



INTERNATIONAL
ECONOMIC DEVELOPMENT
COUNCIL

**”How Do You Measure an Entrepreneurial Ecosystem?” at the
*Growing Entrepreneurial Communities Summit, May 5, 2016***

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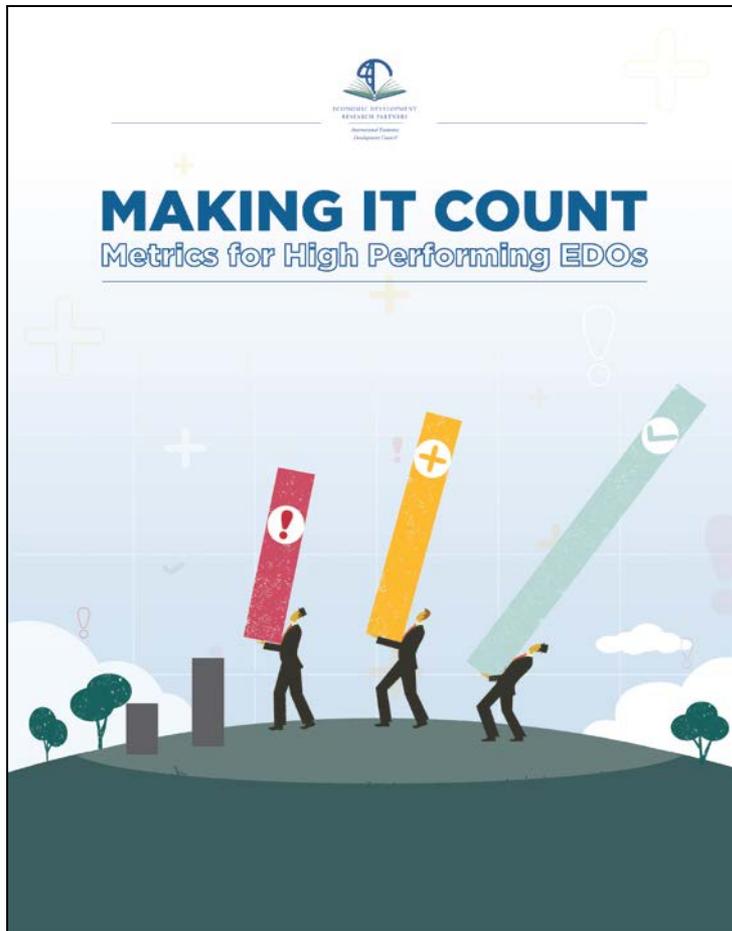
Richardson, TX

Past Chair, Fellow Member, Honorary Life Member

International Economic Development Council

Washington, DC

IEDC's Research on Metrics



- Economic Development Research Partners
 - Member-directed, in-house think-tank
- *Making It Count: Metrics for High Performing EDOs* (2014)
- Survey of EDOs with more than 500 responses

Making it Count: Metrics for Entrepreneurship and Small Business Development

- **Core** - basic metrics that must be used for measuring performance in any given area
 - Number of new business starts
 - Number of jobs created (FT/PT)
 - Financing for businesses/total capital provided
- **Important** - used for comprehensive examination of performance
 - Availability of startup capital for local businesses
 - Startups as percentage of all businesses
- **Bonus**
 - Diversity of businesses
 - Business licenses issued
 - Comparison between companies that received assistance and those that did not
 - Per capita lending activity per SBA loan programs
 - Small Business Innovation Research (SBIR) grant winners

How do you measure success in your community?

ESOs support the creation of ventures; entrepreneurs and their ventures create the jobs and companies.

- **Short-term vs. long term (20 years or more according to Brad Feld)**
- **Job creation versus wealth creation (Incubators versus seed accelerators)**
- **Community building (coworking)**
- **Output measures versus outcome measures (How many people complete something versus how successful is what they complete?) Client-centric vs. ESO-centric.**
- **Business plans versus business models**

The logo for the Economic Development Journal (EDJ) features the letters 'EDJ' in a large, white, serif font on a black rectangular background.

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Economic Development Journal

734 15th Street, NW Suite 900 • Washington, DC 20005

Volume 14 / Number 3 / Summer 2015

Making (and Measuring) an Entrepreneurial Ecosystem

By Maria Meyers

THE RIGHT METRICS FOR THE RIGHT STAGE OF DEVELOPMENT

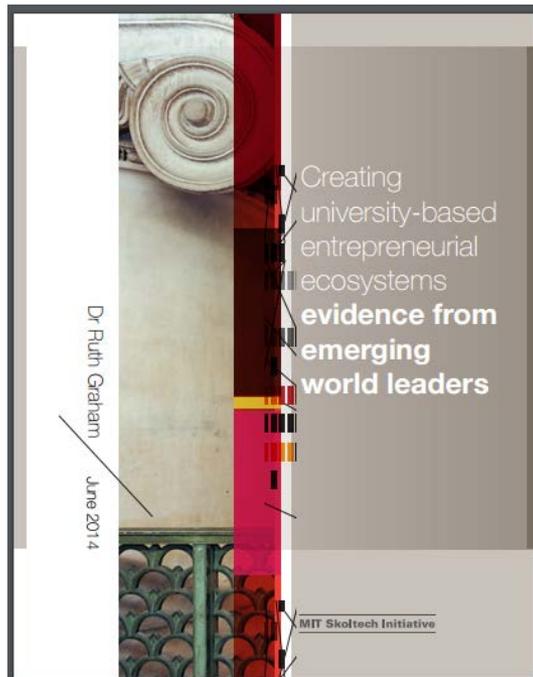
Most communities interested in economic development are searching for a set of metrics that will allow them to measure success. U.S.SourceLink has worked to build entrepreneurial ecosystems for more than 10 years and has determined that different metrics come into play at different stages of a community's entrepreneurial development. Tying something as dynamic as an entrepreneurial ecosystem down to one or two metrics doesn't help communities know where to focus their efforts, where they're growing or how to fill their gaps. Communities that truly invest in entrepreneurial ecosystems are looking to build something sustainable, something with economic stickiness and continuity – and typical impact measures, like jobs, alone can't tell that story.

More than jobs

“Tying something as dynamic as an entrepreneurial ecosystem down to one or two metrics doesn’t help communities know where to focus their efforts, where they’re growing or how to fill their gaps.” – Maria Meyers

- How is the community moving ideas toward commercialization?
- How supportive is the funding environment?
- How rich is the talent pool to feed startups?
- How engaged are larger corporations in the ecosystem?
- How aware is the community of success?
- How many companies are making successful exits into IPOs or acquisitions?

MIT: *Creating university-based entrepreneurial ecosystems evidence from emerging world leaders (2014)*



Input indicators

- Extent to which knowledge transfer and E&I activities are apparent within each school in the university
- Employment of international experts in E&I to deliver programs
- Breadth of activity in place (e.g. incubator/accelerator, student competitions, proof of concept center)
- Resources allocated to university-industry interactions
- Consideration of innovation and entrepreneurship in faculty recruitment
- Opportunities for partnership with regional companies
- Curricular time devoted to entrepreneurship and innovation
- Entrepreneurship and innovation training for offered to all university employees

Process indicators

- Student career intentions
- Faculty entrepreneurs as role models
- The extent to which entrepreneurial talent is recognized
- Student involvement in voluntary innovation activities
- Percentage of faculty engaged in patenting activity
- Number of students who work/intern with high-tech firms
- Joint publications between faculty and industry
- Joint university/industry initiatives launched (for any purpose)
- Industry practitioners teaching and mentoring
- Industry-sponsored research

Output indicators

- Number of spinoffs
- Licensing success rates
- Company survival rate after 10-15 years
- Money raised from external investors
- Total sales in the marketplace resulting from commercialisations
- Total financial value of the companies created
- Percentage of alumni remaining in ecosystem
- Percentage of alumni engaged in starting new companies
- Whether companies, entrepreneurs, investors, professional service providers are moving into the region for opportunities
- The extent to which PhD students are employed by new companies in the ecosystem
- Whether the university attracts entrepreneurially-minded students and faculty
- University contribution to changing policies in the region



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UNLOCKING ENTREPRENEURSHIP:

A Handbook for Economic Developers