

GO Virginia Region 9 Council Meeting

June 27, 2024



Agenda

- ❑ Project recap
- ❑ Our research
- ❑ Findings
 - ❑ Gaps
- ❑ Preliminary Recommendations
- ❑ Next steps

Action plans, funding opportunities, etc will follow in the full report

Project Recap

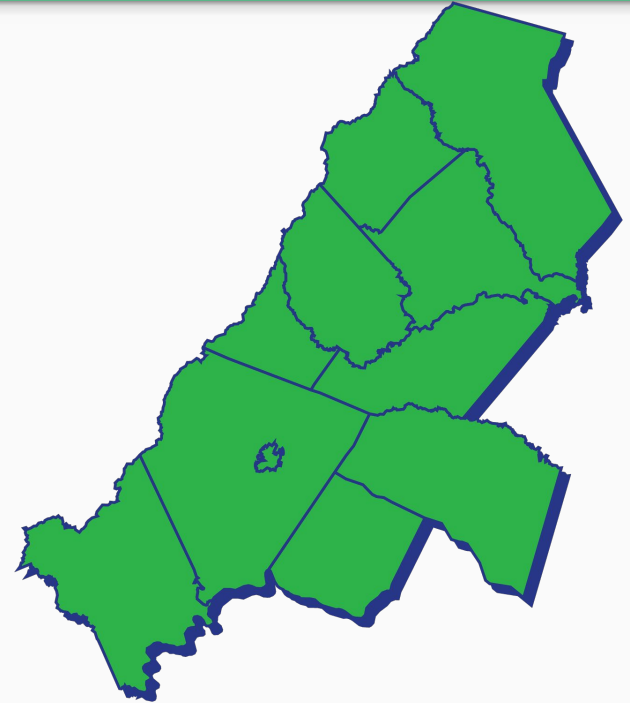
GO Virginia REI Project Goals

- Regional Entrepreneurship Assessment & Report
- 3-5 Year Actionable Strategies Plan (with funding strategy)

REI Background & Overview

Regional Entrepreneurship Initiative

- June 2023 to December 2024
- \$300,000 grant from GO Virginia / Dept. of Housing and Community Development (DHCD)
- \$164,375 in matching funds and time from city/counties economic development



REI Project Core Team



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REI Project Timeline

Hire Consultant and
Program Manager

Inventory: prior research;
 funding needs & sources;
best practices from other
regions

**REI Strategy Report
Complete;** County
Assessment Tool; List of
projects identified

August
2023

Sept - Oct

Nov - Dec

Jan - Apr
2024

August
2024

List of entrepreneurs and
stakeholders - by City/County
 and Target Sector
Survey and focus
groups

Initial recommendations
from data findings; focus
groups; funding needs for
strategies

Strategy
development;
Follow-up
engagement;
prioritization
of projects

Report Format (August 2024)

- ❑ Gaps Described
- ❑ Goal / outcomes
- ❑ Recommendations with project details
- ❑ Example Solutions
 - ❑ Role of GO Virginia
 - ❑ Options for Funding
- ❑ Appendices:
 - ❑ Secondary research sources
 - ❑ Primary research methodology and summary

Research

Secondary Research completed

- Including review of CEDS

Primary Research

- 95 interviewees
- 10 Focus Groups with 85 focus group participants
 - 2 special focus groups for funders and underrepresented entrepreneurs
- 230 survey respondents
- Mix of entrepreneurs, ESOs, and Economic Development Offices
- Representation by population size across all 10 counties
- In Field September 2023 – April 2024 [Interviews, Survey, Focus Groups]

Interviews + Surveys + Focus Groups = Community Outreach

| Community | Completed surveys and completed interviews | Population | Percentage of population |
|---------------------|--|------------|--------------------------|
| Albemarle | 54 | 114,534 | 0.05% |
| Charlottesville | 65 | 45,373 | 0.14% |
| Culpeper | 42 | 54,381 | 0.08% |
| Fauquier | 16 | 74,664 | 0.02% |
| Fluvanna | 22 | 28,159 | 0.08% |
| Greene | 10 | 21,107 | 0.05% |
| Louisa | 33 | 40,116 | 0.08% |
| Madison | 13 | 14,000 | 0.09% |
| Nelson | 19 | 14,652 | 0.13% |
| Orange | 14 | 37,991 | 0.04% |
| Rappahannock | 12 | 7,502 | 0.16% |
| Other (survey only) | 15 | | |
| | 315 | | |

Plus 85
participants across
10 focus groups =
400 + touchpoints



Why Do Founders Come and Stay in the Region?

The following are possible reasons why you located your business where it is today. Choose up to three from the list that are most important reasons for you.

- Quality of life where I live and work
- Talent – qualified workforce
- Favorable incentives or support from local government
- Space that is best suited for my business
- Cost of space for my business
- Support from business ecosystem (e.g., peers, advisors, business groups, meetups)
- Pool of customers for what my business offers
- Simply to work where I live
- Physical resources (e.g., land, infrastructure)
- Strategic location – (e.g., near shipping, important population centers, etc.)
- Cost of running my business

Priorities of Locating Business in Region: Quality of Life

The following are possible reasons why you may locate your business where it is today. Choose up to 3 from the list that are most important reasons for you.

| | Food & Beverage Manufacturing, Agriculture, Agri-Tourism | IT/Tech + Bio Tech & Life Sciences | Business Services & Consulting | Other |
|----------|---|---|---|-------------------|
| 1 | Work where I live | Work where I live | Work where I live | Work where I live |
| 2 | Space best suited | Quality of Life | Quality of Life | Quality of Life |
| 3 | Quality of life | Cost of Space | Pool of customers | Cost of space |

What do the region's entrepreneurs say they need right now?

Which of the following, if any, are needs your business has right now? Select a choice or choices even if you can't presently afford them (Select all that apply.)

- Consultant to help with strategy
- Consultant to help with recruiting talent
- Financing (e.g., loan, grant)
- A peer group of founders or business owners with whom I can exchange ideas
- Skilled employees – talent
- Space that is better suited to my business
- Guidance on how to get my product or service to market
- Guidance on how to sell my product or service internationally
- Guidance on how to run my business (e.g., accounting, human resources, marketing, technology)
- Guidance on how to manage my business finances
- Guidance on expanding my reach to target customers
- Guidance exploring additional markets for my product
- Guidance working with local and/or state licenses/regulations
- Other (please specify)
- None of the above

What do the region's entrepreneurs say they need right now?

Which of the following, if any, are needs your business has right now? Select a choice or choices even if you can't presently afford them (Select all that apply.)

| | Food & Beverage Manufacturing, Agriculture, Agri-Tourism | IT/Tech + Bio Tech & Life Sciences | Business Services & Consulting | Other |
|----------|---|---|---|---|
| 1 | Financing, Guidance on expanding reach to target customers | Financing | Peer Group of Founders | Financing |
| 2 | Peer Group of Founders, Guidance on expanding new markets | Peer group of Founders | Guidance on reach target customers, Financing | Guidance on managing business finances |
| 3 | Talent | Talent | Guidance on expanding new markets | Guidance on expanding reach to target customers |

What do the region's entrepreneurs see as key gaps in support?

**What business or support services, if any, are missing in your community?
(Select all that apply.)**

- Adequate office space
- Adequate manufacturing space
- Funding from investors
- Funding from grants
- Consultants that can help me understand how best to run my business
- Consultants in the industry or field my company operates in
- A community of business peers that I can share ideas and/or resources with
- An entrepreneurial culture or mindset
- Talent -- qualified workers or leaders
- Support from local government (e.g., Board of Supervisors)
- Support from businesses organizations (e.g., Chamber of Commerce, Industry groups)
- Other (please specify)
- None of the above

What do the region's entrepreneurs see as key gaps in support?

**What business or support services, if any, are missing in your community
(Select all that apply.)**

| | Food & Beverage Manufacturing, Agriculture, Agri-Tourism | IT/Tech + Bio Tech & Life Sciences | Business Services & Consulting | Other |
|----------|---|---------------------------------------|-----------------------------------|-------------------------------|
| 1 | Grants | Investors, Grants | None of Above | Grants |
| 2 | Local Government Support | Talent | Community of Peers | Local Govt. Support |
| 3 | Talent, Entrepreneurial Culture, Adequate Manufacturing Space | Entrepreneurial Culture | Support from Business Orgs. | Support from Business Orgs |

Findings

Our strengths, challenges, opportunities

Findings Overview

Strengths / Assets

1. **Quality of life** tops the list for why entrepreneurs locate and stay in our region
2. **Land availability** is noted as a leading asset (restricted by local policies)
3. **UVA** is both a **draw** and an **engine**: BioTech/Life Sciences, Tech, + Data Science (Emerging)
4. Region 9 is **rich** in entrepreneurial sophistication and **resources**, including paths to capital

Findings Overview

Challenges & Opportunities

5. **Evolving** combinations of work and lifestyle + technology (communications, AI) necessitate new management approaches
6. **Awareness, connection, and delivery of resources is limited** in most localities
7. A regional shared and communicated vision is **lacking**
8. Region has diverse **industries**, but **lacks coordination**
9. **Community services and amenities** (e.g. stores, restaurants, personal services) in the region are **distributed unevenly** (likely due to past and current population distribution and local policies)

Overriding Opportunity:

Region 9 can build an overarching, regional entrepreneurial ecosystem, right sized to each locality, if it borrows judiciously from existing, successful ecosystem models that are readily available.

Gaps

Gaps

1. Gap: Limited awareness and access to entrepreneurial resources

Despite the region's rich entrepreneurial resources, founders in most localities lack awareness of, connection to, and timely access to these resources, hindering their ability to start, grow, and sustain their businesses effectively.

2. Gap: Insufficient understanding of and access to optimal financing options

Entrepreneurs in the region face challenges in rapidly understanding and accessing the most effective and suitable types of financing for their businesses, which can limit their ability to start, grow, and scale their ventures successfully.

3. Gap: Insufficient access to peer support and industry-specific networks

Entrepreneurs in the region lack adequate access to peer groups, mentorship programs, and industry-focused networks that can provide valuable opportunities for knowledge sharing, collaboration, problem-solving, and mutual support, which are critical for navigating the challenges and opportunities of starting and growing a business.

4. Gap: Challenges in talent acquisition, retention, and management

Entrepreneurs in the region struggle to access, attract, and retain the skilled talent needed to grow their businesses effectively, particularly in rural areas where workforce availability and retention are more challenging due to factors such as limited local talent pools, competition from larger cities, and the need to adapt to remote work arrangements.

Gaps

5. Gap: Inadequate marketing and customer acquisition support

Entrepreneurs in specific sectors lack sufficient support, resources, and expertise to effectively market their products or services and acquire new customers, hindering their ability to generate revenue, expand their market share, and achieve sustainable growth.

6. Gap: Uneven distribution of community services and amenities across the region

Communities/local business owners in different parts of the region have unequal access to amenities (e.g., stores, restaurants, personal services) due to the uneven distribution of these resources, which is likely influenced by factors such as population distribution and local policies, leading to disparities in the level of support and quality of life for entrepreneurs across the region.

7. Gap: Limited access to education and training on emerging services, trends, and technologies (e.g., AI)

Entrepreneurs in the region lack sufficient and timely access to information, training, and resources related to emerging services, trends, and technologies that could help them stay competitive, adapt to changing market conditions, and leverage new opportunities for innovation and growth in their businesses.

Gaps

8. Gap: Insufficient support to realize the growth potential of traded and emerging sectors

While the region's current five GO Virginia Region 9 traded sectors are poised for growth, and there is untapped potential in emerging sectors such as clean energy, defense, and non-agricultural tourism, there is a need for more support, resources, and strategic initiatives to fully capitalize on these opportunities and drive sustainable economic development.

9. Gap: Need for more targeted industry-specific support

Entrepreneurs in key industries such as food & beverage, clean energy, deep tech, and non-agricultural tourism do not have access to sufficient specialized support, resources, and networks that cater to the unique challenges, opportunities, and requirements of their sectors, which can hinder their ability to innovate, compete, and contribute to the region's economic growth.

10. Gap: Limited coordination and collaboration among diverse industries and sub-regional clusters

Despite the presence of diverse industries and strong sub-regional clusters, there is insufficient coordination, communication, and collaboration among industry business owners and complimentary industry business owners and clusters across the region, leading to missed opportunities for synergy, resource sharing, and cross-sectoral innovation that could benefit entrepreneurs and the overall entrepreneurial ecosystem.

Gaps

11. Gap: Insufficient shared vision and coordinated approach for the entrepreneurial ecosystem

The region has need for a clearly defined, widely communicated, and collectively pursued vision for its desired entrepreneurial ecosystem, which can hinder alignment, collaboration, and strategic decision-making among stakeholders, and limit the effectiveness and impact of entrepreneurship support efforts.

12. Gap: Underdeveloped culture of entrepreneurship and ecosystem support

The region needs a stronger and pervasive culture that values, nurtures, and invests in entrepreneurship and the supporting ecosystem, which can limit the visibility, resources, and opportunities available to entrepreneurs and hinder the overall growth and vitality of the entrepreneurial community.

13. Gap: Insufficient internal and external marketing of the region's entrepreneurial strengths and opportunities

The region does not have a comprehensive and coordinated marketing strategy to effectively promote its entrepreneurial assets, success stories, and unique value proposition both within the local community and to external audiences, which can limit the region's ability to attract and retain entrepreneurs, investors, and resources, and hinder the development of a strong and vibrant entrepreneurial ecosystem.

Preliminary Recommendations

Gaps with sample recommendation

(in the full report, we will provide all the recommendations that address the gap)

1. **Gap: Limited awareness and access to entrepreneurial resources**

Make accessible and maintain an easy to use, vetted, centralized information resource for entrepreneurs across the region and in each locality

2. **Gap: Insufficient understanding of and access to optimal financing options**

Increase access to capital and funding; expand federal grant activities

3. **Gap: Insufficient access to peer support and industry-specific networks**

Develop a model for the proliferation of local, entrepreneur-led Micro Entrepreneur Support Groups that connect entrepreneurs to each other and to timely tools and resources to support success

4. **Gap: Challenges in talent acquisition, retention, and management**

Increase the visibility of existing resources connecting collegiates, independent contractors, fractional executives and job seekers with the entrepreneurs who need them.

Gaps with sample recommendation

5. **Gap: Inadequate marketing and customer acquisition support**

Increase support for businesses to grow in markets beyond Virginia

6. **Gap: Uneven distribution of community services and amenities across the region**

Support filling of local and regional gaps (including hyper local or micro industry) through need identification and application of resources

7. **Gap: Limited access to education and training on emerging services, trends, and technologies**

Support entrepreneur access to education, training, tech stack, and experts for incorporation of new technologies to remain competitive and solve pain points

Gaps with sample recommendation

- 8. Gap: Insufficient support to realize the growth potential of traded and emerging sectors**

Advance priority emerging sectors (similar to Cville BioHub) with convening, incubation or acceleration support
- 9. Gap: Need for more targeted industry-specific support**

Support the expansion of sector-specific accelerators, such as food & beverage and energy, which help entrepreneurs through product development/processing to traded sector success
- 10. Gap: Limited coordination and collaboration among diverse industries and sub-regional clusters**

Develop a model for the proliferation of local, entrepreneur-led Micro Entrepreneur Support Groups that connect entrepreneurs to each other and to timely tools and resources to support success

Gaps with sample recommendation

11. Gap: Insufficient shared vision and coordinated approach for the entrepreneurial ecosystem

Engage a body to maintain visibility (think, figuratively, of a satellite or drone) of disparate entrepreneurial and economic development activity across the region so that activities can be coordinated when desirable for the region's benefit

12. Gap: Underdeveloped culture of entrepreneurship and ecosystem support

Develop and offer targeted incentives for new and existing businesses that align with the region's economic development goals

13. Gap: Insufficient internal and external marketing of the region's entrepreneurial strengths and opportunities

Create and support marketing campaigns that promote our localities unique features, resources and advancing industries

Next steps

Next steps are in process

1. Present initial recommendations to GO Virginia Council
2. Incorporate feedback Advisory group and GO Virginia Council
3. Circle back to key stakeholders from the communities to discuss themes, recommendations, and implementation steps
4. Work for local buy in for right sized version of recommendations in each community
5. Final report, submitted in August, will include:
 - a. Findings with gap analysis
 - b. Recommendations with project details
 - c. Goals
 - d. Funding opportunities (GO Virginia and other)

What resonates?

What's missing?

What surprised you?

What did we miss the mark on?