

BACKGROUND



The Economic Development: Generating Entrepreneurs (EDGE) Program, funded by the Walton Family Foundation, was initiated in Northwest Arkansas in Spring 2018. The program, managed by the IC² Institute at The University of Texas at Austin (UT Austin) had the following goals:

- to assess policies, players and programs in the region;
- to engage in pilot, collaborative programs in entrepreneurship linking Austin and Northwest Arkansas; and
- to develop a nationally distinctive strategy for entrepreneurship for the region.

SUMMARY OF KEY FINDINGS

- Despite history of iconic examples of world-changing entrepreneurs in three distinct industry sectors and a tier one public research institution, a nationally competitive entrepreneurial ecosystem has not evolved naturally in Northwest Arkansas.
- The region appears comfortable in its economic and cultural success and remains focused on stable organizational and societal structures.
- Residents generally desire to stay near work or home and don't always collaborate regionally. Many traditional company representatives and residents appeared uncomfortable with risky, chaotic, non-conforming nature of an innovation and entrepreneurship lifestyle.
- While producing a successful economy and high quality of life, these elements are not conducive for creation of an entrepreneurial ecosystem that is essential to ensure economic success going forward.

Innovation has been a defining characteristic of the region, and this legacy needs to be re-established and intentionally nurtured and strengthened. Thus, IC² final report theme for Northwest Arkansas is:





NORTHWEST ARKANSAS AT A CROSSROADS

Key questions must be answered through regional agreement and engagement if an expanded, advanced entrepreneurial ecosystem is to take root in Northwest Arkansas:

- ⊗ Will innovation arise from the region again – from its anchor companies, from new entrepreneurial ventures, through university research – diversifying and growing the economy?
- ⊗ Will the region continue to lean on its anchor companies as headquarter sites and watch as innovation is outsourced to and developed in other U.S. regions?
- ⊗ How will anchor and vendor companies engage with local universities to innovate, to develop distinctive talent and to build the workforce of the future?
- ⊗ Will creatives and innovators be drawn to provide the talent for existing company growth and new company starts?
- ⊗ How can the region create places and strategies to engage across distance to create the density needed to thrive collectively?
- ⊗ How can the arts and entrepreneurship collide and collaborate to create opportunities?



OPPORTUNITIES

Opportunities exist to create an
Innovate Again, Innovate Here
entrepreneurial culture offering the following:

- Diversification and sustained growth of the regional economy;
- Revitalization of the region through retention of youthful workforce;
- Continual re-invention of a business community adapted to current opportunities; and
- Increased regional coherence and collaboration.

IC² uses a roadmap model with the creation of a vibrant entrepreneurial ecosystem as the destination for regional collaboration. To reach the destination, IC² recommends establishing two primary innovation clusters:

- Data science related to retail, logistics, supply chain and mobility, and
- Food and technology.

Both clusters benefit from regional strengths in the university and business sectors while the second offers synergies for engaging and supporting existing regional food, beverage, art and music ventures. Key milestones on the road map are noted addressing key regional gaps including, new enterprise funding access, improved university-industry collaboration, building and sustaining youthful workforce and increasing inter-regional collaboration.



Business
Community
Government
Education

Mentors
Makers
Market Access
Management
Members

Startup
Funding

University
Industry
Engagement

Innovation
Clusters

Building &
Sustaining
Workforce

Region-Wide
Engagement

Entrepreneurial
Ecosystem



- Startups and small businesses need expanded equity and debt financing options – recommended collaborative fund and banking finance strategies;
- Need for regional leadership in entrepreneurship – recommended “University on the Move” initiative for the University of Arkansas to create the region’s hub for entrepreneurial activity;
- Essential need to motivate and incentivize employees from regional anchor and vendor companies to actively engage in the entrepreneurial ecosystem – recommended open innovation and corporate innovation strategies to stimulate company and staff participation;
- Growth of “local” culture – recommended strategies for elevating food, beverage, arts and music sectors to support entrepreneurial goals;
- Advancement of local workforce – recommended strategies for regional engagement from training/degree programs, corporate internships and adaptation of elements of the Campus Philly model for the broader region to solve immediate workforce needs.



Northwest Arkansas should initiate a coordinated and intentional strategy to Innovate Again, Innovate Here. If successful, the truly unexpected nature of the region will be amplified, and the region will be positioned for long-term economic and social prosperity.

Report prepared by the IC² Institute of
The University of Texas at Austin.