

Feedback — Personal Learning Assignment 3

[Help](#)

You submitted this homework on **Thu 23 Oct 2014 7:20 AM PDT**. You got a score of **10.00** out of **10.00**.

Question 1

How is Jumpstart structured to deliver support to entrepreneurs in Cleveland? Would this type of organization make sense in your community?

Describe one or more active intermediary organizations or NGO that exist in your region whose missions are geared toward entrepreneurial growth. If no such program exists in your community, describe why you think that is.

Based on your knowledge of your local region or country, what would your advice be for *local entrepreneurs* who wish to work with NGOs and other intermediary organizations? What should they focus on, keep in mind, and be aware of?

Would your advice be any different for *foreign entrepreneurs*?

Use what you have learned from this case and the discussions so far to explore your community's entrepreneurial landscape as it currently stands with regards to local philanthropic involvement.

Word Count requirement: Minimum 150 words **NOTE: Check your writing in a word count program before submitting to be sure you have achieved the required word count **

Soft Deadline (for full credit): Thursday, October 23, midnight EST

Hard Deadline (for partial credit): Thursday, October 30, midnight EST

Note: Your assignment MUST BE WRITTEN IN YOUR OWN WORDS

Please do not copy and paste text from another source. This is meant to be a thought-provoking assignment that helps you to think about your own entrepreneurial ecosystem. If you do use other source material to back up your claims, please make sure to cite your sources.

CONTRIBUTE TO THE [WORLD STARTUP REPORT](#): Once you have submitted your PLA here, we encourage you to head over to the [Regional Discussion Boards](#), find your region/country and re-post your answer there in a new or existing thread.

Note: Don't forget to tag your post [Assignment3](#) so that others can find all similar PLA posts. Also, title your post clearly (for example: "PLA assignment 3 - Thoughts on Intermediaries in ___")

We hope to grow some exciting region-specific conversations based on each week's PLA assignments, with the goal of contributing these learnings to future country entrepreneurial ecosystem reports on the World Startup Report wiki site.

Visit the [World Startup Report Wiki](#) for more information about these country reports.

Email us at entpecon@case.edu if you would like to be more involved in this effort.

You entered:

Karen West, Oct. 23rd, 2014, for submission to Beyond Silicon Valley: Growing Entrepreneurship in Transitioning Economies,

Your Answer	Score	Explanation
<p>Karen West, Oct. 23rd, 2014, for submission to Beyond Silicon Valley: Growing Entrepreneurship in Transitioning Economies, Personal Learning Assignment (PLA) 3: Note that the answers below were taken from both the video lecture in regard to the experiences of "intermediary organizations" for start-ups in Cleveland, Ohio, but for my local area here in Boston, MA, USA, it was all taken from web searching the topic, put into my own words. In Cleveland, government and donors committed significant resources to back entrepreneurs. But leaders quickly realized that an organization was needed to appropriately and wisely deploy this investment into private companies. Modeled on a program called Innovation Works in Pittsburgh, JumpStart was created in 2004, as a venture development, nonprofit organization to support innovative startup companies. By providing pre-seed funding, developing networks of angel investors. And making connections for follow-on funding for venture capital firms. JumpStart also provides technical assistance and support to help entrepreneurs develop their business plans, connect to mentors. And attract the necessary</p>	<p>✓ 10.00</p>	

talent to manage and grow their companies. But creating and staffing an intermediary organization with talented leaders from the private sector would take significant resources. To date, JumpStart has received over \$75 million in funds to deliver its programs. Business leaders in Cleveland advocated for the creation of JumpStart because they had an economy that doesn't really have a market at the early stage. When you are trying to create a market when there's not a market, private money's not going to flow in, nor will private services, the things that would need to support those kinds of businesses. The government could try to directly invest, but they're not really well suited to do that. A lot of it was an experiment. They had to create intermediaries that were capable of innovating. The way that the support and the money would flow to companies. If you look at intermediary organizations, they are really the intermediaries between the research base or the idea generation base and the marketplace. You put them in place because the market system isn't working. There's not a natural way for these ideas to get to market, you have lost the natural pathways for that, you put it in an intervention, an intermediary, and Cleveland did that for entrepreneurship. They did that for specific industries like biomedical, materials and manufacturing. Manufacturing was changing overnight in the midst of all of this. Since its founding in 2004, JumpStart has evolved to respond to what it perceives as the needs of the local entrepreneurs and the demands of its funders, including the third frontier and philanthropic donors, like the Fund for our Economic Future. Northeast Ohio was a very vibrant ecosystem in the early 1900s. They took a real hit and, you know, with globalization, and in the decline of manufacturing in North America. Their ecosystem was fairly barren. The analogy that I think is most appropriate for a place like northeast Ohio, is this notion of an artificial reef. The ecosystem didn't really exist when, when we started to focus heavily on how to build an ecosystem or rebuild an ecosystem. And so in some capacity JumpStart with part, is like an artificial reef. It's an artificial construct on which an ecosystem can rebuild itself. In ten years, Jumpstart has invested nearly \$30 million directly into its 76 startup companies through its investment fund. JumpStart provides funding at the seed capital stage, when it is extremely critical for capital to be locally available. JumpStart's fund is structured as what is known as an evergreen. This means any investment gains that it makes on its portfolio companies, gets put back into the fund to be invested in new companies. One of the philosophies that

we have at JumpStart that I think is true everywhere, is that you need a balance of both capital and technical assistance, mentoring and coaching. One of the most important vehicles that JumpStart was able to create in the early days, is what we call our evergreen fund. That ended up being a pool of \$30 million. About 60% of that has come from the state and public sector entities. 40% has come from private foundations and community leaders that enable us to take the dollars in as philanthropy. With those dollars make very, very risk friendly and yet still high risk investments in entrepreneurs who've never raised capital before. JumpStart's fund is beginning to see some initial returns on its investment, which occur when a company is sold or has an initial public offering. It has been difficult, not just in Cleveland but worldwide for any early stage company to make an exit. As a result, the returns for venture capital as an asset class over the past decade have been weak. JumpStart is still waiting for a sizeable exit from their portfolio. While exits are a key metric, JumpStart's funders used other measurements of effectiveness and success, including the ability of Jumpstart's portfolio to raise capital, to generate revenue and to create jobs. Cleveland's entrepreneurs have come to depend on JumpStart for support during this challenging start-up phase of their businesses. The challenge for Jumpstart and many other intermediary organizations supporting entrepreneurship around the world, is to convince governments and donors to continue with their funding over the long term. For investments have a chance to bear fruit, in terms of job creation and profit, JumpStart is being asked by it's funders to explore new ways to become self sustainable, including consulting other communities on venture development and setting up a new for profit investment fund. The other question that looms for intermediary organizations like JumpStart, is when they have accomplished enough in support of entrepreneurship, do they still have a reason to exist? WHAT I FOUND FROM MY BOSTON AREA WEB SEARCH FOR INTERMEDIARY ORGANIZATIONS FOR ENTREPRENEURS: I found a list of "MTTC (Mass. Tech. Transfer Center)" places for "intermediary institutions for entrepreneurs in the Boston area" From the Mass. Technology Transfer Center Web Site (A LONG LIST HERE): I am not sure if they are equivalent to Cleveland's "Jump Start" intermediary organization in all ways. The Web has many resources for entrepreneurs thinking of starting new technology-based companies. Below are links to sites that MTTC staff and advisors have found helpful. Many are provided

by nonprofits and offer free information. Others are managed by for-profit corporations providing services on a fee basis, in addition to offering free information. Links do not imply MTTC's endorsement of organizations or companies. The MTTC is in no way responsible for the content of these sites. General Sites Organizations for Entrepreneurs MIT Enterprise Forum The MIT Enterprise Forum, Inc. builds connections to technology entrepreneurs and to the communities in which they reside. MIT Enterprise Forum of Cambridge The MIT Enterprise Forum of Cambridge mission is to promote and strengthen the process of starting and growing innovative and technology-oriented companies by providing services and programs that educate, inform, and support the entrepreneurial community. National Collegiate Inventors and Innovators Alliance (NCIIA) Supporting technology innovation and entrepreneurship in higher education to create experiential learning opportunities for students and successful, socially beneficial businesses. Women Entrepreneurs in Science and Technology (WEST) WEST is a nonprofit organization for women in science and technology who are existing entrepreneurs, aspiring entrepreneurs, and those who want to become innovative leaders and enhance their professional and personal development. Masschallenge Masschallenge connects entrepreneurs with the resources they need to launch and succeed immediately. Masschallenge's primary activities include running an annual global startup competition, documenting and organizing key resources, and organizing training and networking events. Industry-Specific Organizations CLEAN ENERGY New England Clean Energy Council The New England Clean Energy Council's mission is to accelerate New England's clean energy economy to global leadership by building an active community of stakeholders and a world-class cluster of clean energy companies. LIFE SCIENCES Massachusetts Biotechnology Council The Massachusetts Biotechnology Council is an association of more than 600 biotechnology companies, universities, academic institutions and others dedicated to advancing cutting edge research. Government Offices Business Plan Competitions <http://www.massmeansbusiness.com> [Massachusetts entrepreneurial resource: funding, location search, regional profiles] <http://www.entreworld.org> [Kauffman Foundation: "A world of resources for entrepreneurs"] <http://entrepreneur.com> [Entrepreneur Magazine online] <http://entrepreneurship.mit.edu> [MIT Entrepreneurship Center] www.about.com [Entrepreneur section of About.com]

<http://businesstown.com> [Twenty-plus topics from accounting to valuing a business] <http://dnb.comus> [Dunn & Bradstreet]
<http://caycon.com/resources.php> [Cayenne Consulting: The Entrepreneur's Library] <http://www.boston-enet.org> [Boston 's Entrepreneur Network] <http://www.tie-boston.org> [not-for-profit Boston organization with a mission to foster and support entrepreneurship] <http://globalbusinessexchange.com> [Global Business Exchange is an intermediary business firm engaging in mergers, acquisitions, and business brokering.]
<http://www.mtdc.com/resources.html> [Massachusetts Technology Development Corporation: Resources for Entrepreneurs]
<http://www.sbdc.umb.edu/> [The University of Massachusetts Boston Small Business Development Center (SBDC) & Minority Business Center] <http://www.bpl.org/research/kbb/kbbhome.htm> [Kirstein Business Library] Business Plans
<http://bplans.com> [Business plan samples and advice, financial calculators, and other resources] <http://growthink.com>
 [Growthink offers business plan development, investment banking, and market research services.]
<http://www.carnegielibrary.org/subject/business/bplansindex.html> [Business Plans and Profiles Index by the Carnegie Library of Pittsburgh] Intellectual Property
<http://www.uspto.gov> [U.S. patent and trademark office]
<http://www.wipo.int> [World intellectual property organization]
<http://www.spi.org> [Software patent institute]
<http://www.ipmall.fplc.edu> [Pierce Law's IP Mall] Money (Financial Resources)
<http://www.mtdc.com/index.html> [Massachusetts VC firm addressing the "capital gap"] <http://businesspartners.com>
 [Introducing businesses to partners, venture capital, and angel investors] <http://www.masshome.com/venture.html> [Alphabetical listing of Massachusetts venture capitalists and other services]
<http://www.hcangels.com> [Angel Healthcare Investors, LLC.: Boston-based group of proven executives and entrepreneurs seeking investment opportunities in early-stage healthcare and life sciences companies] <http://www.commonangels.com>
 [Typical equity infusions range from \$500,000 to \$2 million in companies headquartered in New England] <http://www.capital-connection.com> ["Everything entrepreneurs need in their search for capital"] <http://www.capital-connection.com/masssvc.html> [List of venture capital companies in Massachusetts]
<http://www.bostonjobsource.com/masscapital.html> [List of Massachusetts venture capital and other resources]
<http://www.investorscircle.net> [Social venture capital

intermediary whose mission is to support early-stage, private companies that drive the transition to a sustainable economy]
<http://garage.com>[Early-stage venture capital firm, includes resource links]
<http://growthink.com>[Growthink offers business plan development, investment banking, and market research services.]
<http://www.capitalvenue.com>[Capital Venue: "Connecting entrepreneurs 1on1 with capital sources]
<http://www.fundingpost.com> [FundingPost is a leading investment network for entrepreneurs to find investors (both venture capital and angel investors) online to match your funding requirements today.]
<http://www.vfinance.com>[venture capital and angel investors]
<http://www.zyn.com/sbir> [small business innovation research (SBIR) grants]
 People (Board Members and Advisors, Management, Student Interns)
<http://cbdc.org>[Cambridge Business Development Center is a not-for-profit dedicated to helping people start and grow successful and profitable businesses by providing mentoring and educational programs tailored to the ways entrepreneurs learn.]
<http://www.cfos2go.com/home.htm>[Senior financial executive placement firm]
<http://www.consultants-mall.com>[Search for consultant assistance]
<http://cweboston.org>[Center for Women and Enterprise: programs and services tailored to meet the needs of women starting, growing, or learning to operate their own businesses]
<http://www.fed.org/index.cfm> [Foundation for Enterprise Development: non-profit education, training, and consulting firm]
<http://guru.com> [Guru.com: The world's largest online marketplace for freelance talent]

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