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PLANNING AN INCLUSIVE ENTREPRENEURIAL ECOSYSTEM IN NORFOLK VIRGINIA

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PLANNING AN INCLUSIVE ENTREPRENEURIAL ECOSYSTEM IN NORFOLK VIRGINIA

ABSTRACT
Provides an overview of Norfolk’s emerging entrepreneurial ecosystem and challenges associated with its disadvantaged entrepreneurs. Presents policy recommendations in creating more equitable environment for these small business ventures.

M. Alexander Cline
Client: George Homewood FAICP: Director of City Planning
Represented Organization: City of Norfolk’s Department of Economic Development
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Executive Summary

This professional plan lays out a comprehensive analysis of the emerging entrepreneurial ecosystem of Norfolk, Virginia. It addresses the challenges faced by disadvantaged and minority entrepreneurs not adequately represented within Norfolk. This research was undertaken at the request of City of Norfolk’s Department of Economic Development, which had limited knowledge or understanding of what makes up their emerging entrepreneurial ecosystem. The professional plan completes the requirement of the Master of Urban & Regional Planning program for the L. Douglas Wilder School of Government and Public Affairs at Virginia Commonwealth University.

The document lays out the current conditions affecting the development of this emerging entrepreneurial ecosystem in Norfolk. It aims to articulate what this is and how it could be nurtured to include more disadvantaged minorities. It considers the academic literature on the theoretical concept of “Just City”. Best practices are be recommended for programming to encourage more minorities in creating an inclusive entrepreneurial ecosystem. The key leadership of Norfolk’s institutions for entrepreneurial development will be surveyed and interviewed. Analysis will suggest where to direct policy implementation for creating a more inclusive entrepreneurial ecosystem. Ultimately, this professional plan recommends how Norfolk’s Department of Economic Development can nurture an inclusive entrepreneurial ecosystem and coordinate with local institutions to further diversity within the small business community.

Much of this professional plan development is credited to the support of Dr. Elsie Harper-Anderson and Dr. Meghan Gough. These two professors were paramount for successful creation of this plan, which Dr. Harper-Anderson’s expertise in entrepreneurship proved invaluable. I’m grateful for the time and insight by the different leaders of Norfolk’s supporting entrepreneurial institutions. Special thanks to George Homewood, Director of Planning for City of Norfolk, for allowing me the opportunity to pursue this professional plan.
Introduction

Problem Statement:

There is a strong community desire in Norfolk to create an inclusive entrepreneurial environment that provides for greater innovation and industrial diversification. This is rooted in a long-standing history of social and economic segregation faced by disadvantaged communities in Norfolk that can be traced from lack of livable income that provides upward mobility. This especially affects those in minority communities, women, veterans, and the disabled populations who account for a sizeable majority of those in poverty within this city. The appeal of business ownership provides a sense of economic independence that would not naturally be found in a traditional job market.

Plan Purpose:

1. Examining the concept of "Inclusive Entrepreneurialism" for the City of Norfolk in addressing those in poverty and traditionally excluded groups (African American, Women, and Veterans) through the scholarly literature.
2. Assessing how current entrepreneurial programming by supporting institutions have or not impacted minority participation in the small business environment.
3. Providing actionable policy initiatives that the City of Norfolk’s Department of Economic Development can undertake in creating a more inclusive entrepreneurial environment for disadvantaged demographic groups.

Client Description:

The City of Norfolk’s Department of Economic Development is the central actor in Norfolk’s business growth and advancement. Its mission is to

“Generate wealth for the City of Norfolk through business expansion, enhancement, and new business development complementary to our neighborhoods."

This department bears much of the weight in the success or failure of the economic competitiveness for City of Norfolk. It balances the demands of both nurturing local development of existing businesses and

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attracting new companies to the locality. Norfolk’s Department of Economic Development manages the different business resources and incentives, which influence the decision-making of companies new to the area.

**Key Terminology:**

**Table 1: Key Terminology for Professional Plan**

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurs</td>
<td>&quot;Entrepreneurs are people who turn ideas into reality, charging directly into the headwinds to create something of value where there was no value before.&quot;</td>
<td>Kauffman Foundation, “What are Entrepreneurial Ecosystems? Entrepreneurial Ecosystem Building Playbook 2.0 (2018), <a href="https://www.kauffman.org/entrepreneurial-ecosystem-building-playbook-draft-2/introduction#">https://www.kauffman.org/entrepreneurial-ecosystem-building-playbook-draft-2/introduction#</a></td>
</tr>
<tr>
<td>Entrepreneurial Ecosystem</td>
<td>&quot;The essence of an entrepreneurial ecosystem is its people and the culture of trust and collaboration that allows them to interact successfully. The ecosystem allows for the fast flow of talent, information, and resources so that entrepreneurs can quickly find what they need at each stage of growth.&quot;</td>
<td>Kauffman Foundation, “What are Entrepreneurial Ecosystems? Entrepreneurial Ecosystem Building Playbook 2.0 (2018), <a href="https://www.kauffman.org/entrepreneurial-ecosystem-building-playbook-draft-2/introduction#">https://www.kauffman.org/entrepreneurial-ecosystem-building-playbook-draft-2/introduction#</a></td>
</tr>
<tr>
<td>Entrepreneurial Supportive Institutions</td>
<td>&quot;Institutions as the “rules of game” facilitate economic, social, and political interactions and can alter the incentives and payoffs to engage in growth-enhancing entrepreneurial behavior. Depending on the rules, the institutions create incentives for particular actions and may dissuade individuals from taking other actions.&quot;</td>
<td>Liya Palagashvili, “Entrepreneurship, Institutions, and Economic Prosperity„” Fraser Institute &amp; Mercatus Center, <a href="https://www.fraserinstitute.org/sites/default/files/Entrepreneurship-Institutions-and-Economic-Prosperity-by-Palagashvili.pdf">https://www.fraserinstitute.org/sites/default/files/Entrepreneurship-Institutions-and-Economic-Prosperity-by-Palagashvili.pdf</a></td>
</tr>
</tbody>
</table>
**Background**

**Plan Context:**

The current business environment in Norfolk favors larger companies to locate to the city or traditional business ventures for funding. This can be seen with major financial incentive packages (tax breaks, grants, and other public improvement projects) given to attract major corporations to either locate or stay within any locality. The Virginian-Pilot Editorial Board reported on the recent departure of Norfolk Southern to Atlanta, Georgia from Norfolk highlighted this failing, where the city’s economic development leadership tried earnestly to retain this major railway company. Despite an earlier reported financial incentive package of $4 million in 2016 for moving their operations from Roanoke, Virginia, there was still a clear economic and logistical advantage for this corporation to move to Atlanta. The Virginian-Pilot Editorial Board notes that Norfolk is projected to lose a considerable $3 million in lost tax revenue, with greater total economic impact being $6.1 million. The editorial board pressed that the effort should be focused on building entrepreneurial enterprises that are locally representative of the community.²

Development of minority enterprises would help to offset the high unemployment rates for African Americans, females and veterans in the City of Norfolk. Table 2 shows the breakdown of unemployment in the City of Norfolk between 2012 to 2016 from American Community Survey. There is considerably high percentage of unemployment for African Americans, females and veterans in Norfolk than either the state of Virginia or the greater United States. However, this information is out of date with rapid economic growth that has occurred in the recent years of 2017 to present. As Rami Yoakum of Southside Daily reports, that while the City of Norfolk and the Hampton Roads region have done fairly well in recovering from the 2007 recession, a sizeable portion of the city’s population is not seeing this growth. This is due to the decline of job employment in the government sector, professional and business services, and education and health services. Yoakum notes that there is optimism from Hampton Chamber of Commerce in potential future growth that could occurred in fields like cybersecurity and shipbuilding.³

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Table 2: Norfolk, VA’s Unemployment – American Community Survey (2012-2016)\(^4\)

<table>
<thead>
<tr>
<th></th>
<th>Percent</th>
<th>Value</th>
<th></th>
<th>Value</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>City of</td>
<td>Virginia</td>
<td>USA</td>
<td>City of</td>
<td>Virginia</td>
</tr>
<tr>
<td>Unemployed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>9.7%</td>
<td>5.9%</td>
<td>7.4%</td>
<td>10,978</td>
<td>255,340</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>9.7%</td>
<td>6.2%</td>
<td>7.7%</td>
<td>5,436</td>
<td>130,574</td>
</tr>
<tr>
<td>Female</td>
<td>10.1%</td>
<td>6.0%</td>
<td>7.4%</td>
<td>5,410</td>
<td>117,664</td>
</tr>
<tr>
<td>Race and Ethnicity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>6.9%</td>
<td>5.0%</td>
<td>6.4%</td>
<td>3,519</td>
<td>141,368</td>
</tr>
<tr>
<td>Black or African American</td>
<td>13.3%</td>
<td>10.1%</td>
<td>13.5%</td>
<td>6,293</td>
<td>78,691</td>
</tr>
<tr>
<td>American Indian and Alaska Native</td>
<td>13.2%</td>
<td>8.2%</td>
<td>13.8%</td>
<td>65</td>
<td>865</td>
</tr>
<tr>
<td>Asian</td>
<td>6.6%</td>
<td>4.6%</td>
<td>5.7%</td>
<td>274</td>
<td>12,418</td>
</tr>
<tr>
<td>Native Hawaiian and Other Pacific Islander</td>
<td>11.7%</td>
<td>9.2%</td>
<td>10.6%</td>
<td>21</td>
<td>254</td>
</tr>
<tr>
<td>Some Other Race</td>
<td>7.6%</td>
<td>5.9%</td>
<td>9.2%</td>
<td>243</td>
<td>6,100</td>
</tr>
<tr>
<td>Two or More Races</td>
<td>13.7%</td>
<td>8.4%</td>
<td>11.0%</td>
<td>431</td>
<td>8,542</td>
</tr>
<tr>
<td>Hispanic or Latino (of any race)</td>
<td>7.3%</td>
<td>6.0%</td>
<td>8.8%</td>
<td>566</td>
<td>22,036</td>
</tr>
<tr>
<td>Veterans</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>7.0%</td>
<td>4.5%</td>
<td>6.4%</td>
<td>1,259</td>
<td>16,448</td>
</tr>
</tbody>
</table>

In mapping this unemployment information for the three selected minority groups per zip code area, the largest clustering has occurred along the main core of Military Highway and southeast side of Norfolk. As Ryan Murphy of *Virginian-Pilot* has written that these areas have traditionally held several different historic black neighborhoods, like Brambleton and Tidewater Gardens and are considered the main center of public housing in Norfolk. Together with the adjacent Calvert Square and Young Terrace, they are slated to be demolished in the revitalization of a new district called St. Paul’s Quadrant. Murphy notes that this area is a major center of poverty for the city, which limits the economic potential of these residents.\(^5\)

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\(^5\) Ryan Murphy, “Why Norfolk is planning to tear down half of its public housing,” *Virginian-Pilot* (February 22, 2018), https://pilotonline.com/news/government/local/article_2ae3d0b9-f11a-52b7-ac7d-a714fbb1c92b.html
Figure 1: Unemployment Clustering of African-Americans Per Zip Code

Figure 2: Unemployment Clustering of Females Per Zip Code

Local residents do not trust entrepreneurial programming efforts and recall the damages they incurred as a result of the Urban Renewal era in the 1960s-70s when Stockley Gardens, a major public housing complex, was demolished to establish an upscale neighborhood. The displacement of these original residents and their collective community has had a lasting impact on the institutional legacy of this city government.\(^9\) They also remember the failed promises of job creation and employment through the *Norfolk First*, a loan program that was oversold by Norfolk’s Economic Development Department. It


lacked the needed resources to be an effective source of financial capital for disadvantaged entrepreneurs, while also being promoted by a traditional old-white professional staff in Norfolk’s Economic Development Department.\(^\text{10}\)

In terms of entrepreneurial competitiveness on the national scale, the Hampton Roads has achieved a respectable score from the *Kauffman Index*, which measures 40 major metropolitan areas as centers of entrepreneurialism in 2017. It ranks as 25\(^{th}\) for “Growth Entrepreneurship,” 31st on “Main Street Entrepreneurship,” and 33rd in “Startup Activity”. There has been considerable growth in startup businesses (by 72.86% for the collective cohort over 5 years), and opportunity for new entrepreneurs to enter the market (86.54% of these individuals not being unemployed). The region has considerable density for both small and high-growth businesses, which reflects the sizeable increase within the rankings in main street entrepreneurial ventures. However, what hurts the greater Hampton Roads region is the small number of businesses owners (3.9% in 2015), ventures that have scaled up in terms of size for their operations (1.76% in 2014), and growth rate of new entrepreneurs (0.18% in 2016).\(^\text{11}\) This information is important for nurturing minority businesses to bolster this independent start-up activity. It also allows the region to be known for more than its traditional military, port, and tourism sectors. Of course, the City of Norfolk does not have these types of metrics to be judged separately to other similar sized cities in the United States. This presents a clear problem in fully understanding what makes Norfolk unique as an emerging entrepreneurial ecosystem in contrast with other U.S cities.

What is important in the context of this professional plan is that the City of Norfolk’s plaNorfolk2030 has no clear aim or structured commitment to support entrepreneurial business or create diversity in the workforce.\(^\text{12}\) Norfolk’s Resilience Strategy does recognize and promote growing the emerging entrepreneurial ecosystem of the city. It highlights this by setting out the aims for launching a resilience lab/accelerator, promoting greater community learning events, and supporting an export tech initiative. However, this section lacked any mention of creating an inclusive environment for traditionally disadvantage entrepreneurs. It did not set any metrics to track these initiatives, making the section more aspirational than driven city policy.\(^\text{13}\) Both documents referred to the Comprehensive

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Economic Development Strategy being in the process of updating, which is still the case six years later with lack of clear direction for Norfolk in its future development.

**Existing Knowledge:**

The subject of “Entrepreneurial Ecosystem” is a relatively new concept and for this study difficult to analyze due to conflicting interpretations of measurable metrics. This is mainly rooted in the basic definitions of what is an “Entrepreneur” and the type of businesses they operate. The route chosen is to use the broader interpretation, defined by the Kauffman Foundations as:

“The essence of an entrepreneurial ecosystem is its people and the culture of trust and collaboration that allows them to interact successfully. The ecosystem allows for the fast flow of talent, information, and resources so that entrepreneurs can quickly find what they need at each stage of growth.”

Following this interpretation, Elsie Harper-Anderson’s article “Intersections of Partnership and Leadership in Entrepreneurial Ecosystems: Comparing Three US. Regions” in the *Economic Development Quarterly*, identifies any business owner who starts a new business as an entrepreneur. Her case study of Richmond, Virginia, presents the best model to initially compare due to cultural and economic development trends similar to Norfolk. Additionally, Harper-Anderson’s work highlights the lack of national data or research done for smaller entrepreneurial ecosystems than places like Boulder, Colorado or the San Francisco-Silicon Valley, California.

The main important work critical in basing this professional plan is Daniel Isenberg’s “The Entrepreneurship Ecosystem Strategy as a New Paradigm for Economic Policy: Principles for Cultivating Entrepreneurship,” which lays out the theory behind refocusing on entrepreneurialism rather than an industry-specific development. Isenberg posits developing the entrepreneurial ecosystem is a critical pre-condition to any effective long-term economic growth for any community (be it at nation-state level or local township). Entrepreneurial policy has to be designed to be democratic while assuring fair competition within the market. Isenberg presses for an equal opportunity field that requires individual merit and commitment to be a sustainable venture. He emphasizes it has to become the main

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public policy endorsed by the civic leadership, which contrasts from the set norm of special interest driven by larger corporations. The central challenge that Isenberg also notes that it’s critical to educate public officials about the immense spillover effect that entrepreneurialism can bring and its affects to the overall quality of life in any given community.\textsuperscript{16}

**Composition of Emerging Entrepreneurial Ecosystem:**

Critical for discussing emerging entrepreneurial ecosystems is characterizing this type of business environment. Following the Aspen Network of Development Entrepreneurs’ framework guide, an ecosystem is defined by having a comprehensive financial resources and business support system within a given community. This is complemented by having favorable business-friendly policies, competitive market access, educated human capital, reliable hard infrastructure, institutional research and development, and a supportive entrepreneurial media culture. These features create an input for entrepreneurial firms to generate employment and wealth for their community, which in turn spurs greater economic growth. This also provides a reduction in poverty by allowing greater opportunities for upward employment. This is driven by an active and visible collaboration between a variety of entrepreneurial supportive institutions, including local governments, universities, business incubators, and angel investors. These efforts should also impact the quality of life, which could influence the innovation of new ideas and products.\textsuperscript{17}

Key to understanding an emerging entrepreneurial ecosystem is the unique assets for the community. The Council on Competitiveness provides a guide that identifies institutional resources available for economic and workforce development, collaborative networks that have emerged between public, private, and higher-education institutions, and cultural identity of the greater community. These core markers are then defined by outputs of economic prosperity, productivity, and innovation.\textsuperscript{18} Of course, these metrics are subject to the context of how a given community defines economic prosperity


\textsuperscript{17} Aspen Network of Development Entrepreneurs, \textit{Entrepreneurial Ecosystem Diagnostic Toolkit} (December 2013), Pages 2-8, \url{https://assets.aspeninstitute.org/content/uploads/files/content/docs/pubs/FINAL%20Ecosystem%20Toolkit%20Draft_print%20version.pdf}

or innovation. Maria Meyers’ article, “Making (and Measuring) An Entrepreneurial Ecosystem” presents further details in analyzing this micro-segment of the economy. Drawing on her experience in leading U.S Source Link, Meyers discusses the entrepreneurial ecosystem of U.S mid-western cities. She identified assets and networks helping to generate entrepreneurial growth in the city. Next, the focus brought by Meyers was on addressing the need for visibility through a strategic action plan, designed to create accessibility to these resources while cementing a collaborative network amongst the existing entrepreneurial-supportive institutions. Emphasis was given in creating direct lines of communication with the community for their opinions and concerns to be heard through the organizational leadership. By doing this it allowed for the understanding of the issues being addressed by their individual communities. At this point, Meyers explained that it allowed these assisted localities to define their desired metrics and where services or resources are needed to achieve their collective vision.¹⁹

An important aspect in defining an entrepreneurial ecosystem is it being either a “mature” or “emerging” innovative environment. The latter defines the current state of Norfolk’s entrepreneurial ecosystem, which has yet to establish a firm identity or networks for entrepreneurs to thrive in. Jucevicius, Juceviciene, Gaidelys, and Kalman’s article, “The Emerging Innovation Ecosystems and "Valley of Death": Towards the Combination of Entrepreneurial and Institutional Approaches,” discusses the characterization of an emerging entrepreneurial ecosystem. It is defined by being in a period of transition from a focus on a traditional industrial economy (being dominated by a handful of major industry clusters) to one of a knowledge driven economy. This ideal state is seen with the diversification of different industry clusters of given community that is complemented with stronger research and development institutional activity. Universities are viewed as a driving factor to this transition with focus on the commercialization of their research. It would then allow for entrepreneurs to apply this academic work to the free market, which then spurs greater economic growth activity. Evolution of the entrepreneurial ecosystem depends on active collaboration between the higher learning institutions and other entrepreneurial-supportive institutions in creating a viable innovation process. This should also carefully intertwine the principle of laissez-faire in allowing the market to determine the survival of these entrepreneurial businesses.²⁰

²⁰ Giedrius Jucevicius, , Rita Juceviciene, Vaidas Gaidelys, and Aniko Kalman, “The Emerging Innovation Ecosystems and "Valley of Death": Towards the Combination of Entrepreneurial and Institutional Approaches,”, “Inzinerine Ekonomika-Engineering Economics (2016), Pages 431-432,
entrepreneurial ecosystems,” provides a greater analysis on the development of an entrepreneurial ecosystem into a firmly mature, innovative business environment. This is defined by strong turnover of startup businesses into mature firms, a financial resource network to support emerging ventures, specialized-technical innovative workforce, and direct global market access. The entrepreneurial ecosystem transitions from an individual localized activity to a major regional asset that influences neighboring localities. At this phase, these entrepreneurial networks become more interlocked in the regional economy and community norms. This leads to stabilization of growth and even a decline of the entrepreneurial ecosystem depending upon a variety of external/internal factors.²¹

Disadvantaged Entrepreneurs:

The central focus of this professional plan is on disadvantaged entrepreneurs, specifically African-Americans, Women, and Veterans. These three groups have had very similar challenges that limit their abilities, often driven by societal discrimination or biases, in becoming entrepreneurs. The selected literature provides a comprehensive overview regarding the topic of disadvantaged entrepreneurs, and the historic and current challenges confronting them.

The work of Race, Self-Employment, and Upward Mobility: An Illusive American Dream by Timothy Bates is foundational to this professional plan. Bates provides an in-depth analysis of minority small business ownership, specifically for African and Asian Americans. The former group is the main focus in this research, specifically due to Norfolk’s large African-American population. Bates lays out that historically minority entrepreneurship has often been geared to services for their fellow racial/ethnic members rather than the greater community of given locality. Racial segregation imposed by the dominant White society, dictated services to be of more minimalist roles like shoe shiners or barbers. Those with professional educations (like a law degree) were limited to clientele within their racial group and even social-economic class. Educated minority groups had little interest in self-employment, associating this with minimalist service roles for Whites. This changed significantly with the end of segregation in the 1960s, causing considerable competition from small minority businesses within the marketplace against more corporate retail/service firms. African-American businesses were ill-equipped

to compete with the growing demand for professional services. Those with college educations chose to join the ranks of larger corporate America with the assurance of a secured salary income.\textsuperscript{22} Thus, African Americans have perhaps been the least likely minority group to pursue self-employment or desire for creating their own small businesses. This is been driven by constraints of accessing financial capital (often favoring White applicants), lacking professional-technical skills, and limited support from the greater racial community.\textsuperscript{23}

Bates further explores in his work the differing situations for African-American small businesses in the low skilled (traditional) versus technical-professional labor force. The former cluster primarily flourished in the aftermath of First World War, largely due to the rapid urbanization and economic growth that occurred in the United States. (and not the massive migration from the deep south to northern cities.) There was considerable demand for retail and services by African Americans, creating a natural demand for local businesses to emerge in filling this need. The 1920s had sizeable clustering of black professionals who supported new ventures and often provided the needed capital to start them. However, the Great Depression devastated the black merchant class and customer loyalty to their businesses. Lack of the ability to recapitalize with financial and trade credits like their white counterparts, led to the collapse of many of these minority businesses in the 1940s through 1960s.\textsuperscript{24} The professional small minority businesses fared better as more educated business owners had greater knowledge in accessing capital to support their ventures. There wasn’t necessarily a societal pressure to service primarily minority clients, which traditional firms needed for their survival. This issue becomes more apparent in trying to attract and retain college educated workers, where traditional African-American businesses lack profitability.\textsuperscript{25} The problem becomes more visible in the urban and suburban divide, where these African-American small businesses have traditionally clustered around ghettos. With the flights of the African-American middle and professional class in the 1960s, these historic urban neighborhoods declined significantly in economic wealth. This inhibited upward mobility for those in the working poor and limited their evolution from neighborhood-oriented businesses. Banks avoided investing in these communities, perceiving lack of potential based on historic trends.\textsuperscript{26}

\textsuperscript{24} Bates, \textit{Self-Employment, and Upward Mobility: An Illusive American Dream}, Pages 146-151.
\textsuperscript{25} Bates, pages 155-161.
\textsuperscript{26} Bates, pages 168-170.
John Sibley Butler’s work, *Entrepreneurship and Self-Help among Black Americans: A Reconsideration of Race and Economics*, provides an in-depth analysis of current trends in African American entrepreneurship. Butler notes a refocus on nurturing entrepreneurship in the African American community since 1980s. This new generation is geared towards the global economy, especially with e-commerce as its central medium. Those with the technical education are entering more highly demanded fields like Bio-Technology. Many of these new firms employ middlemen operations that service the larger self-employed industry. What is most interesting is the return of these new African-American entrepreneurs to the main street within U.S cities.\(^\text{27}\) What can be seen through *Black Enterprise*’s rankings over the last twenty years has been the strong performance of entrepreneurial compared to large enterprises in the Banking and Insurance industry sectors. Historic institutions like Golden State Mutual Life and First Tuskegee Bank were created to serve the African-American community in their home localities. Many of these African-American banks and insurance companies have been able to survive but not often fare well compared to white institutions. Of course, with the rise of E-Commerce, racial identity has become less of the advantage that allowed African-American businesses to remain unique.\(^\text{28}\) It should be noted on this point that *Entrepreneur* reported that 2018 was the largest year of growth for African-American businesses on record. The U.S Black Chamber of Commerce stated there were 2.6 million African-American owned businesses in the greater U.S. Kevin Williams, a D.C. Entrepreneur, made this critical remark on this milestone;

“The penalizing effects of racism robs black employees of fair and equal earned income simply because they are black. Therefore, entrepreneurship is not only necessary for black employees seeking to fully capitalize from their labor but also for black returning citizens who attempt legitimate employment despite policies that restrict their economic mobility and subsequent earning potential.”\(^\text{29}\)

This presents an important cultural change to the outlook of being self-employed, once disdained by African-Americans. There are more prominent events like the Black Tech Week and Black Enterprise Entrepreneurs Summit that create community and connectivity in this self-starter culture. Similarly, both incubators and venture capital funds are geared towards serving African-Americans.\(^\text{30}\)


\(^\text{30}\) Thomas, “2018 Is Shaping Up as a Pivotal Year for African-American Entrepreneurship”
Zulema Valdez’s *The New Entrepreneurs: How Race, Class, and Gender Shape American Enterprise*, identifies an important factor that complicates the issues and needs of women entrepreneurs. Challenges confronted by White female entrepreneurs versus that of African-American or Latina entrepreneurs will be significant in terms of established cultural community norms and perceptual biases. This latter group will certainly be confronted by much more resistant white male patriarchy that may not be inclined towards greater inclusionary activity in the capitalist market. Access to social networks and career resources is critical for these minority women entrepreneurs in being competitive.  

Valdez notes that women are more likely to be limited on experience through being involved with family businesses, which does not necessarily transition well into independent entrepreneurial ventures. This ties into dependence on the husband’s entrepreneurial resources and contacts to promote their endeavors. It becomes less critical for success if this woman is of middle-class standing, whereas those who are poor may depend upon this as their livelihood. Additionally, minority women may be more likely to choose to pursue being an entrepreneur for escaping societal toxicity (racism, sexism, and classism) than white males who may enter a field based on family inheritance.

Veterans are the last important minority group to examine and have been most active in becoming entrepreneurs and starting their own businesses. The Institute for Veterans and Military Families composed a comprehensive report of *Bridging the Gap: Motivations, Challenges, and Success of Veteran Entrepreneurs*, that highlights the current activities of veterans in an area that is not well-researched or understood by academics. There are currently 2.5 million veteran-owned businesses that account for 9.1 percent of U.S businesses, generating $1 trillion in receipts and employing 6 million American workers. There has been an historic trend of veterans preferring to be small businesses owners and outperforming the civilian populace in their ventures. However, Boldon and Maury (authors of the study) noted the lack of collected data on veterans due to personal characteristics not being included on national surveys and reports. The interim findings of this research found that veterans were more acutely aware of the immense benefits that can be gained from being entrepreneurs.

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34 Boldon and Maury, *Bridging the Gap: Motivations, Challenges, and Success of Veteran Entrepreneurs*, Pages 3-4.
includes financial independence, work-life balance, greater businesses opportunities, and distaste for current selection of career choices in the civilian workforce. There was a common perception of lack of understanding towards military skills and experiences in being applicable to the private sector employment. Veterans are more self-reliant and greater risk takers than their civilian peers, making it natural to pursue the route of entrepreneurship. Perhaps the largest factor for most veterans in choosing to be entrepreneurs was the sense of independence and financial freedom. Boldon and Maury also notes the major challenge that confronts Veterans is the lack of knowledge and formal training in becoming a business owner. This is specifically geared towards accessing the needed capital, which caused considerable frustration in being able to understand the applications process of gaining the financial backing. Government regulations seem to limit the upward growth of their ventures with constricting the banks to loan money to specific industries. Lack of knowledge towards money management has caused considerable failures for some veterans or has led them to be victims of predatory lenders. Boldon and Maury argue that this is rooted in the lack of resources, mentors, and networks that can serve as guides to these veterans, who depend upon on their own limited knowledge to succeed.

Theoretical Framework:

The approach that should be taken towards nurturing an inclusive entrepreneurial ecosystem in Norfolk is blending the initial proposed policy recommendations in both planning and economic theory. The most effective option is the concept of “Spatial Justice” introduced by Susan Fainstein. Her theory emphasizes that prior planning has deliberately excluded people from the natural or built resources that allow for upward mobility or higher quality of life. Spatial Justice calls for the design of both public services and physical environment to be democratic, assuring that low-income minorities will have fair access to these features. It echoes her vision of a “Just City,” where public policy is driven in the interest of fair distribution towards diversity, material equality, and democracy. This means choosing to downgrade the importance of services to the “elite” of society in favor of uplifting those at a distinct disadvantage (the homeless, disabled, elderly, etc.). One of Fainstein’s cited examples was

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35 Boldon and Maury, Pages 7-9.
36 Boldon and Maury, Pages 14-16.
Amsterdam, which had utilized full power of public policy to push for more equitable and inclusive development. The city’s leadership struggled through the difficulties of modern globalization but retained 50 percent of its social housing compared to considerably less amount by New York City or London. Redevelopment of the Bijlmermeer, a major social housing complex in Amsterdam, showed the Dutch commitment in retaining the established residential community while bringing further diversity into this space. The architectural design was transformed to encompass a variety of housing choices and encouragement of wealth diversification with new residents. Fainstein makes a very important point in terms of economic development for “Just City,” which she lays out as:

“Our development programs should give priority to the interest of employees and small business owners. All new commercial development should provide space for public use and to the extent feasible should facilitate the livelihood of independent and cooperatively owned businesses.”

What can be interpreted from Fainstein’s work is the focus on the local business community’s needs and encourages the creation of home-grown ventures through entrepreneurialism. According to Fainstein, there is a deliberate effort to ensure the physical development is designed to promote connectivity and sense of individuality in being able to create a business.

June Manning Thomas expands upon this concept of the “Just City” in the importance of having diversity in the ranks of planners, policy makers, and public administrators. This assures the general populace there is emphasis on fair representation at the decision-making table in the future development of a locality. It allows that justice can be fairly implemented rather than be blocked or distorted by the majorities view. Outcomes should in theory be equitable and maintain a constant track for upward mobility towards disadvantaged demographic groups. Thomas presents an important issue that impacts the effectiveness assuring equality in the midst of many competing special interest groups; “Outcomes often stem from processes during which powerful economic interests dominate decision making, a fact that has taught us to beware of actions touted as being in the “public interest”.” This statement presents the difficult challenges that confront many public officials, torn between the financial incentives that could bolster their political legacy but may not present any benefit to the community.

42 Thomas, “The Minority-Race Planner in the Quest for a Just City” in Readings in Planning Theory, page 443.
they represent. Entrenched inequalities can certainly be inflamed through this type of political corruption, but Thomas lays out the means to combat this by planners and other public servants through different “Just City” strategies. One of the best ways is to firmly embrace an advocacy stance in the decision-making process, pushing the expectation of “social context” that could not be ignored without consequence by the public administrators. Efforts to amend current zoning and/or improving public transportation can have considerable impact in creating spatial equity that could have long-term impact in reversing the decades of social-economic inequality within the United States’ urban landscape.\footnote{Thomas, “The Minority-Race Planner in the Quest for a Just City” in \textit{Readings in Planning Theory}, page 446-447.}

An important theorist that can base the professional plan in public choice theory is Elinor Ostrom. Ostrom recognized the complexity that occurs between the market and its relation to the state, where the latter fails to understand or recognize the individual interest. She challenges the issues surrounding the “Tragedy of Commons” and “Game Theory,” two concepts that speculate humans will innately overharvest resources in their own self-interest instead for the general good. Ostrom argues that is not the case, but rather that the market encourages collaboration in preserving a resource. Ostrom makes this critical point;

“The important lesson for public policy analysis derived from the intellectual journey I have outlined here is that humans have a more complex motivational structure and more capability to solve social dilemmas than poised in earlier rational-choice theory… Extensive empirical research leads me to argue that instead, a core goal of public policy should be to facilitate the development of institutions that bring out the best in humans. We need to ask how diverse polycentric institutions help or hinder the innovativeness, learning, adapting, trustworthiness, levels of cooperation of participants, and the achievement of more effective, equitable, and sustainable outcomes at multiple scales.”\footnote{Elinor C. Ostrom, “Beyond Markets and States: Polycentric Governance of Complex Economic Systems,” in Peter Boettke, Stefanie Haefele-Balch, and Virgil Henry Storr, \textit{Mainline Economics: Six Nobel Lectures in the Traditions of Adam Smith}, Arlington, VA, Mercatus Center at George Mason University (2016), page 237-238.}

This presents an important foundational goal that both policy makers and planners should aim for when creating economic growth initiatives or development programs. Ostrom directly challenges the status quo of existing institutions, especially if they are not evolving to address the needs of the greater market.\footnote{Ostrom, “Beyond Markets and States: Polycentric Governance of Complex Economic Systems,” \textit{Mainline Economics: Six Nobel Lectures in the Traditions of Adam Smith}, Arlington, VA, Mercatus Center at George Mason University (2016), page 193-238.} In many ways, Ostrom echoes the vision of the “Just City” driven by institutions that support equitable solutions benefiting all.
A “Just City” approach with “Public Choice” theory, allows the design of these policy recommendations for Norfolk’s EDA to be driven towards disadvantaged demographics to take actionable steps and buy-in rather than having traditional social work programming. The empowerment of individuals, regardless of their background, can set in motion change within the greater community to be active participants within the small business realm. It also allows the difficult questions of the effectiveness of current institutions and their programming towards entrepreneurialism, specifically if they are not effectively engaging disadvantaged groups. These authors present an important foundation towards implementing a plan that would target those in disadvantaged backgrounds to become entrepreneurs and small business owners.
Method and Approach

The majority of field research was derived from surveying and interviewing entrepreneurial-supportive institutions. This process aimed to define the current programming or efforts made towards serving disadvantaged demographic groups in becoming entrepreneurs. The interviews with the professional experts of these supporting institutions allowed for the collection of reliable information on the current state of this entrepreneurial ecosystem. The survey served as a means to quantify the collective perception of Norfolk’s Entrepreneurial Ecosystem, and the current work towards supporting disadvantaged entrepreneurs.

Research Questions:

1. What is the current state of Norfolk’s emerging entrepreneurial ecosystem?
2. What are the entrepreneurial resources available in Norfolk’s entrepreneurial ecosystem for both underrepresented and disadvantaged entrepreneurs?
3. How diverse is the present Norfolk’s entrepreneurial ecosystem in terms of representation of underrepresented groups (African Americans, Women, and Veterans) through the different entrepreneurial-supportive institutions’ staff?
4. What are the goals and objectives of entrepreneurial-supportive institutions in their programming in regard to traditionally disadvantaged entrepreneurs?

These questions provide the fundamental base of what is occurring in Norfolk’s emerging entrepreneurial ecosystem, while at the same time investigating the current efforts to support disadvantaged entrepreneurs. This is driven from the existing literature on the subject matter, which is being applied to the local context of Norfolk. Utilizing a variety of data collection methods with supplementary secondary sources, it allows meaning of the information pulled from primary sources in the entrepreneurial-supporting institutions. Table 3 breaks down the research questions by the data collection methods, primary sources, and secondary sources. Table 4 complements this with the initial listing of primary entrepreneurial-supportive institutions in Norfolk at this time.
<table>
<thead>
<tr>
<th>Index</th>
<th>Research Questions</th>
<th>Data Collection</th>
<th>Primary Sources</th>
<th>Secondary Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>What is the current state of Norfolk’s Emerging Entrepreneurial Ecosystem?</td>
<td>Interviews, Survey, &amp; Institutional Research Analysis</td>
<td>Entrepreneurial-Supportive Institutions</td>
<td>Situational Analysis: Hampton Roads Entrepreneural Ecosystem</td>
</tr>
<tr>
<td>2</td>
<td>What are the entrepreneurial resources available in Norfolk’s Entrepreneurial Ecosystem for both underrepresented and disadvantaged entrepreneurs?</td>
<td>Interviews, Survey, &amp; News Articles</td>
<td>Entrepreneurial-Supportive Institutions</td>
<td>Virginian-Pilot &amp; Institutions’ Websites</td>
</tr>
<tr>
<td>3</td>
<td>How diverse is the present Norfolk’s Entrepreneurial Ecosystem in terms of representation of underrepresented groups (African Americans, Women, and, Veterans) through the different entrepreneurial-supportive institutions’ staff and local businesses?</td>
<td>Interviews, Survey, US Census Information, &amp; Business Listings</td>
<td>Entrepreneurial-Supportive Institutions</td>
<td>US Census, SBSD, &amp; Veteran Owned Businesses.com</td>
</tr>
<tr>
<td>4</td>
<td>What are the goals and objectives of entrepreneurial-supporting institutions in their programming in regard to traditionally disadvantaged entrepreneurs?</td>
<td>Interviews &amp; Survey</td>
<td>Entrepreneurial-Supportive Institutions</td>
<td></td>
</tr>
</tbody>
</table>
### Methodology:

**Table 4 Norfolk’s Entrepreneurial-Supporting Institutions**

<table>
<thead>
<tr>
<th>Name</th>
<th>Primary Services</th>
<th>Sources</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Networking Opportunities</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Representation of Business Interests in the City of Norfolk.</td>
<td></td>
</tr>
<tr>
<td>and Coworking Studios</td>
<td>• Co-Working Spaces.</td>
<td></td>
</tr>
<tr>
<td>Hampton ReInvent</td>
<td>• Advocacy for Regional Entrepreneurial Development.</td>
<td>Hampton ReInvent, “About”, <em>ReInventHR</em> (2019), <a href="http://www.reinventhr.org/about/">http://www.reinventhr.org/about/</a></td>
</tr>
<tr>
<td></td>
<td>• Networking with Other Regional Entrepreneurial Supportive Institutions.</td>
<td></td>
</tr>
<tr>
<td>Entrepreneurship</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Old Dominion University's Institute for Innovation &amp;</td>
<td>• Educational Training in Entrepreneurship.</td>
<td>Old Dominion University, “Institute for Innovation &amp; Entrepreneurship”, <em>Old Dominion University</em>, <a href="https://www.odu.edu/iie">https://www.odu.edu/iie</a></td>
</tr>
<tr>
<td>Entrepreneurship</td>
<td>• Accelerator &amp; Incubator Facilities.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Co-Working &amp; Specialty Entrepreneurial Centers.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Networking Opportunities.</td>
<td></td>
</tr>
</tbody>
</table>
The main effort to answer the research questions was to interview and survey the major entrepreneurial-supportive institutions’ leadership. This was undertaken through the months of January and February over several phone interviews and an online survey. The identification of these selected individuals was determined from the author’s prior intern work with the City of Norfolk’s Office of Resilience and conversations with the client. There are a limited number of entrepreneurial experts within Norfolk’s Entrepreneurial Ecosystem, and many of these individuals were not familiar with this specific topic matter. The recruitment effort was undertaken through several emails and cold phone calls, which resulted in 7 out of 8 entrepreneurial-supportive institutions responding. The interviews themselves were done over the phone, lasting roughly 30 to 45 minutes. These were not recorded (except for hand written notes taken in the interview process) to assure the complete openness from the interviewee, some of whom hesitated to speak frankly. These notes from the interviews were interpreted in conjunction with the survey to answer the research questions. Each interviewee was given the same questions listed below;

1. How does your institution promote and engage in entrepreneurship development within the City of Norfolk?
2. What type of resources (financial, professional expertise, and/or educational) does your institution provide for entrepreneurs?
   a. Is there collaboration with other local institutions in these support services?
3. Has there been direct programming and/or resources directed towards disadvantaged entrepreneurs?
   a. Are there long terms aims and plans in this area?
4. How diverse is the representation of professional staff in your institution?
5. What is the general reputation of your institution as an entrepreneurial resource in contrast with other local institutions?
6. How do you view the current state of Norfolk’s Entrepreneurial Ecosystem?

These questions provided a broad baseline to define Norfolk’s current entrepreneurial ecosystem, while also diving deep into the challenges that are being confronted by those experts on the frontline of this uniquely specialized field.

The survey was used as a tool for quick responses to the key supplementary questions that could be quantified in the experts’ attitudes regarding the state of Norfolk’s Entrepreneurial Ecosystem. Like the interviews, the survey pulled from the same list of identified leadership within these entrepreneurial-supportive institutions. The survey was distributed through Survey Monkey, in which a web link was attached to the email
contacting 10 survey takers. The respondents were largely responsive (10 out of 13 responders), though some like Hampton ReInvent chose to do this in an additional interview. There were follow up emails to some organizations, but this was done in conjunction with trying to arrange interviews. The selection of these individuals was representative of the current leadership of Norfolk’s Entrepreneurial Ecosystem, though not necessarily reflective of the entrepreneurial business community. The survey questions asked are listed below:

1. What is your current position in your organization?
2. How long have you lived in the Hampton Roads Region?
3. Which description most closely represents your view of the City of Norfolk’s Entrepreneurial Ecosystem?
4. Do you believe the City of Norfolk supports entrepreneurship as a mode of economic development?
5. Is there diverse representation of entrepreneurs based on racial, gender, and veteran status in Norfolk’s entrepreneurial community?
6. To what extent do these minority groups have access to funding and educational resources in becoming entrepreneurs and small business owners?
7. Do you agree or disagree that there is a strong participation from the different minority chambers of commerce or business associations regarding entrepreneurship?
8. Have there been challenges in reducing minority entrepreneurs within the city of Norfolk from leaving for other major U.S cities?
9. What type of leadership or central authority is there for developing Norfolk's Entrepreneurial Ecosystem?
10. Where do you see Norfolk's Entrepreneurial Ecosystem going over the next eleven years (2030)?

These survey questions complemented the interview questions, which served as a deep dive into the current state of Norfolk’s Entrepreneurial Ecosystem and the work being done to promote/support entrepreneurship for disadvantaged demographic groups. Table 6 breaks down the responses further by organization and interviewee, while Appendix A provides the full scope of the survey responses to the given questions.
### Table 5: Norfolk’s Entrepreneurial-supporting Institutions’ Surveyed & Interviewed

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Organization</th>
<th>Interviewed</th>
<th>Surveyed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aleea Slappy</td>
<td>Business Development Manager</td>
<td>City of Norfolk's Department of Economic Development</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Chris Tillett</td>
<td>Business Development Consultant</td>
<td>City of Norfolk's Department of Economic Development</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sean Washington</td>
<td>Business Development Manager</td>
<td>City of Norfolk's Department of Economic Development</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Mary Miller</td>
<td>President &amp; CEO</td>
<td>Downtown Norfolk Council</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Jim Spore</td>
<td>President &amp; CEO</td>
<td>Hampton ReInvent</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Evans McMillion</td>
<td>Executive Director</td>
<td>757 Accelerate</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>James Carroll</td>
<td>VP, Small Business &amp; SBDC Director</td>
<td>Hampton Roads Small Business Development Center</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Zack Miller</td>
<td>Founder</td>
<td>Hatch</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Sally Sledge</td>
<td>Director</td>
<td>Norfolk State University's Ernest M. Hodge Center for Entrepreneurship</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Mallory Tuttle</td>
<td>Program Manager</td>
<td>Old Dominion University's Institute for Innovation &amp; Entrepreneurship</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Blair Durham</td>
<td>President</td>
<td>Black BRAND</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Research Findings

The results from both the interviews and surveys presented a complex narrative that reflects a rapidly growing entrepreneurial ecosystem for those who are college educated, but not for those uneducated and from disadvantaged demographic backgrounds. This challenge is not fully aware by the leadership of entrepreneurial-supportive institutions, who are generally focused at this point on trying to promote the concept of entrepreneurship as an alternative means of economic development. This became clear in throughout the survey with the respondents providing a positive emphasis towards the current entrepreneurial business environment. It should be noted that the different entrepreneurial-supporting institutions have not collected any statistical data on whom they have served in the community and what startup businesses have emerged from their collective work. In the future, this needed information will be required from the City of Norfolk’s Economic Development Department if they choose to undertake the implementation of this proposed plan.

State of Norfolk’s Entrepreneurial Ecosystem

Current consensus from both the interviews and survey is that Norfolk’s entrepreneurial ecosystem has enjoyed a period of considerable growth over the last decade. It can be inferred that this is due largely from having a strong university presence in the business incubators and co-working spaces of the city. It can also be taken from the interviews that what makes this ecosystem unique in contrast to the rest of Hampton Roads is that it has the advantage of being located in the central urban core of Norfolk. This gives entrepreneurs a considerable advantage in the retail market with reliable access to the streetscape and pedestrian foot traffic. Thus, the sizeable entrepreneurial business growth along Granby Street could be credited fully to the deliberate efforts made by both the Downtown Norfolk Council and City of Norfolk to promote revitalization and urban densification over the last ten or more years. However, this is not necessarily enjoyed by businesses outside of the downtown area that struggle to attract investment and clientele that is more readily available in their urban counterparts. This depends upon the business type, being more geared towards retail and hospitality services. Although there is the potential resource of the Opportunity Funds from the Federal Government in helping revitalize many of these underserviced business areas, it is certainly causing animosity from downtown startup businesses trying to find similar financial resources. Combined with the ongoing environmental business

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46 Interviewee 1 and Interviewee 2, “Interview on Norfolk’s Entrepreneurial Ecosystem,” interviewed by M. Alexander Cline. February, 2019
47 Interviewee 1 and Interviewee 3, “Interview on Norfolk’s Entrepreneurial Ecosystem,” interviewed by M. Alexander Cline. February, 2019
challenge and the struggles faced by disadvantaged entrepreneurs, it creates complexity in the overall state of Norfolk’s Entrepreneurial Ecosystem. As one of the respondents of survey put candidly in the answer to the question of future for this ecosystem:

“I believe Norfolk's entrepreneurial ecosystem will continue to grow and evolve over the years. There is clearly a need and want for entrepreneurial and innovative support and resources. The key is to understand what type of entrepreneurs are being produced (hobbyist, mom & pop, high growth, etc.) and how we can best help these audiences.”

Indeed, there is considerable need for clear communication and a collective vision that the different entrepreneurial-supporting institutions should undertake in nurturing Norfolk’s Entrepreneurial Ecosystem.

Interviewee 4 and Interviewee 5 report a perception by emerging entrepreneurs of institutional bias and disinterest in investing towards early-stage businesses. Many localities in the Hampton Roads region primarily focused on attracting outside companies to diversify from the three main industry clusters (military, port, and tourism). This has proven to be highly contentious and has created considerable tensions amongst different county-cities of the area. However, as McMillion drew from her *Situational Analysis – Hampton Roads Entrepreneurial Ecosystem*, the biggest challenge that has hampered the growth of new entrepreneurial businesses is the lack of urban density in the Hampton Roads. Few spots allow for close physical proximity, such as Norfolk’s Granby Street, considered one of these main central hubs. Many of the interviewees for this study felt there was a lack of financial resources or connectivity to support their business interest. Additionally, the absence of available jobs, and the resultant brain drain of recent college graduates, has caused considerable lag in regional economic growth. This is partially due to lack of visible collaboration by the local universities with business and government actors. This concern was similarly echoed in the other interviews outside of the City of Norfolk’s Department of Economic Development. It particularly became clear in the interview with Individual 6 who claimed there was an informal bias from the economic development leadership of Norfolk towards traditionally disadvantaged entrepreneurs. There wasn’t any sincere interest in this form of development, until it came clear in recent years that trying to attract a major corporation to the locality was not achieving much success. Even now, there is still some institutional preference for entrepreneurial activity being

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geared towards more glamorous areas (high-tech, bio-science, advanced manufacturing, etc.) than traditional commercial ventures.51

**Entrepreneurial Resources for Disadvantaged Populations:**

The interviews and surveys show a clear absence of resources available for disadvantaged entrepreneurs. Except for the City of Norfolk’s Economic Development Department and ODU, the majority of entrepreneurial-supporting institutions do not provide specialized training programs, financial resources, and collective association to represent this diverse, unrepresented group. There is a general consensus that the main leader of the entrepreneurial-supporting institutions is Old Dominion University (ODU), which has made considerable investments through its different research centers, startup incubator, and business accelerator programs. ODU has the greatest resources and professional expertise to support disadvantaged entrepreneurs, though their regional focus tends to overlook the immediate needs of Norfolk’s entrepreneurial community. This collective support for disadvantaged entrepreneurs is complemented by the efforts of Norfolk’s Economic Development Department with the Business Café and its upcoming Access to Capital program. They have had a direct impact in providing resources for the disadvantaged entrepreneurs, while other entrepreneurial-supporting institutions’ priorities focus largely on providing either professional services or co-working spaces. ODU has veterans’ and women’s entrepreneurial centers, accessible to their student body and the general public.52

Old Dominion University’s Institute for Innovation & Entrepreneurship is the largest entrepreneurial-supporting institution in Norfolk. It has two entrepreneurial centers, four specialized sub-organizations, and a developing innovation fund under this larger institute. Of the four sub-organizations, two are specifically for women and veteran entrepreneurs. Additionally, ODU’s mission is to allow anyone to become an entrepreneur regardless of their being a student at their university. This means this institution is an open resource for the larger Hampton Roads community with a considerable name recognition amongst the local populace. It has quickly progressed to serve as a “One Stop Shop” for entrepreneurs, especially providing the platform to network and garner financial resources. ODU has developed a web of connections to the smaller entrepreneurial-supporting institutions through providing professional expertise, collaborative programming, and emerging talent. This has made ODU the apparent leader of Norfolk and greater Hampton Road’s Entrepreneurial Ecosystem.53 In terms of the relation to NSU, ODU has worked with guiding its immediate

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51 Interviewee 6, “Interview on Norfolk’s Entrepreneurial Ecosystem,” interviewed by M. Alexander Cline. February, 2019
53 Interviewee 2, Old Dominion University’s Strome Entrepreneurial Center, “Interview on Norfolk’s Entrepreneurial Ecosystem,” interviewed by M. Alexander Cline. February, 2019.
higher-learning neighbor to help build its own innovation center in the downtown area. This is being led by those who had previously worked at ODU, which shows the close collaborative nature this ecosystem has between its professional experts.\(^\text{54}\)

The founding cornerstone piece of ODU’s entrepreneurial activities is the Strome Entrepreneurial Center. Established in 2014, this research center has become a major force in nurturing new businesses within the Hampton Roads region. It has played a significant role in the success of Pulse Biosciences, which specializes in medical equipment to treat cancer tumors. Through Mark Strome (namesake of the ODU business school and main benefactor), ODU was able to capitalize on this opportunity by providing the intellectual property for the venture to eventually receive $20 million of public offerings. Since then, ODU has commercialized $42 million in collaborative research in high-tech and medical fields. This has allowed this university to invest more capital in trying to impact the economic output of local companies in the Hampton Roads region. There is a desire for more involvement of the community in the tools and professional expertise for a wide range of business needs.

One of the unique partnerships that has emerged over the recent years is with ODU and City of Norfolk in the creation of the Center for Enterprise Innovation (CEI). This serves as a co-working facility and startup incubator for high-growth businesses. It provides a sense of community support in the formative phase of these emerging ventures, with the physical location centrally located in Downtown Norfolk.\(^\text{55}\) As David Harnage, Chief Operating Officer of ODU expressed, ODU’s strategic plan will "promote an entrepreneurial culture to catalyze economic development in the region."\(^\text{56}\) This ties in with directed support to nurture Veteran and Women entrepreneurs in the creation of their new businesses. It will allow these individuals to connect with the Hampton Roads Veterans Business Outreach Center and Women’s Business Center for more specialized supportive services. More importantly, this tries to create greater collaboration between the City of Norfolk and ODU in terms of entrepreneurial development.\(^\text{57}\)

This is different from NSU, which is limited to one professor serving as a mentor and coordinator for their entrepreneurial center. NSU lacks funds for greater public accessibility in its entrepreneurial programming. An effort is being made to create a co-working space managed by NSU that complements the work already

\(^{55}\) Old Dominion University, “Innovation Center,” Innovation Center, https://www.oduinnovation.com/
done with ODU’s entrepreneurial resource facilities in the downtown Norfolk area.\textsuperscript{58} Norfolk’s Downtown Council has created and managed the Selden Market as a retail incubator with national recognition of excellency, which is a useful overall resource for Norfolk’s Entrepreneurial Ecosystem.\textsuperscript{59} However, besides these noted entrepreneurial-supporting institutions, there is a lack of clarity in what specific resources are available exclusively for disadvantaged entrepreneurs as well as the general entrepreneurial community of Norfolk.

The City of Norfolk’s Economic Development Department has established the Business Café as a means of providing professional expertise and resources to disadvantaged entrepreneurs. This ties in with the city’s effort to provide additional financial capital and public programming for entrepreneurs that the other identified entrepreneurial-supporting institutions have not done directly. This is due largely thanks to funding received by HUD and EDA through the Community Block Grant program and prior reserved funds in the Norfolk First Loan Program. Sean Washington (Business Development Manager) has taken the lead in crafting a new major initiative to further entrepreneurship-small business development with the Access to Capital program. This program to be unveiled to the greater public in April 2019, will provide three different sub-programs to support more inclusivity with disadvantaged entrepreneurs. These are;

- Micro-Grant Program: Provides capital for low-moderate income individuals in beginning their business. Requires 0-2 years of experience.
- Revolving Loan Program: Provides business loan for those with credit score at or above 580.
- Reimbursable Grant: Provides capital for experienced business managers with 2-6 years of experiences.

The major aim of the Access to Capital program is to establish a long-term fund for entrepreneurial development in the city. This will depend on the current funding allocated by Norfolk’s City Council, and later requesting additional funds from HUD/EDA.\textsuperscript{60}

The City of Norfolk has also recently taken a bold step by creating the “Startup in Residence” program, which aims to allow emerging businesses to bid on different major projects. These can range from improving efficiency of foster care applications to post-emergency responses digital software. This emerged through the City Innovate, which started in San Francisco and is now in 44 other American cities.\textsuperscript{61} ARDX, a company with a focus on growing small businesses in the local community, was selected to represent the city in this

\textsuperscript{59} Interviewee 1, “Interview on Norfolk’s Entrepreneurial Ecosystem,” interviewed by M. Alexander Cline. February, 2019.
\textsuperscript{60} Interviewee 8, “Interview on Norfolk’s Entrepreneurial Ecosystem,” interviewed by M. Alexander Cline. January, 2019
program. Additionally, Civic Analytics from Washington D.C was tapped to assist in this program. Both are being tasked with helping the City of Norfolk devise solutions for dealing with several civic challenges facing this locality (to include small business support to improve communicational management).62

The Downtown Norfolk Council (DNC) plays a critical role in providing a social network for many businesses and community members. Their mission statement provides further context to the role they play in the city;

“The Downtown Norfolk Council is the unifying voice of its members and stakeholders, and the primary catalyst for advancing the collective vision for the future of Downtown. We are committed to being a leader, an advocate and a resource for Downtown’s continuing development as an attractive, dynamic and economically vital place.”63

This gives the DNC considerable flexibility in nurturing a collective community within the downtown area, which ranges from different festivals/block parties to advocacy on future development of the area. It was formed in 1979, to encompass a wider role in the successful revitalization of the downtown district in the 1990s. The DNC has helped guide policy creation towards preservation, infrastructure improvements, and greater quality life amenities.64 Perhaps one of its more important roles is assuring the creation of needed entrepreneurial spaces. One of the most significant collaborative projects with the City of Norfolk is the Selden Market Shops, which provide retail storefronts for startup businesses. This transitional space is strategically located in the heart of downtown between the Slover Library and the Main Hotel. It is adjacent to a high tech “maker studio” that provides 3-D printing, laser cutters, and other advanced machinery for new business ventures. Ultimate aims are to have a mixture of an incubator, commercial retail floor, and collective informal mentorship program. This ties in with greater strategic goals of the City of Norfolk’s “Vibrant Spaces,” which aims to further entrepreneurial efforts through direct investment and creation of affordable facilities to rent.65

The other more recognized supportive institution/organization is Hatch, an accelerator that is focused on local startup businesses. It was opened in 2012, providing mentorship and free office space to five small ventures. Hatch is strategically located on Granby Street, which provides access to resources for local startups in the downtown area. This organization received initial funding from prominent larger businesses Dominion

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63 Downtown Norfolk, “Who We Are,” Downtown Norfolk, https://www.downtownnorfolk.org/about/who-we-are
64 Downtown Norfolk, “Who We Are,” Downtown Norfolk, https://www.downtownnorfolk.org/about/who-we-are
65 Eric Hartley, “A dozen new shops are coming to downtown Norfolk. Here’s what they’ll sell.,” Virginia Pilot (September 6, 2016), https://pilotonline.com/business/consumer/article_020c86f2-7bc6-5a56-96cc-165916f392e0.html
Enterprises and Kaufman & Canoles. One of unique causes promoted by Individual 6, is the focus on economic growth through local development. This centers on supporting both emerging and existing businesses within a community, rather than trying to attract 1000-employee companies to the locality. Individual 6 makes this point about either the indifference or lack of awareness by civic leaders to this area of opportunity;

“I was at a meeting downtown with a group of prominent, local business and government leaders. Someone said “if we could just recruit four 1000-employee companies our region would be set.” And everyone just kind of nodded in agreement. It was a defining moment for me, because I’d met so many small business owners and entrepreneurs with so much potential hustling to make something happen. Most of them doing it every day with minimal local support or encouragement. And here was a group of people that could probably help them, but the idea wasn’t even on the radar.”

This statement provides considerable insight to the traditional mindset economic developers in the Hampton Roads region (and to some extent Norfolk) have towards economic growth. Lack of recognition by local leaders of small business and entrepreneurs is concerning, especially towards promoting a sense of unique local identity. Individual 6 further advocates fundamental change where the focus is given towards assuring physical density and building a sense of place for small businesses within the community.

What is suggested from this research is that Norfolk’s entrepreneurial supportive leadership have a lack active awareness to the financial/educational needs within the ecosystem. It is reflected specifically in terms of available resources and the participation of minority chambers of commerce, which are highlighted in figures 4 and 5. These two questions and their responses reflect a level of unawareness by these leaders to the specific needs or current involvement of minority groups. Additionally, there is belief that general financial and educational resources are adequately meeting the current needs of the minority groups (though they could be dramatically enhanced).

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Diversity of Norfolk’s Entrepreneurial Community

From both the interviews and surveys, the general consensus from the perception of its leadership, was Norfolk’s entrepreneurial ecosystem is diverse in the terms of its demographic background. However, the interviews indicated the current ecosystem suffers from being informally divided by education and access to capital by entrepreneurs. Those lacking technical and marketing skills are at a disadvantage in having a successful startup business versus those whom are college educated. The biggest concern brought out of these
interviews was the challenge of trying to encourage entrepreneurship with those over the age of 50. This older population group has been confronted with the technological barrier that denies them the same opportunity to be business owners as their younger peers. The different entrepreneurial supportive institutions also lack diversity in their professional staff, except for the City of Norfolk’s Economic Development Department and Old Dominion University’s Institute for Innovation & Entrepreneurship. This is due to the lack of financial resources to grow these established organizations and the rising belief of outsourcing the professional expertise through digital consulting. What was interesting is the responses in the survey around diversity of Norfolk’s entrepreneurial ecosystem, where the questions are asked regarding size and representation. This is best seen in figures 7 and 8, where none of the respondents believe there is a lack of size or diverse representation. From these responses, it can be taken that the collective leadership recognizes there is room for further growth in the diversity of these entrepreneurs.

From the collective research, there was a constant failure of these entrepreneurial-supporting institutions to keep account of the startup businesses (and subsequent demographic information) they had assisted in their programming efforts. This dilemma creates a considerable gap in the information regarding the makeup of Norfolk’s entrepreneurial ecosystem. Only ODU’s Institute for Innovation and Entrepreneurship is beginning to track its different activities in producing or supporting startup businesses by the end of 2019. It’s Veterans’ and Women’s Entrepreneurial Centers track information required by their federal funding, though this data would provide little insight into the actual number of entrepreneurs that compose Norfolk’s entrepreneurial ecosystem.

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69 Individuals 7, 8, & 9, “Interview on Norfolk’s Entrepreneurial Ecosystem,” interviewed by M. Alexander Cline. January, 2019
70 Individual 1 and 6, “Interview on Norfolk’s Entrepreneurial Ecosystem,” interviewed by M. Alexander Cline. February, 2019
71 Individual 2, “Interview on Norfolk’s Entrepreneurial Ecosystem,” interviewed by M. Alexander Cline. February, 2019
The statistical data on how many minority businesses are in Norfolk dates from the US Census Bureau’s 2012 Survey of Business Owners and Self-Employed Persons (SBO). Table 6 combines this data with Virginia’s Department of Small Businesses and Suppliers (SBDS) certifications of local Norfolk businesses to provide some numerical sense for targeting demographic groups.
Table 6: City of Norfolk’s Minority Owned Firms and SBSD Certified

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<thead>
<tr>
<th>Subject</th>
<th>Percent</th>
<th>Value</th>
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<tr>
<td>All Firms</td>
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<td>15,322</td>
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<tr>
<td>Women-Owned Firms</td>
<td>39.8%</td>
<td>6,094</td>
</tr>
<tr>
<td>Minority-Owned Firms</td>
<td>39.9%</td>
<td>6,119</td>
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<tr>
<td>Veteran-Owned Firms</td>
<td>12.4%</td>
<td>1,897</td>
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<tr>
<td>SBDC - All Firms Certified</td>
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<td>352</td>
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<tr>
<td>SBDC - Women Owned Certified</td>
<td>29.3%</td>
<td>103</td>
</tr>
<tr>
<td>SBDC - Minority Owned Certified</td>
<td>34.9%</td>
<td>123</td>
</tr>
<tr>
<td>SBDC - Disabled Veterans</td>
<td>2.0%</td>
<td>7</td>
</tr>
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The information gathered through the SBSD and Veteran Owned Businesses.com’s directory was used to create a working sample list to geocode. Figure 4 shows the location of these businesses, which indicates there is a sizeable clustering in the downtown area. A smaller and extended cluster of minority businesses are in the central core and downtown area of Norfolk. What this indicates is active entrepreneurial business development in traditional “Main Street” areas of Norfolk, where similar commercial ventures have cluster over time. This can be observed through Jason Wiens and Chris Jackson’s article, “Main Street Entrepreneurs are Economic and Community Pillars” from the Kauffman Foundation, whom argue that this visible space to developed collective small business community and local social cohesion. It can beneficial for greater locality in the high density of small businesses in generating jobs and public health improvements. Wiens and Chris also present that these entrepreneurial businesses present models of encouragement for local community members in becoming their own small business owner.73

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Figure 8: City of Norfolk’s Minority Owned Firms Map\textsuperscript{74}

\textsuperscript{74} Virginia Department of SBSD, “Small Business & Supplier Diversity SWaM & DBE Directory – Norfolk, Virginia,”, Virginia.gov, \url{https://directory.sbsd.virginia.gov/#/}

Long-Term Planning for Norfolk’s Emerging Entrepreneurial Ecosystem

Research suggest that these entrepreneurial-supporting institutions are not currently pursuing long-term strategies towards entrepreneurial development for disadvantaged minority groups. Only the City of Norfolk has made a direct effort through its Business Café and Access to Capital program to nurture entrepreneurship within areas of high poverty in the locality, but there is still no lasting plan in place to continue assisting disadvantaged entrepreneurs. Interviews with the Economic Development Department suggest an effort to slowly withdraw direct involvement within the ecosystem to allow the natural market conditions to determine the survival of many of these new startup businesses. It’s in the City of Norfolk’s interest to have the other entrepreneurial-supporting institutions take a larger role in providing the financial capital and professional expertise. This would likely further cement Old Dominion University as the premier leader of the entrepreneurial-supporting institutions within Norfolk from its current massive efforts in this field. The other entrepreneurial-supporting institutions have no current efforts to engage directly with disadvantaged entrepreneurs. Their main interest at this point is trying to make entrepreneurship a viable alternative form of job creation and employment. These smaller entrepreneurial-supporting institutions have not tracked efforts in entrepreneurship development, creating considerable lack of quantifiable information needed to project growth patterns and representation. One of the answers regarding the possible future of Norfolk’s entrepreneurial ecosystem in 2030 presented an important dilemma as the lack of central guided direction:

“There is too much focus on capital right now. Not that it isn't needed, but we have big issues with our entrepreneurial climate. I fear that we are missing out on opportunities because there is a lack of support in the early, early innovation stage. I think you will see much more effort by regional actors to nurture inventors at the early stage - idea vetting, market analysis, patent assistance, etc.”

This remark underlined the need of trying to provide professional services in the innovation stage for many of these emerging startup businesses, which could be related to the lack of structural knowledge amongst the leadership of Norfolk’s Entrepreneurial Ecosystem.

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Recommendations

Purpose Statement:

The City of Norfolk is a vibrant and diverse place in which entrepreneurial businesses thrive. However, the future of Norfolk’s economic growth will depend on direct investment in creating an inclusive entrepreneurial ecosystem. This requires establishing a collective vision of Norfolk’s small business environment over the next few years, greater representation of disadvantaged and underrepresented entrepreneurs in Norfolk’s community leadership structure, and implementation of an accurate accounting system of key metrics in monitoring the development of this inclusive entrepreneurial ecosystem.

Table 7: Goals, Objectives, and Actions of Professional Plan

<table>
<thead>
<tr>
<th>Goal #1 Form a Collective Vision for Norfolk’s Entrepreneurial Ecosystem</th>
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<tbody>
<tr>
<td>Objective 1.1: Establish small business community steering committee with representation from City of Norfolk’s Department of Economic Development.</td>
<td>Action 1.1.1: Directing further collective institutional studies and in-depth analysis on current challenges facing Norfolk’s entrepreneurs.</td>
</tr>
<tr>
<td>Objective 1.2: Educate the Norfolk business community on the importance of the entrepreneurial business ecosystem.</td>
<td>Action 1.2.1: Engage with local businesses in high poverty census tract areas in the City of Norfolk regarding their desires and needs. Action 1.2.2: Focus on prioritization on areas of low entrepreneurial activity with deliberate community dialogue on business activities.</td>
</tr>
<tr>
<td>Objective 1.3: Highlight what make Norfolk’s Entrepreneurial Ecosystem unique.</td>
<td>Action 1.3.1: Establish a community entrepreneurial board to craft a marketing brand for Norfolk’s emerging ecosystem. Action 1.3.2: Leverage what makes Norfolk a unique and innovative entrepreneurial location for businesses.</td>
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<thead>
<tr>
<th>Goal 2# Focus Entrepreneurial Efforts and Resources on Disadvantaged and Underrepresented Entrepreneurs</th>
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<tbody>
<tr>
<td>Objective 2.1: Encourage a Greater Representation of Disadvantage Entrepreneurs.</td>
<td>Action 2.1.1: Create an entrepreneurial resources office located in a high poverty census tract area of Norfolk. Action 2.1.2: Provide an active forum for disadvantaged entrepreneurs to voice their needs and desires to the economic development leadership of Norfolk.</td>
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<td>Action 2.1.3: Provide entrepreneurial educational programs in underserved areas of Norfolk.</td>
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<td>Action 2.1.4: Prioritize city funding and government service contracts towards disadvantaged entrepreneurs in startup businesses.</td>
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<tr>
<th>Objective 2.2: Increase diversity in the economic development leadership structure of the city of Norfolk.</th>
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<tr>
<td>Action 2.2.1: Require a minimum representation of disadvantaged entrepreneurial businesses on the different economic development committees.</td>
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<tr>
<td>Action 2.2.2: Hire more diverse entrepreneurial resource representatives within the City of Norfolk’s Department of Economic Development.</td>
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<tr>
<th>Goal 3# Create a Centralize Accounting System of Entrepreneurial Development</th>
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<tbody>
<tr>
<td>Objective 3.1 Track number of new entrepreneurial businesses by year and industry sector.</td>
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<td>Action 3.1.1: Maintain continuous record of the different entrepreneurial businesses through the entrepreneurial supportive institutions.</td>
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<td>Action 3.1.2: Define key industry sectors these entrepreneurial businesses grow into.</td>
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<th>Objective 3.2: Establish metrics regarding the sales, employment and minority ownership.</th>
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<td>Action 3.2.1: Track the number of SBDC-certified businesses and their yearly sales growth.</td>
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<td>Action 3.2.2: Maintain account of number employed through these emerging businesses.</td>
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<tr>
<th>Objective 3.3 Create community driven web platform characterizing the entrepreneurial resources in the City of Norfolk.</th>
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<td>Action 3.3.1: Evaluate StartWheel web platform and determine how it could be applied to the City of Norfolk’s Economic Development Department web site.</td>
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<tr>
<td>Action 3.3.2: Create an auto populate ArcGIS map to show the locations and distribution of entrepreneurial activity in the City of Norfolk.</td>
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**Goals, Objectives, & Actions:**

To establish an inclusive entrepreneurial ecosystem, Norfolk’s community must define their vision of what this is and the direction that should be taken to invest in this. It should be formed through small business leaders of the city advocating further studies of the current entrepreneurial business environment. The
community charettes would be essential to provide a venue for dialogue and engagement with residents regarding their perception of entrepreneurship in Norfolk. This could prove key for creating a base of consensus in the shared vision of Norfolk’s future entrepreneurial ecosystem.

One of the clearest challenges facing Norfolk’s entrepreneurs is a sense of identity independent from the Hampton Roads region. The entrepreneurial-supporting institutions have neglected to establish a clear brand that defines Norfolk from rest of coastal neighboring cities and counties. It should celebrate this community as an innovative and resilient place unique from the rest of US East Coast.

The emphasis of having more diverse representation and engagement towards the underserved areas of Norfolk will allow for a greater impact on building an inclusive entrepreneurial ecosystem. Placing an ODU entrepreneurial resource office in one of the high poverty census tracts areas would directly provide access to the professional expertise and technical equipment that may not be affordable for those living in these economic conditions. ODU maintains a close proximity to many economically disadvantaged communities and could be an excellent partner in spurring entrepreneurial activity in those areas. ODU’s Strome College of Business and its rich diversity could serve as a catalyst for this entrepreneurial growth. Similarly, hiring more minority entrepreneurial resource representatives in the City of Norfolk’s Department of Economic Development would allow more direct programming to disadvantaged minority groups than is currently available within this organization.

Prioritizing funding for disadvantaged entrepreneurs would allow greater equity to be restored in these communities affected by the poor development decisions undertaken by Norfolk over the decades. Focus on assuring access to capital for disadvantaged entrepreneur businesses in high poverty census tract areas will drive future economic growth in these areas. A tier system creates a structure that allows for fair distribution of the limited financial resources to all applicants, but still assures that disadvantaged entrepreneurs are given preference to enable success in their business ventures.

It is critical to change the current structure of power and influence in the economic development leadership of Norfolk to reflect a more diverse group of business leaders. This means creating a public-private partnership in the promotion and development of entrepreneurship in Norfolk independent from local politics and the historic baggage of past city decisions. Assuring representation of disadvantaged entrepreneurs at the decision table of the different economic development committees would allow for greater dialogue and equitable decisions that benefit the entire city instead of selected special interests. Similarly, a forum for disadvantaged entrepreneurs should be developed to build greater dialogue in providing services and resources for their businesses.
Not having an accurate accounting of the entrepreneurial businesses in Norfolk prevents understanding where to provide resources and direct educational programming. Keeping a constant count of these businesses by year, industry sector, employment, and SBDC certification would allow better statistical understanding of Norfolk’s entrepreneurial ecosystem. This should be a collaborative effort between the City of Norfolk’s Department of Economic Development and the other entrepreneurial-supportive institutions.

A necessary first step is centralizing the information flow regarding the entrepreneurial activity under the oversight of the City of Norfolk’s Economic Development Department. It addresses the absence of knowledge of what is occurring for small business development throughout the locality. Having an ArcGIS map web platform will provide invaluable spatial information regarding the current and future clustering of these entrepreneurial businesses.
### Implementation:

**Table 8: Implementation Timeline**

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<th>Goal #1: Form a Collective Vision for Norfolk’s Entrepreneurial Ecosystem</th>
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The proposed implementation table highlights the ideal application of the plan over a three-year period. This should start with envisioning of what Norfolk’s Entrepreneurial Ecosystem be by the community, garnering the support necessary to implement the purpose actions. By educating and creating a recognizable brand around the concept of entrepreneurship it would generate interest within Norfolk to embrace it as a form of employment. Any particular funding for disadvantaged entrepreneurial resources and hiring of new personnel should come directly through Norfolk’s City Council, which means a more deliberate effort by city staff leadership to incorporate these ideas into their annual budget requests. Similarly, this applies for ODU and the other entrepreneurial-supportive institutions through respected funding boards. The centralization of entrepreneurial development information should flow with the process of envisioning and advocating for disadvantaged entrepreneurs. This will be largely responsible by Norfolk’s Department of Economic Development and possibly ODU.

**Conclusion:**

This professional plan serves a beginning to a long process of understanding and eventually serving the emerging entrepreneurial ecosystem of Norfolk. The city is a vibrant place that holds considerable potential in being a major entrepreneurial center of the US east coast. However, to be truly “inclusive”, there has to be a deliberate effort by the economic development leadership of Norfolk to include disadvantaged and minority entrepreneurs in the decision-making process. From both the background and field research it’s clear there is a major gap of statistical information regarding scope and diversity of entrepreneurial community in Norfolk. The leadership of entrepreneurial-supporting institutions have limited awareness on this issue, and greater education and dialogue is needed to bring awareness. Similarly, a comprehensive strategy by City of Norfolk’s Department of Economic Development is crucial for moving forward in its role as nurturer of the emerging entrepreneurial ecosystem of the city. Ultimately, it comes down to the willingness of the community leadership of Norfolk to implement and fund these proposals laid out in this professional plan. It would increase the likelihood of continued successful development of this entrepreneurial ecosystem.
Appendix A

Norfolk Entrepreneurial Ecosystem’s Survey

Q1) What is your current position in your organization?

<table>
<thead>
<tr>
<th>Position</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>ENTRY-LEVEL PROFESSIONAL STAFF</td>
<td>0%</td>
</tr>
<tr>
<td>MID-TIER SPECIALIST</td>
<td>20%</td>
</tr>
<tr>
<td>MID-TIER MANAGEMENT</td>
<td>20%</td>
</tr>
<tr>
<td>EXECUTIVE</td>
<td>60%</td>
</tr>
</tbody>
</table>

Q2) How long have you lived in the Hampton Roads Region?

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>LESS THAN 5 YEARS</td>
<td>0%</td>
</tr>
<tr>
<td>15-5 YEARS</td>
<td>10%</td>
</tr>
<tr>
<td>19-15 YEARS</td>
<td>20%</td>
</tr>
<tr>
<td>20+ YEARS</td>
<td>70%</td>
</tr>
</tbody>
</table>
Q3) Which description most closely aligns with your view the City of Norfolk's Entrepreneurial Ecosystem?

- Vibrant - Highly Collaborative Environment: 20%
- Moderate - Sizeable Entrepreneurial Environment: 70%
- Minimal - Minor Entrepreneurial Startup Activity: 10%
- Lack Luster - Non-Existing: 90%

Q4) Do you believe the City of Norfolk supports Entrepreneurship as a mode of Economic Development?

- NO: 10%
- YES: 90%
Q5) Is there diverse representation of entrepreneurs based on racial, gender, and veteran status in Norfolk's Entrepreneurial Community?

- Considerable Diversity: 10%
- Moderate Diversity: 20%
- Little Diversity: 70%
- None at All: 10%

Q6) To what extent do these minority groups have access to funding and educational resources in becoming entrepreneurs and small business owners?

- Considerable Financial and Educational Resources: 10%
- Modest Available Financial and/or Educational Resources: 20%
- Little Financial and/or Educational Resources Available: 70%
- None: 10%
Q7) Do you agree or disagree that there is a strong participation from the different minority chambers of commerce or business associations regarding entrepreneurship?

- **DISAGREE**: 10%
- **NEITHER AGREE NOR DISAGREE**: 40%
- **AGREE**: 50%

Q8) Have minority entrepreneurs within the city of Norfolk been leaving for other major U.S cities?

- **DISAGREE**: 10%
- **NEITHER AGREE NOR DISAGREE**: 50%
- **AGREE**: 40%

Q9) What type of leadership or central authority is there for developing Norfolk's Entrepreneurial Ecosystem?

- **Collaboration of Major Entrepreneurial Institutions**: 40%
- **One Primary Institution with Minor Supporting Organizations**: 50%
- **None - Decentralize Activity Amongst the Different Entrepreneurial Institutions**: 10%
- **Other (please specify)**: 10%

*Question 9 Other Response: There is collaboration amongst major organizations however those major organizations have failed to reach the masses.*
Q10) Where do you see Norfolk's Entrepreneurial Ecosystem going over the next eleven years (2030)?

I believe Norfolk's entrepreneurial ecosystem will continue to grow and evolve over the years. There is clearly a need and want for entrepreneurial and innovative support and resources. The key is to understand what type of entrepreneurs are being produced (hobbyist, mom & pop, high growth, etc.) and how we can best help these audiences.

I see growth resulting from partnerships between educational institutions and the business community particularly in the field of adaptation and resiliency.

There is too much focus on capital right now. Not that it isn't needed, but we have big issues with our entrepreneurial climate. I fear that we are missing out on opportunities because there is a lack of support in the early, early innovation stage. I think you will see much more effort by regional actors to nurture inventors at the early stage - idea vetting, market analysis, patent assistance, etc.

Additional sources of early stage capital Start-ups now successfully growing past early stage Entrepreneurial brand recognition inside and outside the Region

More organized and streamlined with better point of entry points.

Growing rapidly, experiencing a bust in 3-5 years, then growing rapidly again...

Wow - hopefully in line with other cities of equivalent size. With our tourist focus and military presence, we are a cosmopolitan area that is rapidly changing and growing.

I anticipate it to continue to grow and expand.

I believe that it will only get stronger as the retail and service industry continues to change from big box industry/service providers to a more refined level of specialties.

It must become more inclusive.
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