

Bluegrass High-Tech Entrepreneurial Environment Study

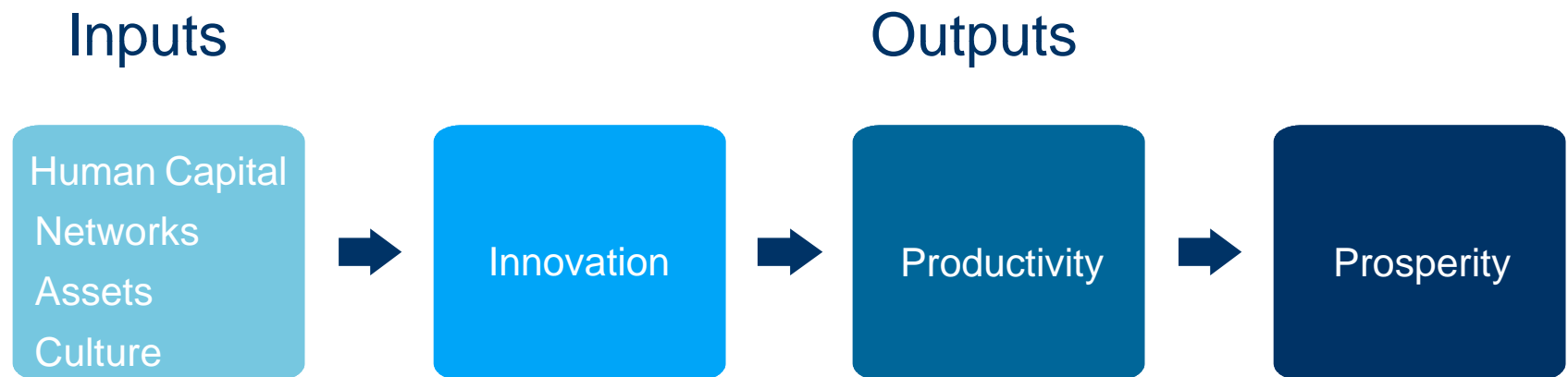
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Study Objectives

1. Document case studies of successful entrepreneurial technology companies
2. Conduct a comprehensive assessment of the Bluegrass Region's entrepreneurial environment = strengths and areas for improvement
3. Identify specific action items for BBDP in FY2009
4. Provide a benchmark for future studies

Conceptual Framework Regional Innovation Environment



**An expanded version of a model introduced by the Council on Competitiveness, 2004*

Study Design

Methods

- Case Studies
- Focus Groups (*to inform survey*)
- Survey

Deliverables

- Bluegrass Entrepreneurial Environment Study
Success Stories
- Bluegrass Entrepreneurial Environment Study
Where the Region Stands

Companies Highlighted

Bluegrass Entrepreneurial Environment Study *Success Stories*

- Allylix
- ArchVision
- Big Ass Fans
- Cypress
- Delta Group
- ECM Biosciences
- Exstream Software
- Four Tigers
- Levtech
- MedMovie
- Software Information Systems

Bluegrass Entrepreneurial Environment Study

Where the Region Stands

Survey Overview

- Sampling frame: 88 individuals representing 80 high-tech companies invited to participate
- Response Rate: 76%
67 surveys were completed from 62 companies
- Final sample: N=64
Surveys less than 75% complete were not included

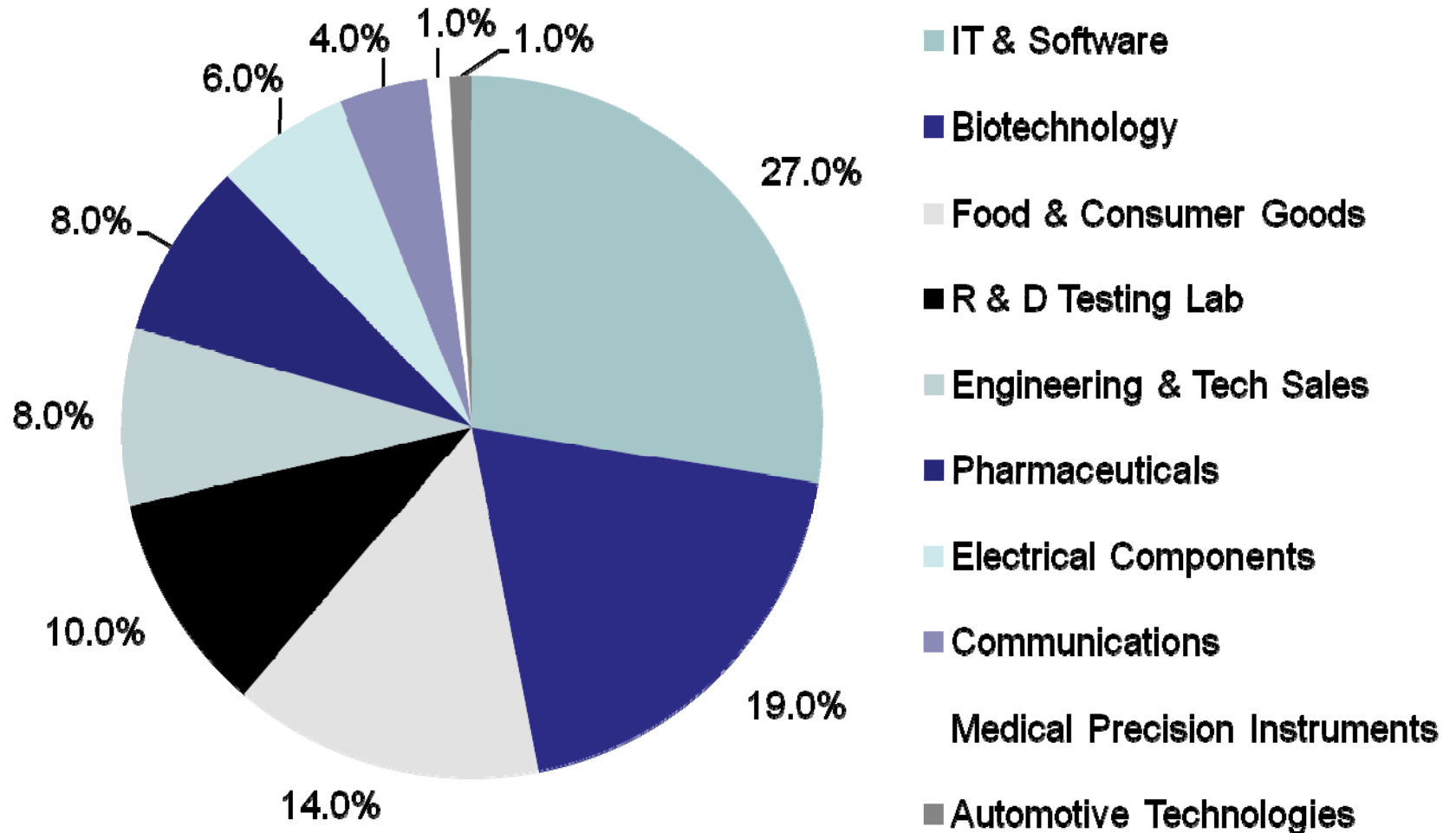
Demographic Profile of Sample

- Mean Age: 47 years (*range 22 to 70 years*)
- Gender: 86% male 14% female
- Race: 89% white 8% Asian
- Education: 56% graduate degrees
- Marital Status: 81% married or cohabitating
- Parental Status: 43.5% w/children 18/younger

Kentucky Connections

- Originally from Kentucky 39%
- Attended college in Kentucky 50%
- Years living in Kentucky 23 (range 0-60 years)
- *Why is business located in Kentucky?*
 - 46% Kentucky is home; family is here
 - 32% Professional / educational reasons (UK)
- *Serial Entrepreneurs: 51% have started more than one company. Current ownership in 2 companies, each located in Kentucky.*

Industry Sector



Business Profile

Stage of Development

- Early Stage: 41%
- Growth Stage: 38%
- Expansion: 13%
- Maturity Stage: 8%

Years in Business

- 1-2 yrs: 40%
- 3-5 yrs: 28%
- 6 or more: 32%

Impact on Region's Workforce

- 62 companies employ 3,520 employees
 - *10 or fewer employees:* 80%
 - *11 – 50 employees:* 12%
 - *More than 50 employees:* 8%
- 75% of jobs are full-time
- 54% of companies increased their workforce in past year



The Bluegrass Region's Innovation Environment Assets

Regional Assets	IMPORTANCE	PERFORMANCE
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Colleges & Universities	1	5
Qualified Service Partners	2	19
Quality of Health Care	3	5
Standard of Living	4	2
Quality of K-12 Schools	5	10
Community Support for Entrepreneurs	6	13
Crime Rate	7	2
Cost of Living	8	1
Cost of Housing	9	3
Environmental Quality	10	7
Recreational Activities	11	15
Research Universities	12	9
IT Infrastructure	13	18
Entrepreneur Support Organizations	14	22
Cultural Activities	15	20
Alternative Capital (SBIR/STTR)	16	18
Angel Capital	17	27
Office Space	18	8
Regional Activities	19	14
Lab Space	20	23
Business Coaching & Mentoring	21	25
Health of the Local Economy	22	11
Airport Facilities	23	12
State & City Taxes	24	24
Venture Capital	25	29
Climate & Weather	26	6
Local Government Responsiveness	27	22
Nightlife	28	21
Proximity to Customers	29	18
Costs of Utilities	30	4
Highway Access	31	5
Proximity to Major Metropolitan Areas	32	17
Transportation Costs	33	8
Proximity to Suppliers	34	26
Research Corporations	35	28
City Codes & Ordinances	36	16
Land for Expansion	37	11
Community Colleges	38	7

Human Capital Assets

Talent Domain	Firms' talent is ADEQUATE	AVAILABLE in the Region
CEO Level Management	78%	30%
Accounting & Finance	77%	88%
IT/Technical Computer	70%	77%
Project Management	69%	44%
Non-Technical	66%	83%
Gov't Reg's / Legal	59%	70%
Production / tech. services	55%	51%
Sales & Marketing	54%	54%
HR & Recruitment	44%	65%

Entrepreneurial Resources: Programs

Programs & Networks	Have Used	Was Useful	Not Familiar
KSTC	80%	68%	0%
Venture Club	73%	49%	3%
ICC	64%	76%	10%
Commerce Lexington	60%	54%	2%
SBIR/STTR Program	48%	79%	10%
SBDC	47%	60%	19%
ASTeCC	33%	63%	10%
LFUCG, Economic Development	12%	13%	22%
BBDP	11%	71%	29%

Entrepreneurial Resources: Services

Service Partners	Used	Useful	Not Familiar
Legal Services	45%	75%	19%
Financial Services	26%	80%	19%
Business Mentoring	19%	89%	22%
IT Services	18%	90%	24%
Business Marketing	9%	80%	35%

Most Requested Resources

1. Consulting & Professional Services

- Company formation, corporate structure, board selection, business plans, contracts, financials, IP

2. Mentoring / Coaching

- Successful local entrepreneurs
- Hands on involvement & shadowing

3. Networking Opportunities

- Share talent & resources
- Identify customers & partners

4. Access to Capital

Recommendations

- Explore opportunities to create additional networking & mentoring opportunities
- Provide entrepreneurial business and management skills training opportunities
- Create / enhance resource tools to promote entrepreneurial businesses and to connect businesses with services

Response & Action Items

- **inteLex:** Alliance of forward thinking Innovators, engineers, techies & entrepreneurs
- **UK Alumni Expert Consulting:** Supporting Business Development, Entrepreneurship & Innovation
- Sponsor a 2-day project management course
- Conduct a 1-day Entrepreneur Bootcamp in partnership with the Bluegrass Angels
- Create a comprehensive entrepreneurial service directory
- Update “www.thinkbluegrass.com” and advertise to local entrepreneurs



Implications of findings for the Bluegrass Region

Discussion