



One approach to understanding the interactions between the actors and processes that support segments of entrepreneurs, such as women entrepreneurs, is the application of an "entrepreneurial ecosystem" framework.



NWBC's entirely new ecosystem model serves as a tool to evaluate regional support of women's entrepreneurship. The convergence of the domains on women-owned ventures, centrally displayed, demonstrates that actors throughout the ecosystem work together to engage, advise, and drive the growth of women entrepreneurs.



How does an ecosystem framework differ from a traditional approach to supporting entrepreneurship?

The entrepreneurial ecosystem approach emphasizes the importance of the *overall environment* within which an entrepreneur establishes and grows her business and the distinct characteristics of a particular region's ecosystem.

POLICY CHARACTERISTIC	TRADITIONAL	ECOSYSTEM-BASED
Target	Main focus is on specific actors, such as individuals, entrepreneurs, geographic clusters of firms.	Main focus is on specific types of entrepreneurs, networks of entrepreneurs or “temporary” clusters .
Systemic approach	Policy actors are targeted by specific focused interventions aimed at parts of entrepreneurial systems (i.e. non-systemic).	Policy is targeted at connecting components within ecosystems to enable the system to better function (i.e. systemic).
Type of relationships	Main forms of assistance are “transactional” forms of support such as grants, tax incentives, subsidies, etc.	Main forms of assistance are “ relational ” forms of support such as network building, developing connections between entrepreneurial actors, institutional alignment of priorities, fostering peer-based interactions.
Financing	Main push by policy makers is to generate and promote entrepreneurial sources of finance aimed at startups, particularly in the form of venture capital and business angel funding.	Recognition that different businesses have different funding requirements such as debt finance, peer to peer, crowdfunding, etc. As businesses grow, different firms require access to escalating funding needs and different funding sources.
Innovation	Generation of new firm-based intellectual property and innovation is seen as vitally important. The focus is very much on R&D and the protection of intellectual property rights. Strong encouragement of technology and innovation within high tech sectors.	Focus on developing innovation systems and fostering connections with customers, end users, suppliers, universities, etc. Increasing recognition of unprotected and “open” sources of innovation. Innovation crosses over many sectors and industries – both new and traditional.

Adapted from *Entrepreneurial Ecosystems and Growth Oriented Entrepreneurship*. Colin Mason and Ross Brown. Background paper prepared for the workshop organized by the OECD LEED Programme and the Dutch Ministry of Economic Affairs on Entrepreneurial Ecosystems and Growth Oriented Entrepreneurship. The Hague, Netherlands, 7th November 2013. (<http://www.oecd.org/cfe/leed/Entrepreneurial-ecosystems.pdf>)

“A vibrant entrepreneurial ecosystem is not simply a collection of isolated elements — the connections between the elements matter just as much as the elements themselves.”¹

Entrepreneurial Ecosystem Model

Local government officials, entrepreneurial support organizations, and other stakeholders can adopt this ecosystem model as a guide to evaluate their regional economy's ecosystem for women entrepreneurs. Collect data to evaluate each domain of the ecosystem (inputs) and their impact on entrepreneurship and women-owned businesses (outputs). Note that analysis of *inputs* will most directly reveal strengths and weaknesses of domains and their interaction, but the most readily-available metrics typically reflect ecosystem *outputs*.

METRIC	DOMAIN	DATA SOURCE	NOTES
Inputs	 Resources	Local survey	Identify incubators, accelerators, co-working spaces, professional services, and events
	 Government	Local survey	Identify policies and small business assistance programs at Federal, State, and local levels
	 Community Building	Local survey	Identify professional networks, advocacy groups, and business media
	 Capital	Crunchbase ²	Investments by city, sector, and investor
		StatsAmerica Innovation 2.0 ³	Venture capital by dollar and deal count, foreign direct investment, availability of capital
		Local survey	Identify sources of financing
	 Market Access	StatsAmerica Innovation 2.0	Cluster diversity, strength, and growth
		Local survey	Identify local chambers of commerce, industry association, and business cluster initiatives
	 Innovation	StatsAmerica Innovation 2.0	Knowledge creation, STEM education and occupations, patent diversity and rate
		Association of University Technology Managers' Licensing Activity Survey	Patent licensing, startup activity by universities
		U.S. Small Business Administration (SBA) Clusters Initiative ⁴	Regional innovation cluster
		U.S. Economic Development Administration (EDA) Regional Innovation Strategies ⁵	Regional innovation strategy
		Local survey	Identify university tech transfer and entrepreneurship programs
	 Human Capital	StatsAmerica Innovation 2.0	Educational attainment, employment, and productivity
U.S. Census Bureau, American Community Survey		Educational attainment by gender	
Local survey		Identify colleges, universities, and workforce development initiatives	
Outputs	Entrepreneurship	Kauffman Index of Startup Activity, Index of Main Street Entrepreneurship, Index of Growth Entrepreneurship ⁶	Rankings of new entrepreneurs, opportunity entrepreneurship, startup density, rate of startup growth, share of scale-ups, and high growth company density
	Women-owned businesses	U.S. Census Bureau, Survey of Business Owners and Self-Employed Persons ⁷ , Annual Survey of Entrepreneurs ⁸	Number, revenue, employer firm status, and payroll of businesses by gender of ownership



Consider the following when assessing how well YOUR ecosystem supports women business owners:

- 1 How are locally-headquartered corporations working with regional business clusters and entrepreneurial support organizations to engage women-owned businesses in their supply chains?
- 2 Do incubators and accelerators successfully recruit and graduate women business owners and provide them with meaningful opportunities to access capital?
- 3 What role do local colleges and universities play in connecting women business owners to capital, networks, and commercialization support?
- 4 Do your local government, chamber of commerce, or other resource groups collaborate with one another to maintain a calendar or directory for local entrepreneurial support organizations?

¹"Measuring An Entrepreneurial Ecosystem." Kauffman Foundation. 2015. http://www.kauffman.org/-/media/kauffman_org/research%20reports%20and%20covers/2015/03/measuring_an_entrepreneurial_ecosystem.pdf

²Crunchbase, URL: <https://www.crunchbase.com/#/home/index>

³StatsAmerica, Innovation 2.0, URL: <http://statsamerica.org/ii2/overview.aspx>

⁴Small Business Administration - Regional Clusters Initiative, URL: <https://www.sba.gov/about-sba/sba-initiatives/clusters-initiative>

⁵U.S. Economic Development Administration, URL: <https://www.eda.gov/oie/ris/>; U.S. Cluster Mapping, URL: <http://www.clustermapping.us/>

⁶Kauffman Foundation, "Kauffman Index of Startup Activity: Metropolitan Area & City Trends," August 2016; "Kauffman Index of Main Street Entrepreneurship," November 2016; "Kauffman Index of Growth Entrepreneurship: Metropolitan Area & City Trends," June 2016; URL: <http://www.kauffman.org/kauffman-index>

⁷U.S. Census Bureau - Survey of Business Owners, URL: <http://www.census.gov/programs-surveys/sbo.html>

⁸U.S. Census Bureau - Annual Survey of Entrepreneurs, URL: <http://www.census.gov/programs-surveys/ase.html>

About the National Women's Business Council | The National Women's Business Council (NWBC) is a non-partisan federal advisory council created to serve as an independent source of advice and counsel to the U.S. Small Business Administration, Congress and the White House on issues of impact and importance to women business owners, leaders and entrepreneurs.

For more information on NWBC's entrepreneurial ecosystems research, visit:

<https://www.nwbc.gov/research/entrepreneurial-ecosystems-and-their-service-women-entrepreneurs>