



Governor's Council on Youth Entrepreneurship

Meeting Minutes: October 23, 2015

- Secretary Jones began the meeting by welcoming everyone and inviting Sec. Stoney to administer the oath of office to all new Council members.
- Sec. Stoney thanked all Council members for their service and administered the oath of office.
- Sec. Jones discussed why this Council is so important to building the new Virginia economy. We need more entrepreneurs creating new ideas and companies and contributing to increased research, commercialization, and private sector growth. With so many strong schools in Virginia and a talented pipeline, we need to ensure that young entrepreneurs actually stay in Virginia and are supported as they work to start a business. He asked the Council members to be creative in thinking about 3 – 5 priorities that Virginia needs to do to support young people.
- Ryan O'Toole introduced the first presenter of the day, Nicole Colomb from Virginia Commonwealth University.
- Nicole presented on VCU's entrepreneurship programs, which are under a campus-wide umbrella of Venture Creation University, or VCU Squared. They have some positive statistics surrounding their student population: 50% want to start a company, 15% have started a company already in school, and 11 businesses have formed with revenue of nearly \$500,000, which greatly impacts the Richmond community.
- With 31,000 students over 13 schools, they know all schools have interested students, so their programs are open to all students, including the venture creation certificate program. That being said, with 13 schools one of their challenges is getting them to break out of their silos.
- The Richmond community has been key to helping them develop pathways to success for their students. Local community entrepreneurs have also gotten involved in their pre-accelerator program.
- VCU's vision of success is instilling the creative mindset in students, and to ensure that students are able to get on their best pathway to success either by starting a company or going into industry.
- Jody Keenan from the Virginia Small Business Development Center Network, and the Mason Enterprise Center, presented on the landscape of small business in Virginia, particularly young entrepreneurs and small business owners.

-The SBDC network's goals include increasing revenues, capital, jobs, and business starts. Small businesses are the driver of Virginia's economy and new VEC data shows that new firm creation is generally growing across the state in all regions.

-The Kauffman Foundation generates data surrounding entrepreneurship. They have found that nationally the rate of new business starts among young people is declining (Jody mentions that some factors could include student debt or underemployment).

-There is increasing importance placed on the contributions of entrepreneurs to regional economies that grow ecosystems locally.

-One of the hardest obstacles for young people starting a business is: money (access to capital, do they have to borrow money, etc). Different strategies are used to provide funding to entrepreneurs, including business pitch competitions. In Buffalo, 43 North gives out \$5 million, and the State of New York offers companies 10 years tax free. Are there broader incentive policies we can establish in Virginia?

-Questions for Jody, and the Council, include: how does Virginia compete at a startup level? We're a great place to operate a business, but are we a good place to start a business, especially for a young person?

-Long term commitment is very important to startups. If they know it could 5-10 years before they really make profits, they will worry more about the long term commitment from a region as opposed to a short investment.

-It's important for entrepreneurs to be able to connect to available talent, such as through public private partnerships.

-How do we define the group we're talking about? What is a young entrepreneur? What is a startup ecosystem? That community is different than the one that supports larger business. When we talk about access to capital, what kind of capital and at what stage are we talking about?

-Jack Lesko from Virginia Tech presented about their research and commercialization programs, and how they have built an innovation ecosystem.

Virginia Tech is involved in industry consortiums, master research agreements, industrial affiliates all to increase opportunities for new and innovative research projects.

-One challenge for the university: often IP or ideas that are developed at university stay there. How do we grow STIR and SBIR grant/commercialization opportunities so we can get ideas out to the industry market?

-Startups often fail because they don't have customers. The question for a budding young entrepreneur then is first: "How can I find the market to justify my company?"

-Can we use the university community to vet IT to determine whether or not an innovator should go for a patent, and if so how?

-Virginia Tech is working to change the culture of commercialization so that students and faculty can be given credit for translating a technology to commercialization.

-They have established a Global Innovation District in Ballston and are connecting to George Mason's Arlington campus to create attractive opportunities for young people. In addition, they are working to break universities out of their traditional silos.

-Virginia Tech tries to identify trends in where talent is going. They are working then to invest to grow innovation districts in Blacksburg, Northern Virginia, and Hampton Roads.

-They are trying to take advantage of the fact that undergraduates grew up in a recession. Those students know that they need career resilience, and entrepreneurship is all about building resilience and a refusal to give up even in the face of failure.

-Immediately following Jack's presentation there was a discussion on IP. We need to do a better job of clarifying university policy and not scaring students off. Often even when a university's policy states that it will give 100% of student-created IP to the student, the policy can still be vague. Further, students are still often nervous about starting ideas or approaching the university.

-The Council will work to identify 3 – 5 central questions, or issues, that need to be addressed in order to strengthen the entrepreneurship ecosystem statewide. It will also work to identify challenges for young people in starting businesses.

-The Council will plan on meeting quarterly, with the possibility that the next meeting will occur in December right before the General Assembly session. Ryan will email the Council and work to determine the priorities of the Council as well as the date, time, and location of the next meeting.