

## **A Learning City Entrepreneurship Ecosystem.**

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### **Introduction:**

Peter Kearns, in his 'Policy Brief: Entrepreneurship in Learning Cities', focuses on building an entrepreneurial culture in a learning city. This paper is intended to complement his, through considering the entrepreneurship ecosystem.

The learning city approach to developing entrepreneurial individuals throughout lifelong learning also requires the strategic development of an environment which can nurture and anchor their skills in the city region. Learning Cities can take a strategic approach to developing an entrepreneurship ecosystem, comprising concept development, support, funding, premises, incubators, cluster development and networks. Of course, the pre-requisite is entrepreneurial leadership – of the local authorities or municipalities, the major institutions (health, universities, education providers, and environment agencies) and including the business community. Together these leaders can design a strategy to develop an entrepreneurship ecosystem which considers the whole journey of an enterprise and provides the support that will keep it anchored in the city, so that jobs and GVA created will impact on the local economy. The strategy will use data evidence to identify which sectors the city will focus on for development. Institutions can act entrepreneurially to support this agenda, as exemplified by Professor Iwan Davies in his description of the impact of a research-led entrepreneurial university on a regional economy. (Chapter 12).

**Concept development:** The concept for a business may come from R&D in the university or in business, or from individual or group ideation. The business concept needs to be in response to the market need for the product/concept, identified through market research or trials and testing. Simon Gibson MBE, Chair of the Alacrity Foundation which trains graduates to be entrepreneurs,

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<sup>1</sup> Entrepreneurial Learning City Regions: <http://www.springer.com/gb/book/9783319611297>

insists that the graduates work closely with organisations to identify what they need, rather than working in isolation to develop their own idea. In this way the market for the new product is identified before the product is developed, with a far higher success rate for the ensuing business. Simon describes the approach of the Alacrity Foundation in Chapter 2.

Cities should work closely with their research universities and university leaders should be part of the group which designs the entrepreneurship strategy. In the Higher Education Policy Institute (HEPI) 14th annual lecture, Professor TAN Chorh Chuan, President of the National University of Singapore, discussed “one key area of present focus in Asia, namely, universities driving their national and regional innovation ecosystems. Universities have talent (both faculty and students) and research strengths. Through the commercialisation of intellectual property, spin-offs/start-ups and collaborations with industry, we can create new products, innovations and services; fuel new enterprise formation; and attract and expand industry and industry clusters in the country.”<sup>2</sup>

**Support:** The policy around business support may be driven at a country or regional level, but can be enhanced by local collaboration to give the city a leading edge for entrepreneurial location. The establishment of local business growth funds and a support centre which understands the business development process can attract SMEs to locate and grow in the city. Pro-active business development support can be central to the ecosystem, with a remit to establish and communicate the support available to new and incoming enterprises with growth potential. The support centre will endeavour to manage bureaucracy in relation to business start-up and growth, as this is a common complaint of SMEs in the UK and may even be a cause of relocation. In the UK the need to reduce the regulatory “burden” on small and low-risk businesses has led to the development of online toolkits to assist SMEs with areas such as Health and Safety, Pensions, Consumer Rights and the New Living Wage and the business support centre can promote these tools for SMEs.

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<sup>2</sup> Higher Education Policy Institute blog (2017): <http://www.hepi.ac.uk/2017/12/08/hepi-4th-annual-lecture-perspective-asia/>

Under-represented sectors of society as entrepreneurs may require specific support to develop entrepreneurship, aptly described by Tales Andreassi and Maria José Tonelli, in Chapter 8, Women Entrepreneurs in São Paulo, Brazil.

**Funding:** Start-ups and SMEs are attracted to locate in a city region where there is funding support. Loans and grants can be designed to support the start-up and growth of businesses which have the potential to enhance GDP and create jobs. As in Swansea, city leaders can work with venture capitalists to develop and provide a local city/regional fund to support new enterprise start-up and larger enterprise growth. Universities also develop innovation funds for spin-out companies, to accelerate the commercialisation of research, providing seed stage venture capital investment.<sup>3</sup> The city leaders can also identify major city region projects which will attract external investment and provide opportunities for existing and new company development. An example is the City Deal initiative in the UK.<sup>4</sup>

**Premises:** The city needs to identify and provide suitable premises to provide a corridor for businesses to grow (Chapter 23), so that as they grow the next size of premises is available, as otherwise they will need to relocate elsewhere. It can often be the case that the 'first move' size of premises is absent- when a company wants to rents larger premises due to growth but has not become sufficiently established to build purpose-built premises. The business support centre will collate and provide information about the availability of premises and will pro-actively support the planning and development of premises which meet identified gaps in provision. Each move allows a new enterprise to start on the corridor. Part of the support ecosystem will be to manage the improvement of premises, so that the next business to use the premises has a better start. The availability of high speed internet is a priority.

**Incubators:** Premises combined with support may be provided for business start-up. These incubators benefit from being 'themed' to provide specialist support for different types of start-ups and SMEs, in growth sectors (such as

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<sup>3</sup> Swansea University Innovation Fund <http://www.swansea.ac.uk/reis/news-and-events/news/swanseauniversitylaunchesinnovationfundforspin-outcompanies.php>

<sup>4</sup> Swansea bay City Deal: <http://www.swanseabaycitydeal.wales/>

computing, life sciences, engineering, energy). The Institute of Life Science is an example in Chapter 16.

**Clusters:** The city will benefit from the strategic identification of which sectors to develop as clusters of enterprises. The presence of an established major anchor company can create the initial environment for the development of a cluster- because the anchor company will develop a pool of staff with the skillset for that cluster, with shared CPD and IP in the best examples. Clusters in different sectors can be strategically supported. An example is Swansea, which focuses on digital technologies, advanced manufacturing, energy and life sciences. Chapter 23, 'How to grow a digital cluster in a city region' outlines two digital cluster case studies from Bath and Swansea in the UK. It is also interesting to see how smaller towns and cities can rejuvenate their city centres by supporting a cluster of small trader enterprises and creating a more individualised marketplace. Some cities allow retail entrepreneurs to run pop-up shops within empty retail premises, to find out whether they are ready for start-up rental premises.

**Networks:** Networks may be developed from sector clusters or cross-sector through leadership development. The establishment of a Leadership Foundation or networking scheme is important. This may centre on the development of CPD for Leadership as in the Swansea ION Leadership development programme, described in Chapter 10. The network will allow enterprise leaders to review the development and plan the growth of their enterprise objectively, with others in a similar position. Networking can be important for business success, through business to business opportunities as well as referrals and sharing of information.

## **Conclusion**

This paper describes the establishment of an entrepreneurship ecosystem, as one aspect of the development of an entrepreneurial learning city region. Peter Kearns describes the importance of developing entrepreneurial individuals and an entrepreneurial learning city culture within which they can thrive. Together these aspects can be the catalyst for developing, attracting and retaining entrepreneurial individuals within the learning city, creating new work opportunities and impacting on the local economy and quality of life.