WILMINGTON
CHAMBER OF
COMMERCE

ENTREPRENEUR TOOLKIT

Creative Economic Development Consulting | 2023

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TOOLKIT FOR ENTREPRENEUR DEVELOPMENT

The Wilmington Chamber of Commerce Toolkit for Entrepreneur Development is designed to support the startup and scaling of entrepreneurial companies. The Chamber already has a strong foundation for entrepreneur development through direct support and through its leadership on the Small Business Coalition. To build upon that foundation, a set of tools was developed that will support and further develop the entrepreneurial ecosystem and raise awareness among funding agencies. By implementing this toolkit, the Chamber will advance entrepreneur-led economic development strategies in the Wilmington region.

	Leadership	Strengthen the entrepreneurial ecosystem through leadership and collaboration.
	Data	Invest in data resources to provide market intelligence.
	Resource Navigation	Invest in tools that help entrepreneurs navigate the wide range of resources.
	Incentives	Develop incentive programs for scaling small businesses.
	Capital Access	Expand capital access through promotion and developing new resources.
	Alternative Business Models	Promote alternative business models as another pathway to launch.
	Communication	Share information and resources and build connections through communications.
	Staff Knowledge	Deepen staff knowledge of entrepreneur-led economic development.

LEADERSHIP

Strengthening the entrepreneurial ecosystem through leadership and collaboration will raise awareness of the importance of entrepreneurial development and draw attention to the support that is needed to nurture the ecosystem.

- Incorporate entrepreneurship and small business support into the key messages and brand of the Wilmington Chamber of Commerce.
- Add entrepreneurship information to marketing collaterals, website, and social media campaigns directing entrepreneurs to events, navigators (see below), and partners.
- Use public relations tactics to position the Chamber as a leader, convenor, and key resource director for the entrepreneurship ecosystem of Wilmington and the Cape Fear region.
- Publish articles, white papers, and reports, for example a "state of the entrepreneurial ecosystem," to position the Chamber as a thought leader in entrepreneur-led economic development.
- Continue to support the growth and development of the Small Business Coalition and its members to strengthen and expand the ecosystem.

DATA

Businesses need market data to make sound investment decisions. This is a foundation of the nationally known Economic Gardening program, a strategy to support small business startups and their growth. The Chamber can become *the* source of local market information, providing market reports and research.

- The South Carolina Department of Commerce and other economic development organizations have partnered with SizeUp to provide industry-specific big data. The data tools are integrated into the EDOs website. Examples are local business intelligence (market research), small business advisory (plan, start, and manage a business), and shop local (promotes doing business locally). Investigate SizeUp and other market intelligence services and explore how the Chamber can use big data to support scaling entrepreneurial ventures.
- Market data could be integrated into a GIS application, such as a site/building platform. Users can pull market data from addresses and jurisdictions in the region.
- In addition to providing data, collect it. Become the knowledge resource on how many startups Wilmington has each year, as well as the economic impact, funds raised, private investment made, etc. Data can be presented in an annual "state of entrepreneurship in the Wilmington region" publication and event.

RESOURCE NAVIGATION

It can be difficult to navigate the many ESOs in Wilmington and North Carolina. Entrepreneurs can quickly get information overload. The Small Business Coalition's website has a list of resources, but it is not clear how each agency supports entrepreneurs. The Chamber can take responsibility for maintaining a resource list to ensure it stays current.

- SourceLink developed the Resource Navigator, a searchable online database of ESOs that can be loaded as a tool on the Chamber's or Coalition's website. Another example is the WRAL TechWire online startup guide. Explore a partnership, maybe with Coalition members, to bring a comprehensive and sophisticated resource navigator to Wilmington entrepreneurs.
- In addition to an online resource navigator, sponsor seminars and forums for "frontline" staff to become educated on entrepreneurial resources so they know where to direct people. Foster a culture of "no wrong door," meaning that entrepreneurs will always be directed to an open door.
- Accelerator programs support business scaling through education, business planning, coaching, and capital access. They also sometimes subsidize space. The Chamber could support the development of a "best in class" accelerator program, such as RevTech Labs.

INCENTIVES

Most incentive programs are designed for large companies with significant capital investment and job creation. There are few funding programs outside of loans to help small businesses scale up. The Chamber can advocate for changes in city and county incentive policies to support growing entrepreneurial companies.

- The City of Ashville has a Business Development Grant program that works like a typical industrial development incentive grant program. It is based on net new taxable investment, but the investment threshold is $250,000. The grant is up to 75% of new tax revenue for three years.
- Gaston County has a similar Small Business Investment Grant Program with a threshold of $10,000 of net new taxable investment.
- This Virginia program incentivizes investors to inject capital into small businesses by offering investors a cash return (grant) on their investment. The Chamber could advocate for a similar program in North Carolina or develop a regional or local grant program for local investing.
- Promote the state's One NC Small Business Program for companies in science, technology, engineering, and math.

CAPITAL ACCESS

The number one cited hurdle for scaling is financing. Markets with larger and more developed ecosystems can attract investors more easily than the Wilmington market. The Chamber can help attract outside investors by raising the visibility of opportunities. The Chamber could also start a local investment fund to provide one more source of capital for entrepreneurs.

- In partnership with the members of the Coalition, hold an annual pitch event to raise the visibility of and increase the awareness of startups and small companies ready to scale. The pitch event could be in connection with another entrepreneurship event or program. Invite VCs within the region and from outside the region to be the panel of evaluators for the competition. As the program grows, it may be possible to hold multiple competitions at the same event. For instance, one could be for a true startup with few revenues, or even at the idea stage, while another track could be for small companies looking to scale or expand, and a third could be dedicated to an industry sector. Pitch events are excellent opportunities to build awareness of the entrepreneurship culture in the community. They also strengthen connections among the ESOs providing an in-person event and provide limited capital to the "winners."
- Support or sponsor a lender matchmaking event to showcase small and growing businesses and to connect them to lenders in the region. The Small Business Administration will be a key partner for this, and a large municipality may also want to support this. See examples in the Best Practices appendix.
- Start a community development loan fund to make small loans to local businesses. Mountain Bizworks' Invest Local program is a best practice example. Investments are as small as $1,000 and the program gives a fixed rate of return at 3%. The unique aspect of this approach is that people in the Wilmington community, not just accredited investors, can invest. A similar approach is sponsoring a crowdfunding platform such as Mainvest.
- Promote navigator tools like Capital Opportunities, which has a financial institution search.

ALTERNATIVE BUSINESS MODELS

Sometimes the best way to get a business off the ground is to let go of the traditional business model. Dispersing risk among multiple owners is one way to raise patient capital. Employee ownership models are another approach to dispersing risk and raising capital. Burlington Beerworks is a good example of a cooperative business model. Some 1,500+ people invested in the brewery. The Industrial Commons is a very successful nonprofit that founds and scales employee-owned social enterprises and industrial cooperatives.

- Develop content on how to launch employee-owned and cooperative businesses and how alternative models can help launch an idea.
- Partner with organizations such as the NC Employee Ownership Center to host seminars and workshops on alternative ownership models.
- Profile success stories of alternative business models and the people behind them in social media and at events.

COMMUNICATIONS

Communicating the opportunities to start up and scale a business in the Wilmington area is a core strategy to helping companies grow. The Chamber can draw attention to funding opportunities, success stories, and gaps in the ecosystem that public and nonprofit partners can fill.

- Distribute a monthly e-newsletter aggregating the events, program deadlines, and recent news in the entrepreneurship ecosystem. While this information can reside on the Coalition website, distributing it will reinforce the role of the Chamber as a convenor and communicator and will strengthen the connections and grow the community.
- Curate social media campaigns profiling entrepreneur success stories and Coalition partners.
- Develop a database of potential funders (angel networks, VCs, financial institutions) to use in targeted communications.
- Garner support from allies in jointly funding a multi-year marketing campaign to position Wilmington as an entrepreneurial hub. The campaign would target funders (VCs and angels), would-be entrepreneurs, and policy makers. This could be a large-scale campaign similar to talent attraction campaigns like "More in the Core" and "Move Upstate."

STAFF KNOWLEDGE

The Wilmington ecosystem needs champions. The Chamber staff can lead in developing and implementing strategies independently and through collaborations. In order to stay on the leading of entrepreneur-led economic development, the Chamber should continue to invest in staff.

- Invest in chamber staff becoming certified in the International Economic Development Council's (IEDC) Entrepreneurship Development Professional training program. Developed in partnership with the Kauffman Foundation and SourceLink, the program includes two new courses designed for people who work directly with entrepreneurs and small businesses.

THE CREATIVE GIVE BACK

The Wilmington Chamber of Commerce was selected as the 2023 Creative Give Back winner. The Creative Give Back is Creative Economic Development Consulting's way to give back to the field of economic development. Starting in 2014, Creative EDC began giving away one consulting project a year through a competitive application process. Previous winners have included the Nikwasi Initiative, Lancaster, SC, Waynesboro, VA, Cabarrus County EDC, NC, Wayne County Development Alliance, NC, City of Graham, NC, and the Blacksburg Partnership, VA.

To be considered for The Creative Give Back, the project must:
- BE CREATIVE
- Challenge us to think outside the box
- Have the ability to significantly impact the local economy
- Have a true, demonstrated consulting need
- Be consistent with sustainable economic development practices
- Give us the opportunity to work with a great community and great people

Creative EDC's scope for the Chamber's project was to develop a toolkit that scales startups and supports the growth and development of the entrepreneurial ecosystem. Project steps included:

- Interview with Chamber staff to gather background information on the Small Business Coalition and other chamber programs that support entrepreneurs and small businesses.
- Form a Steering Committee for the project.
- Interview members of the Small Business Coalition to identify gaps in the ecosystem and opportunities for the chamber to provide scale-up support to small businesses.
- Interview entrepreneurs in Wilmington who can provide input on gaps in the ecosystem.
- Interview statewide and regional entrepreneurial organizations such as NC IDEA, NCBiotech, SEEN, SBTDC, etc.
- Benchmark Wilmington with similar communities with strong entrepreneurial resources and identify best practices.
- Facilitate a workshop with Coalition members to report findings of input and benchmarking and crowd source ideas for a Wilmington Toolkit.
- Deliver a final Toolkit to scale entrepreneurial companies and a report that summarizes the study process.
- Make a presentation of the project to a group designated by the Wilmington Chamber.

The toolkit resulting from this project will be shared with other communities, hopefully sparking new approaches to strengthening the entrepreneurial ecosystem.

APPENDIX A: BEST PRACTICES

CHARLESTON, SC
Charleston has claimed the role as the center of technology and entrepreneurship in South Carolina. There are nearly a dozen physical locations of entrepreneurship support and activity across the Charleston region including incubators, event venues, accelerators, and supported co-working spaces. Several state-wide organizations, such as Launch SC, operate from the metro and offer multiple private equity and venture funds in its ecosystem. Most ESO organizations have been established there since 2010, indicating a horizon of only 10-13 years to reach the thriving and varied ecosystem that exists today. Without the technology-focused economy or large engineering university that many such regions are built around, it may be that the coastal lifestyle and amenities were a central attraction for the growth of this sector.

- **Charleston Digital Corridor –** The community initiative is a public-private partnership including an incubator, a co-working space, networking events, talent development, and funding for tech-focused entrepreneurs in the Charleston region. Founded on land gifted by the City of Charleston to accelerate technology company growth in 2013, more than 40 companies have been supported by the programs and facility. This could be an evolution of the Small Business Coalition effort in Wilmington. https://www.charlestondigitalcorridor.com/about/

- **The Harbor Entrepreneur Center** – With two locations, downtown Charleston and Mount Pleasant, this co-working space offers the goal of "creating collision" through networking and events. An annual accelerator program identifies and advances scale-able startups. Additional on-site programming includes mentorships, "Forum" feedback groups, a coding school, and monthly events. Programming is not limited to tenants. https://harborec.com/

- **ACG Charleston** – The Association for Corporate Growth (ACG) serves 90,000 investors, executives, lenders, and advisers to growing middle-market companies. ACG's mission is to drive middle-market growth. ACG has North Carolina chapters in Charlotte, Raleigh-Durham, and the Piedmont Triad. https://www.acg.org/charleston

- **VentureSouth Charleston** – Recently, the Wilmington Chamber announced a partnership with VentureSouth. The organization develops and manages angel groups and funds. There are 13 groups with more than 550 accredited investors across the Southeast. https://venturesouth.vc/

- **Charleston Entrepreneurs' Organization** – This is a local chapter of the global non-profit with more than 140 chapters worldwide, providing networking, business training, mentorship, accelerator programs and more to regional growth-oriented small businesses. There is a chapter in Raleigh Durham. https://www.eocharleston.org/

- **1 Million Cups Charleston** – The national 1 Million Cups organization provides supportive, inclusive space for entrepreneurs and their communities to gather and connect, work through business challenges, and identify opportunities. Weekly pitch meet-ups provide visibility and opportunities to entrepreneurs. Designed and supported by the Kaufman Foundation, the program exists in 120 communities nationwide. There is a strong Wilmington chapter.

- **Startup Grind Charleston** – This Google-sponsored global program has 600 chapters around the world, including one in Charlotte, NC. Today it is the world's largest community of startups, founders, innovators, and creators. Focused on events, networking, and education for entrepreneurs, the Charleston chapter hosts "Fireside Chats" with regional founders in a networking forum. https://www.startupgrind.com/charleston/

- **Communications Leadership** – The Charleston Regional Development Alliance provides web-based resource directories for entrepreneurs focused on space, support, capital, and programs on economic development website. https://www.crda.org/doing-business-here/entrepreneurial-resources/

RALEIGH, NC

The Raleigh-Durham metro area benefits from the gravitational pull of the Research Triangle Park, a center of global innovation. There are numerous angel and venture groups located in the Triangle and many more that serve the region. There are incubators for specific sectors, groups, and causes. The three powerhouse universities in the region develop technology and talent that launches entrepreneurial ventures, and they collaborate on resources, programs, and facilities. The ESO and funding groups could be enticed to locate affiliates in and extend services to the Wilmington area.

- **Council for Entrepreneurial Development** (CED) – A cornerstone in the entrepreneurial ecosystem, CED grew out of a collaboration between the three major universities in the Triangle and the chambers of commerce of Raleigh, Durham, and Chapel Hill. CED provides access to capital, education, and networking. It hosts Venture Connect, a leading capital conference in the southeast for technology and biotech companies. https://cednc.org/

- **Launch Raleigh** – This organization was created by the North Raleigh Rotary Club. It focuses on under-resourced communities in Raleigh. It provides loans, business support services, mentoring, and networking. https://launchraleigh.org/

- **Raliegh-Durham Startup Week** – This three-day event brings together founders, investors, educators, and corporate partners to build connections and showcase entrepreneurial resources. The 2023 event included the basics of startup, technology impacts, design and development for makers, and how to navigate the legal and finance landscapes. https://www.raleighdurhamstartupweek.com/

- **Incubators and Coworking** – The Raleigh Durham area has a wide array of incubators and coworking facilities. Some specialize in tech and science (First Flight Venture Center) and biotech (BioLabs), while other are general spaces (Industrious).

- **Triangle Tweener Fund** – A little different than most venture programs, this fund is a kind of "index" targeting early-stage startups in the Triangle Region. It focuses on companies on the Triangle Tweener List, a group of promising tech startups curated by serial entrepreneur Scot Wingo. https://www.tweenerfund.com/

- **WRAL TechWire Startup Guide** – WRAL Techwire is a technology-specific news publication. It created a "gateway" listing of accelerators, mentorship programs, incubators and cowork spaces, grants, venture and angel groups, networks, and events. https://startupguide.wraltechwire.com/

- **Carolina Stories Podcast** – Wilmington investor Steve Vafier interviews entrepreneurs and other business leaders from across North Carolina. The podcast searches for the "most ambitious and most creative builders in North Carolina."

- **Regional Pitch / Business Plan Competition** – A key to a thriving entrepreneurial community and image is the visibility of companies, both startups and those working to scale. Holding a public "pitch competition" serves a number of tactics to strengthen the entrepreneurial ecosystem. It showcases the companies themselves, generating media coverage, word-of-mouth referrals, and a sense of affiliation with the companies and their products and services. A pitch competition can also be organized by industry sector or function (e.g., marine science or cybersecurity) in order to champion promising technologies or targeted sectors. A pitch competition also allows the entrepreneurs and firms to interact with each other, building connections and learning within the ecosystem. When funding sources such as venture firms, angel networks, or lenders are included, it exposes the firms to potential future funding sources and also educates the funders about the local ecosystem. Finally, the competitions usually provide some funding or prize to some of the companies, advancing their business goals. Capital Connects is an example of a successful, regional, chamber-led business/pitch competition. https://greensboro.org/launch/capitalconnects/

- **SBA Lender Matchmaking Event** – While most startups are focused on non-lender funding opportunities, it is important to maintain connections with lenders in a strong entrepreneurial ecosystem. An annual matchmaker event for lenders and the small business community keeps the lending community engaged and knowledgeable and offers an entrance to this complex process for thousands of small-to-midsized businesses across the region. A strong local SBA lending community or SCORE chapter could provide additional resources for such an event. In Charleston, SC, the City of Charleston is the sponsoring agency. The fourth annual SBA Lender Matchmaking Event attracted 15 lenders and hundreds of interested businesses. https://www.charleston-sc.gov/CivicAlerts.aspx?aid=1223 and https://www.counton2.com/news/charleston-hosting-event-aimed-at-helping-business-owners-and-entrepreneurs/

- **Thread Capital –** Thread Capital is North Carolina's state-wide initiative to provide and connect small businesses with financing, networking, and coaching resources. Their connections and insights into dozens of North Carolina programs for supporting and growing small businesses makes them a valuable addition to any regional entrepreneurial ecosystem in the state. Specifically, their funding partners include Truist, Wells Fargo, and the Golden Leaf Foundation, all significant sources of capital and financing. https://www.threadcap.org/services/

APPENDIX B: SUMMARY OF ENTREPRENEUR INTERVIEWS

Entrepreneurs are drawn to Wilmington because of the entrepreneurial ecosystem. UNCW is one of the cornerstones of that ecosystem. The university draws talented people, supports technology and innovation, and conducts leading-edge research. In addition to the university, entrepreneurs cite the growing number of entrepreneurial support organizations (ESOs). Since the ecosystem is relatively small, entrepreneurs also cited specific people in specific roles who played an important role in their location decision.

Entrepreneurs talked knowledgeably about ESOs and how they have used them. They specifically mentioned the Small Business & Technology Development Center, Small Business Centers, NC IDEA, UNCW Center for Innovation and Entrepreneurship, U.S. Small Business Administration, Channel/Live Oak Bank, Wilmington Investor Network (recently disbanded), and NCBiotech.

Universally, entrepreneurs cite financing as the largest gap in the ecosystem. There are some resources for startup small businesses, but there is little to no financing support for fast-growing companies trying to scale. Here are some comments from interviews:

- If we were big, there would be all kinds of tax breaks, but nothing for a small business growing. Everyone politely acknowledges that this is the case.
- Most of the sources are focused on product producers, not on service-based information or support businesses.
- There is not a lot of B2B (business to business) advice, most of it is B2C (business to customer) advice.
- There is not a lot of support for scale up or growth stage. Everyone is working on startup.
- The ecosystem is focused on the smallest players. There is not much for hyper-growing businesses and people with big visions for their company.

Beyond financing, there is more work to be done to connect the entrepreneur network. Peer-to-peer guidance and a stronger mentor network were noted in interviews. Since the ecosystem is smaller than in the Research Triangle region, the strength of the network is tied to specific people in specific roles more than being institutionalized.

APPENDIX C: SUMMARY OF ENTREPRENEUR SUPPORT ORGANIZATIONS

Several ESOs were interviewed to better understand the Wilmington ecosystem. They note the high level of collaboration and referral system of a resource network that is larger than would be expected in a market of this size. The high level of collaboration is fostered by the Wilmington Chamber and the Small Business Coalition.

Like in entrepreneur interviews, ESOs note the lack of funding. Many angel and venture capital resources do not reach the Wilmington market. WALE is a local angel investor network that recently started up. In addition to funding, this group talked about the need for more startup space, technical assistance, and focus to spark a cluster of innovation (e.g., marine related life sciences).

Below are some comments from ESOs interviewed about the funding gaps in the ecosystem.

- It is very hard to find funding for companies in the tech space. We used to have accelerator grants.
- Funding for women and minority owned businesses is a struggle.
- Startup funding is the biggest gap, so CDFIs may offer a better solution.
- Funding is needed for services, such as legal.

Center for Innovation and Entrepreneurship, UNCW	Supports high-impact entrepreneurs with programs, events, and university connections and the ecosystem through coalition engagement.
Channel Powered by Live Oak Bank	Inclusive small business center in downtown Wilmington that serves minority entrepreneurs. The center provides training, educational resources, and space at no charge to entrepreneurs registered with Live Oak.
NCBiotech	Advances the life sciences industry in North Carolina through bridging funding gaps, facilitating job connections, and helping scale production.
NC TECH	Trade association for tech companies that supports networking and advocates for the tech industry.
NEW (Network for Entrepreneurs in Wilmington)	Supports the ecosystem with events, mentoring, and communications.
Prospera USA	Supports the startup and growth of first-generation Hispanic-owned businesses.
Small Business Center, Cape Fear Community College	Programming, education, and counseling for startups and growing small businesses.
Venture South	Early-stage venture fund serving southeastern startups.

STUDY PARTNER AND CONSULTANT

The Wilmington Chamber of Commerce is distinguished as the first and longest continually operating chamber of commerce in North Carolina. Our chamber maintains a 154-year legacy of protecting and strengthening the Wilmington business community and helping businesses grow and thrive. We connect over 900 members consisting of businesses large and small, representing more than 40,000 employees in southeastern North Carolina.

Creative Economic Development Consulting, LLC, provides strategic planning, product development, organizational development, and economic impact analysis services to communities. Creative EDC is an innovative firm that owns four proprietary programs: Certified Entrepreneurial Community®, CreativeSiteAssessment.com, CBOSS-Creative Back Office Suite of Services, and Creative Coaching. www.creativeedc.com