease at the Bon Carre' Business Center and guide future site and facility development at Innovation Park.

This master plan should ideally also include the initiation of a comprehensive ground leasing strategy for Innovation Park along with targeted facility updates that should be made to incubation and tenant facilities. The master planning effort should include locations in North Baton Rouge, in coordination with Southern University and the Baton Rouge North Economic Development District, to ensure the North Baton Rouge area is fully engaged within the ecosystem.

BRAND & CULTURE

A public rebranding and awareness campaign should be launched to highlight the consolidation of previously disparate resources within the ecosystem into a consistent, coordinated experience through which resources may be accessed, and to communicate the unique value propositions of each organization and venue.

To supplement the consolidation of entry points into the ecosystem and to ensure new businesses in the region fully utilize all available resources, an effort should be undertaken to develop a consolidated list of organizational and incentives currently offered within area municipalities, designated districts, the Capital Region, and the state that can be used individually or in tandem with one another to benefit entrepreneurs.

MANAGEMENT

Both LSU and RPC should continue refining their delineated roles and responsibilities within the ecosystem, coordinated via CEA at the LSU/RPC joint venture level, while implementing any organizational structure or and corresponding business process modifications across functional areas – particularly those functions or services that may be new to the broader ecosystem, such as an active and coordinated angel network or industry-focused business accelerator. Ideally, alignment across the in-scope organizations in delineated areas of focus will result in greater synergy across organizations for the ultimate benefit of the broader entrepreneurial ecosystem.

PHASE 3 Actions Needed

- Initiate early priority facility decisions and/or investments based on results of master plan (to be authorized by the relevant governing authority)
- Support the launch of a Baton Rouge area angel investor network that involves LSU and RPC working together to leverage resources and connections to capital
- Leveraging the statewide footprint and networks of both organizations, establish regional business acceleration function to support rapid growth of candidate startups (based on entrepreneurial demand and alignment with distinct focus on regional target industries)
- Continue to refine CEA delineating respective organizations' roles and responsibilities (coordinated through LSU/RPC joint venture)
- Launch public rebranding and awareness campaign

Proposed implementation timeline: months 13-18

RECOMMENDED FUTURE STATE ENVIRONMENT FUNCTIONS

While LSU and RPC both maintain unique organizations and corresponding organizational structures, the broader ecosystem would be ideally served by adequately fulfilling key functional areas, with resources and programmatic offerings oriented accordingly. The reorientation of assets and offerings from a generalized model within organizations to a centralized model will allow for developing each of these areas, with more attention paid to specialization. Such a focus on functional areas will ideally serve as a guide for any streamlining of organizational structures with each entity that ensures the core value proposition of each is focused on filling distinct ecosystem needs while minimizing duplication of efforts within the ecosystem.

FUNCTIONAL AREAS	DESCRIPTION
PROGRAMMING & BUSINESS CONSULTING	Coordination of ecosystem points-of-entry and entrepreneur navigation, facilitation of ecosystem training offerings, and delivery of business consulting services with staff who offer specialized expertise in specific sectors or startup phases
FACILITY MANAGEMENT	Leasing and management of innovation assets, including site development (e.g., Innovation Park), management of business incubator(s), development of dedicated acceleration space, and alignment of local industry R&D needs with innovation facilities
PARTNERSHIP & PIPELINE DEVELOPMENT	Cultivation of startups and forging collaboration within the local ecosystem, including partnerships with universities, the Louisiana Small Business Development Center, SCORE, BRAC, nonprofits such as Junior Achievement and Young Entrepreneurs Academy, and K-12 institutions
ADVOCACY, COMMUNICATION & MARKETING	Promotion of available services and program offerings, capitalizing on ecosystem success stories to build the ecosystem brand, identification and pursuit opportunities to advance entrepreneurship in the Baton Rouge area (e.g., policy measures), leveraging of both organizations' networks including university alumni and supporters, and connecting established business owners with entrepreneurs in need of mentorship and guidance
CAPITAL & INVESTMENT	Connection of entrepreneurs with available seed funding, active recruitment and engagement of regional angel network, and working in tandem with rapid business growth or scaling functions to assist startups in identifying and preparing to receive venture capital financing (e.g., Series A and B) and bridge funding

IMPLEMENTATION AND ONGOING INTEGRATION CONSIDERATIONS

A key consideration in moving the ecosystem forward is how to do so in a way that it operates in as integrated a manner as possible while ensuring both LSU and RPC maintain the oversight and accountability for the operations of each – including how resources to which each has been entrusted are utilized. To that end, implementation of this ecosystem integration effort must take into account the following considerations and corresponding actions.

- LSU and RPC should establish a joint venture responsible for the maintenance and guidance of future state ecosystem strategy. This entity would operate with equal representation among LSU and RPC designees with responsibilities and decision-making authority entrusted to it as designated by both organizations' governing authorities and codified within a corresponding cooperative endeavor agreement.
- Each entity included within the scope of this ecosystem evaluation – Research Park Corporation and LSU's Louisiana Emerging Technology Center and Innovation Park – have corresponding physical assets, which limit both the speed and type of change that can be undertaken. Tenant leases and other broader facility management agreements must be taken into account when making decisions on the direction and timeline for implementing change. Undertaking a longer-term, focused facility master plan will allow for the time necessary for each organization to make any such changes gradually.
- While this recommended joint venture is intended to serve as a clearinghouse for ecosystem strategy and related coordinative efforts or actions taken by participating organizations, the governing authorities for each should be assured of their ability to maintain control over the assets and resources each organization brings to this collaborative effort.
- RPC and Innovation Park were initially placed in their current locations for the purpose of generating revenue and commerce in economically distressed areas. The needs of the communities in which they function should be taken into account and considered as any facility or footprint decisions are made.
- Further incorporation of business leaders and experienced entrepreneurs into the governing authorities for each organization, as well as through the recommended ecosystem advisory committee, will ensure that ecosystem is positioned to understand and nimbly respond to the changing needs of Baton Rouge area entrepreneurs in the years to come.

OPPORTUNITIES TO CATALYZE ENTREPRENEURSHIP IN UNDERSERVED AREAS

RPC serves as an important economic anchor for North Baton Rouge, providing business consulting, support services, and programming to entrepreneurs. The following represent opportunities for encouraging and expanding support of entrepreneurship in North Baton Rouge while building upon RPC's existing work. These opportunities are centered around asset utilization and encouraging business activity throughout the area, premised upon the need to continue investing resources into efforts that add the most value and are accessible and helpful to North Baton Rouge area entrepreneurs.

UTILIZING EXISTING AREA ASSETS

- The Baton Rouge Metropolitan Airport (BTR) is a hub for business activity in North Baton Rouge, operating more than 72,000 flights aircraft operations annually, with leadership that is active in growing the small business economy; BTR's footprint offers a built environment for co-locating entrepreneurs and subcontractors interested in office space proximal to the airport.
- The Southern University Innovation Center (SUIC), an independently managed Louisiana Small Business Development Center (LSBDC), provides business consulting services and training programs/seminars to aid potential and existing small businesses. Expanded allocation of funding to this center could be used to expand the reach of the existing programming and increase awareness of the service offerings both on campus and within the community.
- The Baton Rouge North Economic Development District (BRNEDD) works to stimulate economic activity in North Baton Rouge; the recommended facility master plan should coordinate with BRNEDD to ensure that entrepreneurial support organizations maintain a robust physical and virtual footprint in the area.

EXPANDING PROGRAMMING

- A variety of prestigious fellowship and grant funding programs are targeted toward HBCUs with a focus on catalyzing entrepreneurship and entrepreneurship-related opportunities, such as the $1.2 million grant issued by the Economic Development Administration to support creation of the SUIC. Southern University should explore available national funding opportunities and explore the feasibility of implementing programming such as the MEPE fellowship, Columbia University's HBCU Fellowship, or regionally, Delta Regional Authority's HBCU Entrepreneurial Ecosystem program.
- New businesses in North Baton Rouge are eligible for statewide tax credits, grants, and other incentives for investment in economically depressed areas. RPC should continue to identify and market available incentives, and coordinate with BRNEDD upon the creation of incentives unique to North Baton Rouge.

ECOSYSTEM ASSISTANCE AVAILABLE TO ALL ENTREPRENEURS

- Entrepreneurial resources should be accessible by all entrepreneurs seeking help, regardless of their location, business size or financial situation, or demographic.
- Establishing coordinated entry points into the ecosystem and providing navigational support throughout an entrepreneur's startup journey will increase ecosystem retention rates and ensure that all business sectors and entrepreneurs are engaged with available services and resources. Programs and services should be available to business owners or aspiring entrepreneurs in North Baton Rouge as much as any other location within the ecosystem and accessible and helpful to meet their needs.

LOOKING FORWARD

While the organizations within the Baton Rouge entrepreneurial ecosystem have experienced success over the years, the siloed manner in which each operates has historically diluted the impact resources have had on serving community entrepreneurs. This disjointedness has also limited the establishment and growth of a distinct ecosystem culture and the expansion of the entrepreneurial pipeline.

Implementation of the recommendations in this report to realign these three entrepreneurial support organizations – LETC, Innovation Park, and Research Park Corporation – while leveraging the footprint and resources of other area organizations focused on entrepreneurship would ultimately result in a future-state entrepreneurial ecosystem that is nimble, responsive, and ready to meet the needs of entrepreneurs and stakeholders throughout the Baton Rouge area, diversifying and enhancing the local economy in the process.

BENEFITS OF IMPLEMENTING RECOMMENDATIONS

ENTREPRENEURS

- Specialized service offerings that serve businesses at different stages of growth and in different industries
- Clarity of support services available
- Streamlined access to ecosystem offerings

ORGANIZATIONS

- Clarified organization value propositions
- Efficiencies in operations, financials, and staffing
- Standardized performance metrics

LOCAL ECONOMY

- Diversified local economy through increased entrepreneurial activity
- More efficient use of funds designated for supporting entrepreneurship
- Increased accountability of public investment in entrepreneurship

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