

The Case for New Metrics in Entrepreneurship-Led Economic Development



The Case for New Metrics in ELED



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Agenda

- Welcome Remarks
- Elements of an Ecosystem
- Key Insights
- New Metrics for Entrepreneurial Ecosystems
- Q+A

Elements of an Ecosystem



Access to Capital



Business Assistance



Education and Talent Development



**Real Estate, Places & Spaces,
Specialized Infrastructure**



**Effective Regulation, Enabling
Policies, Supportive Leadership**



Networks & Culture

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Key Insights

- Data vs. Metrics
- Metrics are Aligned to Goals
- Metrics should correlate to a stated goal and an element(s) of your ecosystem to explain results.
- **PROBLEM:** We often do not have data resources, clear goals, or metrics (Key Performance Indicators - KPIs) that capture a more holistic view of entrepreneurial impact and the overall effectiveness of our ecosystem.



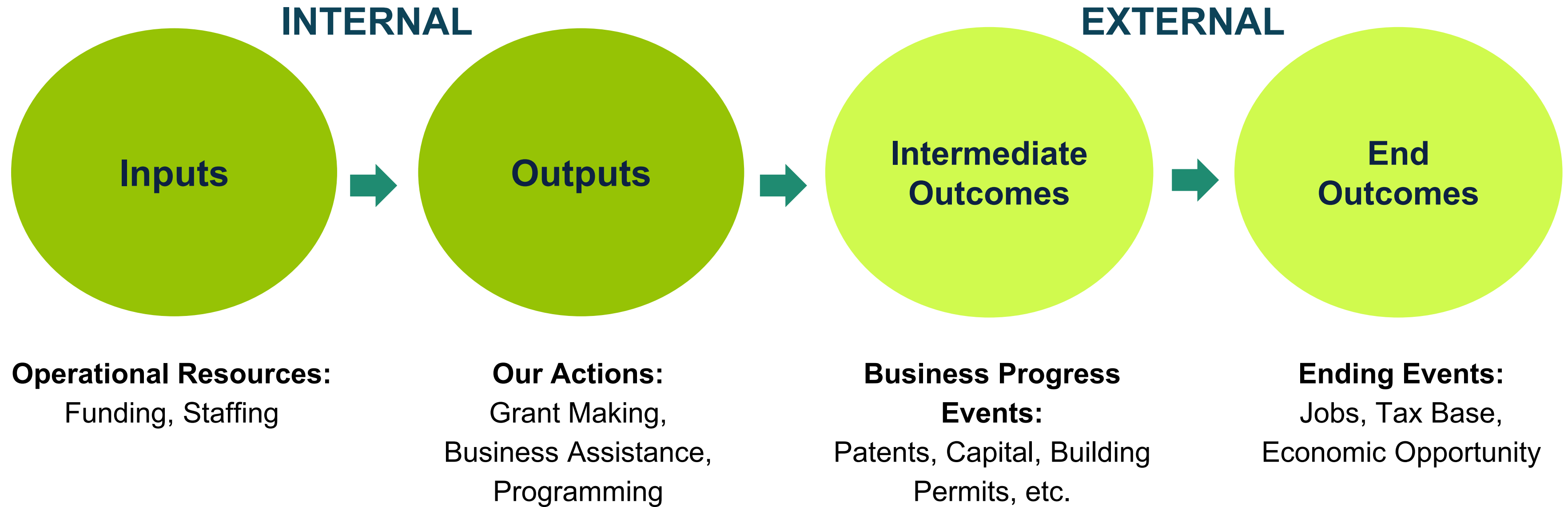
“An ecosystem that allows for the fast flow of talent, information, and resources helps entrepreneurs quickly find what they need at each stage of growth.”

From Kauffman Playbook

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Inputs, Outputs, & Outcomes



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Source:
Metrics for Entrepreneurship Centers,
Catherine S. Renault Innovation Policyworks

A Simple Framework Linking Goals, Metrics, and Elements

GOAL:
What we hope
to achieve

ELEMENT:
Segment(s) of
the ecosystem
supported
through action

METRIC:
Quantitative
indicators used
to assess
progress

**Diversify
Main Street
Businesses**

**Capital
Policy
Real Estate
Support**

**Downtown
Businesses
by Sector**

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New Metrics for ELED



Community Engagement & Social Impact



Long-Term Business Survivability



Innovation Index

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Community Engagement: Enter the Sports Metaphor

Entrepreneurship is a team sport.

The role of an economic developer is a setter, quarterback, point guard, catcher...you can see the whole field.



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Community Engagement

Start by Mapping the State of the System

Mapping existing assets, amenities, resources, and leaders gives a snapshot of existing conditions and uncovers gaps, strengths, and opportunities.

Work with partners!

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WEB SCRAPING



ChatGPT



Copilot

ORGANIZING DATA



mind
meister



Airtable



DATA VISUALIZATION



esri®



kumu

Community Engagement

Customize Metrics to Your Community & Your Goals

Goal	Metric	Data Source
Grow the Ecosystem	Microbusiness Density	GoDaddy, YourEconomy.org
	Newsletter Subscribers/Social Media Followers	Digital Tools
	Event Attendance	Administrative
Increase Engagement Across Network	Social Media Engagement	Digital Tools
	Mentorship	Admin or Survey
	Partnerships	Admin or Survey
	Meetups, Social Engagement	Admin, AI
Build Onramps to the Ecosystem	Self-employed firms	US Census: ACS, YourEconomy.org
	Businesses launched	US Census: ACS, YourEconomy.org
	Approval process time, slippage, denials	Administrative
Increase Availability of Resources	Resource mix	Ecosystem map
	Program/facility utilization rates	Administrative
	Grant Applications, Seeking Funding	Administrative, AI
	Digital Navigator Utilization	Digital Tools
	Referrals made	Administrative
Expanding Entrepreneurial Culture	Media Coverage	Google Alerts
	Awards and Recognition	Administrative, Google Alerts
	Entrepreneurial Satisfaction	Survey
Diversify the Ecosystem & Enhance Equity	<i>Disaggregate all of the above by age, race/ethnicity, gender, veteran status, LGBTQ+ status, etc.</i>	
	Prosperity Score	National Equity Atlas
	Immigrant Entrepreneurs	American Immigration Council Map the Impact Tool

Social Impact

My Other Why:

If you help someone **get a job**, you can change their life.

If you help someone **create a job**, you can transform a community.

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Social Impact Metrics

Intermediate Outcomes

Neighborhood / Main Street Scale

- Interactions between local businesses and service providers
- Resource utilization
- Local meetup events
- Businesses retained
- Leadership representation
- Youth engagement

End Outcomes

- Income growth
- Job quality, Pay equity
- Graduation rates, Literacy
- Problem Solving: Food access, housing access, environmental sustainability, healthcare access, etc.

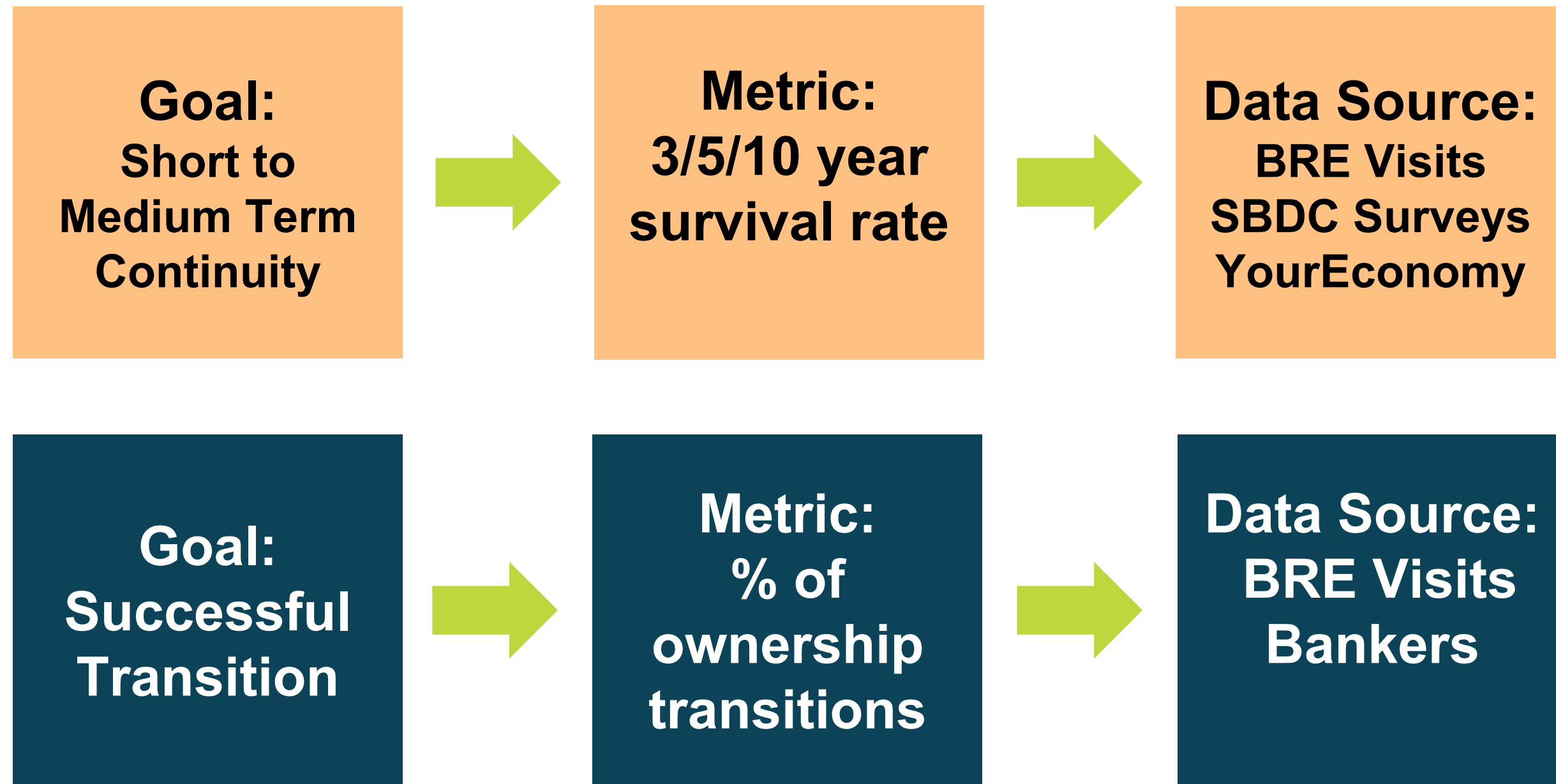
Data Sources:

PolicyMap, National Equity Atlas, The Opportunity Atlas

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Business Continuity



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Survival Toolkit



Metric	Data Source
Access to workforce	Local post-secondary schools, Workforce Development
Access to cash flow capital	Bankers, BRE visits
Usage of Technical Assistance programs	SBDC, SCORE, VBOC
Peer learning/problem solving	Main Street, Chamber of Commerce

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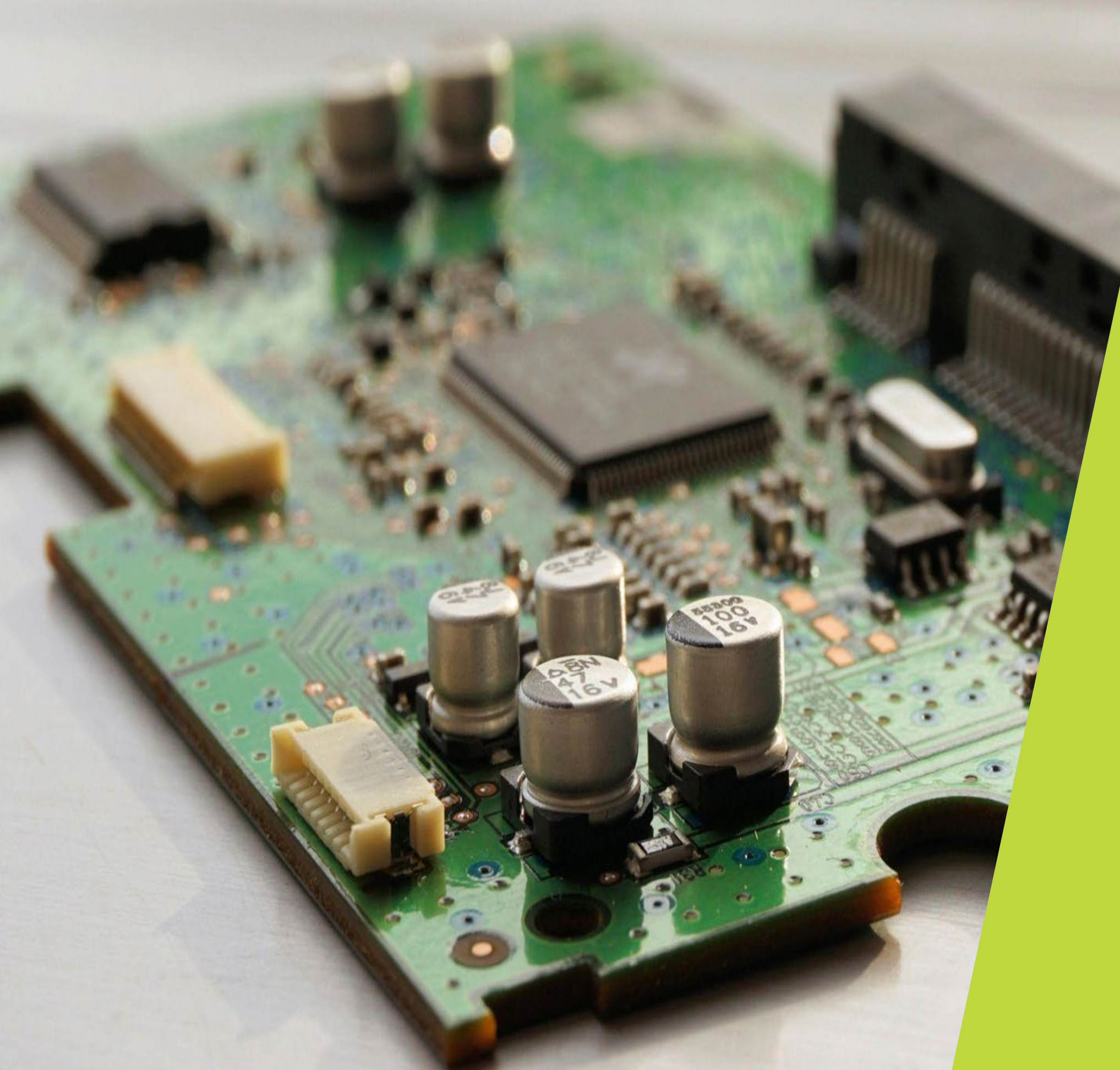


Transition Planning

Use Business Retention & Expansion visits to ask about transition plans & refer technical assistance

Planning (not just visioning) should start 5-7 years in advance.





Innovation Index

This is a metric used to measure the rate and quality of innovation across an entrepreneurial ecosystem. It reflects how well the ecosystem fosters new ideas, develops technologies, and develops entrepreneurs. This index is best applied to ecosystems focused on producing high growth and scalable entrepreneurial ventures. Though, the concept can generally be adapted very easily. This example considers various factors such as patents filed, new products developed, pilot projects conducted, investment capital raised, and entrepreneurial density.

Innovation Index: “Say What?”

- Similar to the S&P 500 or a grading rubric for a grant or RFP, Indexes are based on a simple weighted average of several data points.
- The goal is to have a single measurement that gives you a quick indicator of the performance of your ecosystem over time.
- The Innovation Index is crucial because it:
 - Reflects the ecosystem’s ability to foster new ideas and technologies. (Talent, Enabling Policies)
 - Indicates financial support and confidence. (Capital)
 - Serves as a leading indicator of future economic growth.

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Innovation Index: In Action

Smart City Tech Focused Ecosystem

Component	Source	Weight	Periodic Goal	Current	Score	Weighted Score
Patents Filed	USPTO	20%	3	2	0.67	13.3
New Products Developed	Partner Reporting	20%	5	4	0.80	16
Pilot Projects Conducted / Field Tests	Partner Reporting	20%	2	2	1.00	20
Capital Raised	Pitchbook, Crunchbase, Partner Reporting	20%	500	468	0.94	18.72
Entrepreneurial Density	youreconomy.org	20%	0.1	0.08	0.08	16
					Total	84.05

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Questions & Answers



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Thank you!

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