Building a Creative Services Incubator:

A Lesson on Developing Collaborative Relationships

across Diverse Stakeholders

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ABSTRACT

This guide will help readers understand the multifaceted nature of the relationship between the economic development community and the community college, using the example of the development of a Creative Services Business Incubator. While this example is a micro look at one specific project the lessons have merit on a broader scale.

The Creative Services Business Incubator is a simple idea. The basic premise is that students studying graphic and web design will offer design and web services to the small business and start-up community. However simple, we are still working through how to create a Creative Services Incubator that will serve the needs of economic development groups, a college and its administration, faculty and students, an advisory committee, a creative review committee and client businesses. The foundation of the project is well established, but the details about how all these pieces will fit together are not yet ironed out. Throughout the paper readers will see the work completed thus far and gain insight into steps that will be taken to continue the project through a successful implementation.

OUR STORY

Over the course of 2010, a county economic development employee formed an idea. He was noticing the need for creative services within the small business community in Washtenaw County. To better understand the need he and a local business incubator manager worked with a group of students from a local university to conduct a feasibility study. This study took place in the winter 2011 semester.

The work done by the student group was narrowly focused to determine the market need for free creative services among business incubator tenants in Washtenaw County. The university student group also had the expectation that the university they attended would become the higher education partner for the project. Even with the narrow focus, the conclusion -- that design and web services would be useful -- in addition to primary anecdotal research captured through the process, created a compelling case for continuing to explore the idea.

While the ink was still drying on the feasibility study an informal meeting occurred between the incubator manager and an administrator at Washtenaw Community College (WCC) to discuss a partnership between the community college and the incubator. The local university, whose students conducted the feasibility study, appeared not to be interested in a design incubator. The decision was made that there may be fertile ground at WCC for this type of a project, but we need to get the right people involved. This simple idea was about to become more complex.

At the next meeting, which included a wider range of stakeholders, we began to see differing views about who the incubator would actually serve. The economic development groups were looking at the project almost exclusively from the perspective of the potential small business clients. The community college group was looking at the project through the eyes of the students and to a lesser degree the faculty.

It is now the summer of 2012 and we are still working through how to create a Creative Services Incubator that will serve the needs of such a diverse group of stakeholders. Although there are many details left to resolve we have a firm understanding of how to move forward and are very confident that the foundation we've established will result in success.

THE PROBLEM

Michigan is currently transitioning from a manufacturing heavy economy to a more diversified entrepreneurial economy. In order for this transition to be successful there are many support functions that need to occur. Our project addresses the need for high quality creative services for small businesses and business start-ups. We propose to meet this need by placing design, web and technical writing students from a community college into an already established business incubator. In exchange for free rent and business support services the students will receive from the incubator, they will agree to charge client businesses a discounted fixed rate for a defined set of professional services.

We are balancing two primary goals for this project: 1) to provide creative students and recent graduates the necessary infrastructure and support so that they may build a sustainable business within 18 months, 2) to support the small business and start-up community with affordable creative work so that they are more effective in promoting and growing their businesses.

ELEMENTS OF A BUSINESS MODEL IN PROGRESS

While a business plan has not been written, nor is it anticipated to be written, much of the work that has been completed thus far is easily compiled into the structure of a business model. A business model addresses all of the same components as a business plan, but relieves the entrepreneur from the task of developing a polished document. Structuring the work in this way and approaching the project as a developing business helps the team answer many of the questions that will likely emerge as we continue through the implementation phase. The act of writing a business plan or developing a business model is to identify flaws in the project (or business) and more importantly to develop solutions or change directions so that those flaws do not undermine the success of the project. The development of a business model is a very useful tool for any complex project. For more information on developing a business model, see the book, Business Model Generation written by Alexander Osterwalder and Yves Pigneur. Or check out the website at www.businessmodelgeneration.com.

Because our project is in progress, some of the sections will be less complete than others. In these instances we will propose a structured way to look at the section which may include a set of questions that will help guide the reader to understand the necessary components of that section. This will aid readers in using a similar structure when developing their own projects. Also inherent in this structure, the reader will see a bit about our approach. What questions did we tackle first? What did we save for later? As for the why's, we will attempt to explain this more fully during the *Lessons Learned* section of the paper.

Key Partnerships

Our partnership is comprised of the Eastern Leaders Group, Ann Arbor SPARK and Washtenaw Community College (WCC). The partnership with Washtenaw County is represented through the Eastern Leaders Group (ELG). Both the county economic development employee and the incubator manager mentioned earlier are members of ELG. Within the college there are multiple stakeholders that form the WCC partnership. The following chart gives a snapshot of the stakeholders, which will be discussed in greater detail throughout this paper. See Appendix A for a breakdown of the key partnerships.

The Eastern Leaders Group (ELG) is a partnership between collegiate, civic and private sector leaders who are collaborating to meet the immediate and long-term economic and quality of life needs of Eastern Washtenaw County. One of the members of ELG, the county economic development employee, was the brainchild behind this project. Through his leadership and efforts the project moved through the feasibility phase and has secured $8,000 in funding that will be used to purchase equipment for the student-tenants of the incubator. Find out more about the Eastern Leaders Group at http://elg.ewashtenaw.org/.

Ann Arbor SPARK (SPARK) is a local economic development organization whose mission is to advance the economy of the Ann Arbor Region by establishing the area as a desired place for business expansion and location... by identifying and meeting the needs of business at every stage, from those that are established to those working to successfully commercialize innovations. SPARK is also a member of ELG and currently operates three incubators in the Ann Arbor region. The role of SPARK within the partnership is critical. SPARK East will provide free space to the student-tenants, access to a variety of business support services, business development mentoring, and will use its network to funnel client businesses to the student-tenants. Learn more about Ann Arbor SPARK at http://www.annarborusa.org.

Washtenaw Community College is a community college located in Washtenaw County that serves our community through academic and career training. Within WCC there are two primary stakeholder groups: administration and faculty. Find out more about WCC at http://www.wccnet.edu.

- **WCC Administration** for this project is providing overall project management and may also offer mentoring support for the student-tenants. The project management role is necessary to keep the project moving forward, regularly reassess the direction and

activities of the project, to inform and solicit input from stakeholders, and to overall manage the project flow and timing.

• **WCC Faculty** are providing significant input into the kind of support the students need, how the support should be administered, the type of oversight that is appropriate for the students, and recruiting students.

The following groups are not exactly partners, but each serve an important role in the success of the project. We are including them in the partners section for the ease of the reader so that all "players" are included in one place.

• **WCC Students** will provide the services to the end users in the incubator. The student-tenants will be current or recently graduated WCC students pursuing course work in graphics (print or web), web coding and programming, web development and technical writing. In the future we may consider students from animation, photography, and digital video as well.

• **Advisory Committee** is not yet formed, but will be comprised of professionals who own businesses in or work within the creative services field. We anticipate 3-5 members who will provide guidance on what services should be offered by the incubator and at what price. They will also provide opportunities for the student-tenants to job shadow with a creative services business owner. They will allow the students an opportunity to experience client meetings, contract negotiations, and other activities necessary for a business owner. Advisory Committee members may also serve as part of the Creative Review Committee.

• **Creative Review Committee** is an emerging group of faculty who will conduct design reviews with students on a monthly basis. The design review will provide creative mentorship not available as part of the business incubator.

Customer Segments

The Creative Services Business Incubator serves both internal and external customers. Each of the partners and "players" listed above seeks to gain value from the incubator, therefore, making each one a customer.

The incubator has two direct customers, the student-tenants discussed above and client businesses. The client businesses will receive the creative services from the incubator. As the end user of the Creative Services Business Incubator the client businesses are the primary customer. The Creative Services Business Incubator will focus on serving client businesses that are either small businesses or start-ups in the greater Washtenaw County area.

Value Proposition

A value proposition seeks to solve customer problems and satisfy customer needs. Each partner and customer has a different set of needs that the incubator will address. We are including the value proposition for partners as well as customers to aid the reader in understanding the value each derives from participation. It is likely that your next project will emerge within one of the partner groups. In order to "sell" the idea to the other partners you'll need to focus on what

problems are solved for that partner by participating. In the challenges section I'll discuss in more detail why this is so important.

The Eastern Leaders Group (ELG)
The ELG has an ongoing need to find ways to build a more sustainable business ecosystem in Eastern Washtenaw County. As they identify needs within the community they seek to find solutions to those problems. In this case, the ELP identified the problem of small businesses and start-ups not being able to find affordable creative services.

Ann Arbor SPARK (SPARK)
SPARK shares the same need to find solutions for businesses and to encourage economic growth in the region. The Creative Service Business Incubator fills that need by providing high quality, low-cost creative services to current incubator tenants in the three incubators SPARK manages. In addition, the incubator provides an additional service that SPARK can offer to the broader entrepreneurial community that it serves.

Washtenaw Community College
The college as a whole has a somewhat dual mission to serve the student body and the community-at-large. The college serves the community primarily through non-credit offerings but also through dedicated efforts focused on addressing specific problems in the community – many of these efforts take on an economic development flavor. As a result of these activities, the college enjoys the benefit of having the support of the community.

In 2012, the college has also included entrepreneurship as a part of its strategic plan. While the incubator will only serve a very small number of students as student-tenants we hope that the Creative Services Business Incubator will raise the visibility of student initiated businesses on campus. The increased visibility has the potential to do three things: 1) introduce to students, specifically those in the creative fields, the idea that they can do more than 'just' freelance, 2) legitimize starting a business as a career option, and 3) encourage more students to ask for help as they work toward business ownership.

> **WCC Administration**
> The administration at a community college serves both the operational management function of the organization and as support for helping the college achieve its mission. The overarching purpose of the community college is student success. This particular project provides one mechanism for assisting students in realizing their potential, and, as mentioned above, promotes the goal of more entrepreneurial activity on campus.

> **WCC Faculty**
> The core of what an occupational faculty member does is to prepare students for employment. Occupational education differs from liberal arts education in that the purpose is to provide a student with the necessary skills to be successful in a specific field upon completion of the program. Programs are designed with input from practitioners in the field so that the skills students are learning in the classroom are immediately transferable to employment – simply put, to be "job ready". Faculty, many of whom currently or in the past have owned businesses, provide mentoring and work one-on-one

with students who are developing businesses. However, the capacity of the faculty to do these activities is limited and not all students know that faculty can play this role.

WCC Students
Many students in occupational programs at WCC have aspirations of starting a business in the future. In fact, many of them come to the college with the express purpose of gaining a skill that they can turn into a business. In addition, the rate of students doing freelance work in the creative fields – while in school and even after -- is very high. Currently, the problem is that students don't have much support for these endeavors. The Creative Services Business Incubator provides an additional layer of training for students wishing to start a business without requiring the students to take on an additional degree outside of their degree program.

The specific benefits to students in participating in the Creative Services Business Incubator are as follows:

- Free office space (up to 18 months)
- Equipment
- Mentoring and Coaching
- Networking and Professional Development Opportunities
- Marketing Assistance
- Contractual Support
- Project Management
- Pay for Work Performed

What follows is more detail about several of these benefits. The student-tenants' participation will include mentoring and coaching with an initial goal of the student-tenants creating a personal development plan. The personal development plan will be specific to each student-tenant and will include an assessment of what specific resources are necessary for that student-tenant to become a successful business owner. The plan may include additional training which can take the form of academic course-work, seminars, workshops or one-on-one coaching. The networking and professional development opportunities are necessary for a new business to integrate into the existing business community and may also be part of the personal development plan. The personal development plan will also help guide the student-tenants through many of the early questions and entrepreneur faces: What type of business do we want to start? Is there a niche opportunity that we should consider? Do I need a full business plan? Where will our funding come from? Through the mentoring and coaching sessions student-tenants will be brought through the business development cycle and receive the appropriate resources for each step in the process.

Marketing assistance, contractual support and project management are some of the benefits of being located within an incubator. The first project for the student-tenants is to develop a brand for the incubator. This will allow the student-tenants to become familiar with each other; begin to work as a team, and to develop a mechanism to market themselves. Student-tenants can use the incubator brand to begin business operations

while they continue to explore their own business ideas and develop a brand for their individual business. Additionally, the partners can use the brand when promoting the incubator to potential client businesses.

Washtenaw Community College is in the process of finalizing a contract with an attorney that has specific experience in helping creative businesses establish themselves. We will be drafting sample contracts for the student-tenants to use with their clients. In addition, the attorney will provide guidance for the incubator on mitigating the risks of using students to provide professional service. One open question to be explored is copyright infringement if the students borrow too heavily from an established brand.

Project management support will come from the SPARK East incubator manager. This support will assist in setting realistic expectations for client businesses and helping student-tenants scope client work appropriately. This function will also provide support to the student-tenants in the event of scope creep by client businesses.

See Appendix B for a draft of the student flyer for the Creative Services Business Incubator

Client Businesses
Small businesses and startups need affordable creative services. The need is all too often met by a friend or family member who puts together marketing materials such as brochures and business cards. In addition to the incubator being a low-cost option, the client businesses will receive work done by individuals who have received specialized training. The quality of work will be higher and more importantly - more effective in helping these businesses establish a professional image. In turn, professional and targeted marketing materials legitimize the business in the marketplace. It will assist the business in acquiring customers, with the end goal of contributing toward the overall success of the business.

Advisory Committee
Members of the advisory committee are already successful in the creative services field, but may enjoy spending time mentoring other "creatives". In addition, Advisory Committee members will build a relationship with the college that will provide access to additional students for their businesses.

Creative Review Committee
The value that faculty derive from participating in the Creative Review Committee (and really the project as a whole) is a bit complex and really gets to the heart of many of the issues surrounding why faculty do or do not participate in these types of projects.

Spending your life's work developing others creates a strong emotional connection. Not unlike a parent watching a child ride a bike for the first time, faculty is protective of their students when they enter the workforce. The purpose of the Creative Review Committee is to provide continued mentorship so that the work being produced reflects well on the student, the program, and the school. They also protect the student from putting out work that is less than their best effort.

Most occupational faculty are well connected in their professional community. Many came from jobs in the private sector and use their previous connections to assist students with co-op, internship and job placements. The quality of the student work reflects directly back on them with their peer group. Keeping the quality of the work high helps faculty build stronger relationships and provides additional opportunities for future students.

Because occupational faculty is connected to their profession, many feel an obligation to protect the profession as a whole. Faculty are approached almost daily by private businesses offering "portfolio building" opportunities in exchange for free student labor. This is problematic for a few reasons. First, although the students are not yet professionals working in the field, as students they have received specialized training. Second, occupational academic programs develop the programs with an eye toward developing a portfolio. Before completing the program students at WCC must participate in a community-based Gala that invites industry professionals to critique student portfolios. Our students already have a portfolio at graduation that is developed in the context of their course work. Another point to consider is that if a faculty recommends a student for a co-op, internship or other work experience, they most often feel obligated to provide mentorship during the student's experience. This is an additional time burden on the faculty, but the reasons why the faculty takes it on are explained more fully elsewhere in this paper.

Back to the first point, offering student services for free diminishes the value of creative work for the whole profession. Anyone who's ever held a community-based event knows that if you charge just a small entrance fee your attendance will be significantly higher because attendees perceive a value for the event. The same is true of professional services. If we give away services, the perceived value in the marketplace suffers.

Key Activities
Key activities are those things that are most important in making the business model work. Keeping in mind the two primary goals for the project, the key activities of the incubator emerged over the course of time – and may continue to evolve as we continue to finalize the structure of the incubator. We've gotten far enough to say that students will offer a defined list of creative and web services to client businesses at a discounted fixed rate.

We are planning to limit the services the Creative Services Business Incubator will provide. We will focus on the services that are most critical for small businesses and start-ups. A likely list will include:
- Brand Development: including logo, letterhead (electronic and print), and business cards
- Basic Marketing: including brochures
- Basic Website: which needs to be more clearly defined

More work is needed in the Key Activities area. Our next steps will include:
- Finding data on current professional rates in our regions. This is likely to include at least one trip to the library and a session with a librarian to learn about which database will give us the best data. This data will help us develop set prices for the defined services the incubator will offer.

- Clearly defining the service offerings.
- Assembling the Advisory Committee, this is key to helping us make decisions about the first two points.
- Review the outcome with all stakeholders.

Key Resources

Each of the partners brings key resources as discussed in the Key Partnership and Value Proposition sections of this paper. One benefit our partnership enjoys is geographic proximity to each other and to a vibrant entrepreneurial ecosystem. Your region may not have a rich entrepreneurial ecosystem. It doesn't make things impossible, but does make finding the right partners more important.

For those considering starting a Creative Services Business Incubator we will discuss in general terms what resources we would recommend, in no particular order.

- *Project Management*: Without an experienced project manager it may be difficult to keep a project with so many diverse stakeholders moving in the same direction. It is necessary to have someone who is able to schedule meetings, keep track of assigned work and, most importantly, understand and resolve issues as they arise.
- *A Business Incubator*: Many people look at a business incubator as just low-cost office space. It is not. A business incubator is a set of wrap around services required to support business development as well as a space in which to house staff.

  Jim Flowers, President of the Virginia Business Incubation Association, and Director of the VT KnowledgeWorks Business Acceleration Center at Virginia Tech, sums it up this way:

  > "Incubators come in several flavors, and so do the failures. However, my experience tells me that they fail for the same reasons that other enterprises fail: they often open their doors with a fundamentally flawed concept.
  >
  > Here are some of the most common mistakes.
  > - They can't/don't define success in a practical way.
  > - The market area they cover simply won't support the entrepreneurial deal flow required for success (whatever that is).
  > - They mistake cheap floor space for meaningful program content.
  > - Their sponsors/investors expect instant gratification.
  > - They act as if every new business has some fundamental right to live, even hopeless cases.

  We could go on. But here's the essence of it. An incubator is a business, even if it is not-for-profit. All the usual rules apply."
- *Access to Students in Creative fields*: Students can come from a variety of academic situations including, community colleges, universities, and specialized schools like art schools. Having the physical incubator in a somewhat close proximity to where the students are attending school can be helpful. In our instance the incubator is just 4-miles and less than a 10 minute drive from the college.

- *Faculty Support*: We may cause a riot by suggesting this, but a Creative Services Business Incubator could exist without faculty support under the right circumstances. But before the pitchforks start flying, I'd like to add that our project has evolved into what we believe will be a richer experience for students, because of faculty support – which was somewhat reluctant at the beginning. Faculty members have provided a much different perspective than any of the other stakeholders and have prompted the rest of us to consider new ways to accomplish the goals we were working toward. While the project could move forward without the involvement of faculty it would be a much different project. If the option for faculty involvement exists, we would recommend that every effort should be made for faculty to be part of the team.

Customer Relationships

The customer relationships for this project are complex. As mentioned prior there are three primary partners the Eastern Leaders Group, Ann Arbor SPARK and Washtenaw Community College. The Eastern Leaders Group (ELG) is comprised of public and private members including high level administrators from all three of the primary partners.

This creates two levels of partners within the WCC Administration. The college President and Vice President of Economic Development are members of the ELG. The day-to-day project management is coming from a lower-level administrator working for one of four academic Deans at the college. In the diagram below the arrow pointing to the ELG represents the President and VP. All other relationships refer to the project manager, not the upper administration. That isn't to say the President and VP aren't interested in serving the college as a whole, only that is the responsibility of the project manager to ensure that the project is consistent with the mission of the college. As you can see there are layers of relationships within the college, which make it the most time consuming partner to work with. Even with all these layers, the primary customer being served by the college is the student-tenants.

The Eastern Leaders Group Executive Director is also the Washtenaw County employee who originally initiated the feasibility study. This makes working with them both seamless. The primary customers they are serving through this project are the member organizations who provide their funding and that of the client businesses.

Ann Arbor SPARK, also a member of ELG, has a mission very well aligned with that of the county. However, in this project the incubator and SPARK serve each other. With a successful Creative Services Business Incubator as part of the SPARK portfolio, SPARK's other clients will be better served. But, in order for the Creative Services Business Incubator to be successful SPARK must also serve the student-tenants, whose work will ultimately decide success of the incubator.

As discussed earlier the Creative Services Business Incubator has a symbiotic relationship with Ann Arbor SPARK. It also serves the student-tenants who receive infrastructure and support for their developing businesses.

Finally, the end users of the entire project are the client businesses. These businesses receive from the student-tenants creative services to develop a professional image and assist with growth.
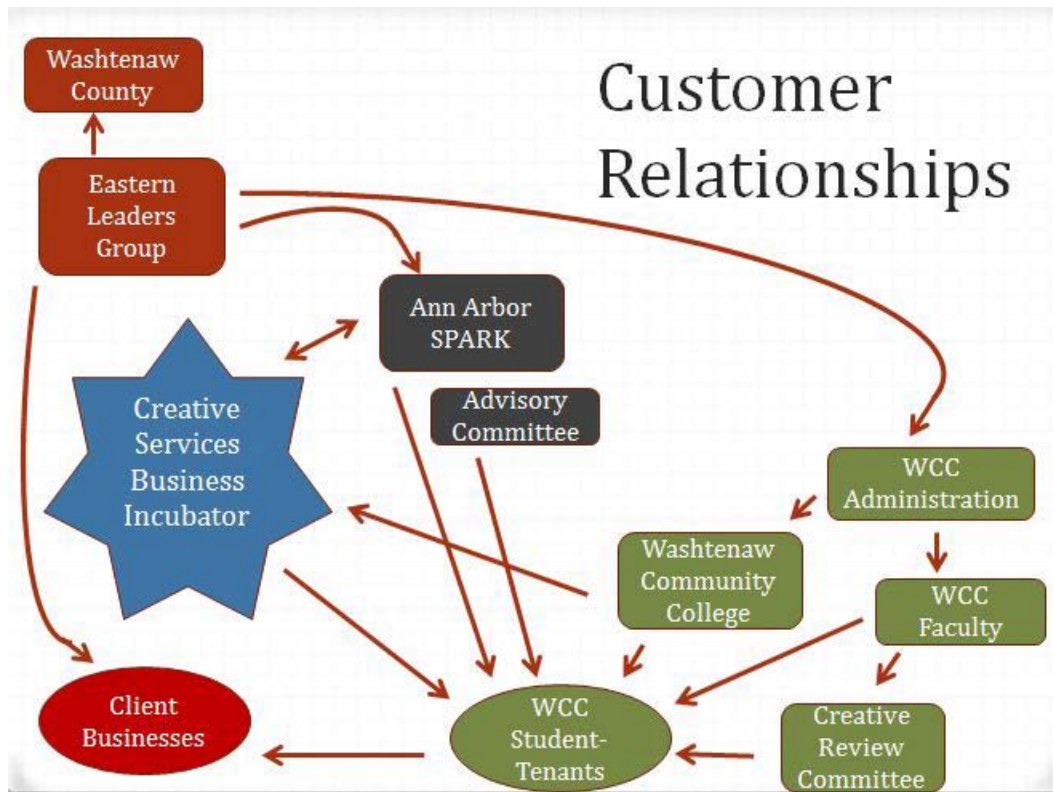
Channels

Three different types of channels need to be examined in developing a solid business model. They are communication, distribution and sales.

The primary means of communication we've used for establishing the partnership is face-to-face meetings. This has sometimes created delays in getting all necessary participants to coordinate schedules; however, it has ensured that all stakeholders have a say as we continue to develop the parameters of the incubator.

As we continue through the implementation, in order to fully support the student-tenants, communication between Ann Arbor SPARK and WCC Administration will need to be regular and intentional. We've discussed having regularly scheduled meetings with the student-tenants, the incubator manager and the project manager so that we can monitor the project and make adjustments as necessary. These meetings will also likely serve as business mentoring meetings.

Communication back to our funders, the Eastern Leaders Group, will also be essential. This may take many forms: informally through interaction among the ELG members, through written updates, or through formal presentations at ELG monthly meetings.

The creative services the student-tenants create for the client businesses will be handled directly between the two groups. Because the end product for the incubator is a service, a complicated distribution model is not needed.

SPARK East will assist the student-tenants in establishing sales channels for their services. During the pilot phase client businesses will come to the incubator through referrals from local business service organizations. These organizations include Ann Arbor SPARK, the Michigan Small Business and Technology Development Center (MI-SBTDC), and SCORE. We want to limit the ways in which client businesses come to the incubator so that their expectations can be set in advance. As the student-tenants become more business savvy we will re-evaluate the need to keep such a tight funnel.

A secondary reason we want a tight funnel in the beginning is because we believe there is a pent-up demand for affordable professional creative services. As discussed elsewhere in this paper the need for creative services among the small business and start-up community is most likely being met by friends and family members who have no specialized training. In my experience with other such projects for new and emerging businesses the initial rush when new services hit the marketplace can be a bit overwhelming.

Revenue Streams

The only revenue being generated is between the client businesses and the student-tenants. At this time we have no plans to charge the student-tenants for the space or services. To provide a better understanding for the reader of the value the student-tenants will receive as tenants of SPARK East see below.

The SPARK East Incubator currently charges tenants $250 per month for the following.
- 1 of 12 available cubicles
- Designated company phone number - VOIP system
- Private T-1 internet connection
- Full kitchen
- Utilities
- Two conference rooms
- Access to copiers, fax machines, conference rooms, and cleaning services
- Dedicated recruiting staff to identify job candidates
- Nearby free parking

Our project is fortunate to have an existing business incubator that has already established how it will sustain itself. If you do not have this option I would encourage you to consider the different business models that currently exist for business incubators. The Michigan Incubator Association and the National Business Incubator Association are good resources for understanding the different business models as well as understanding incubator best practices. You may also wish

to reach out to your local Michigan Small Business Technology Development Center (MI-SBTDC), which has resources for business incubators. As an added resource,

Appendix C Contains the job description for an incubator manager in an academic setting. This was developed for another project, but might help if you are in need of creating an incubator from scratch.

Another note to keep in mind, we are actively approaching this project as a pilot. What this means to us is that one year after operations of the incubator beginning; we will do a full evaluation of the project. Is it meeting the needs of each stakeholder group? Do we have adequate funding to continue? Is the benefit to the client businesses consistent with our intention? Are the student-tenants progressing toward business ownership? We will ask these and many more questions.

Because we are approaching this as a pilot there are some things that we've left intentionally flexible. Although this project has been, and will continue to be, a significant amount of work, we are willing to accept the outcome even if we discover it was not a sustainable idea.

Professionally conducted feasibility studies, such as those done by the University of Michigan Institute for Research on Labor, Employment, and the Economy (http://irlee.umich.edu) also help identify potential revenue streams.

Cost Structure
Through our partnership we are self-funding this project and as a result we have not gone through the effort of putting together a full budget including indirect costs. The Key Partnership and Key Resources sections address the specifics of what each partner brings to the table. We have, however, detailed an equipment list based on recommendations of the faculty. We developed this list for ELG to demonstrate how we intend to spend the $8,000 commitment they've made to the project. The equipment list is based on recent purchases by WCC for our creative suites and represents the minimum amount necessary to set up three incubator work stations, a coding/programming workstation and shared equipment that is required for students to produce professional quality graphic and web services.

Appendix C   Detailed version of the initial equipment list.

However, since its development, we've decided that the most effective way forward is to first decide on the students who will become the student-tenants. Second, we will outfit the incubator to give this particular group of students the best possible opportunity to succeed. Because our target tenants are students or recent graduates there is some expectation that they have some level of equipment (i.e.: laptops, software, etc…). Starting a successful creative business can be difficult. We want to both lower the barrier to entry, and equally important, we want the work produced through the incubator to be effective in helping the client businesses succeed. This project is not geared toward mass consumers. We are targeting specific students who our team believes will be most successful and matching them with specific businesses who we also believe will be successful.

CHALLENGES, LESSONS and INSIGHTS

The biggest challenge that this project has faced up until this point is uncovering the underlying reasons behind why we haven't been able to move faster. Most of this discovery has been uncovered by the project manager, which is me. This paper is really the first synthesis of this information. Most of the challenges have been uncovered throughout the paper as points of explanation for the different stakeholder group. The reader going through the Value Proposition section can see the varied value each stakeholder group stands to gain from participation. It's been my job to figure out how to gather the suggestions from each stakeholder group and incorporate them into the project in a way that meets the needs all stakeholder groups. This process has been a tenuous balance at times which has forced some "time off" from the project to regroup.

For example: At one point our team, during a meeting that included WCC faculty, discussed the requirements for student's participation. It appeared, at least to me, that we all had agreed on a set of requirements. However, when the notes from the meeting were distributed the WCC faculty did not feel that the notes captured what they had agreed to and, further, felt the proposed requirements created undue burden on their students. This was a delicate time. The faculty communicated that they were not willing to continue working on the project under the conditions we had shared. By this time in the project the Eastern Leaders Group had committed funding and the college President was very excited about it. The project was going to move forward and we had to determine how that would work. This specific incident could have caused it to be a project without faculty involvement, which as discussed earlier is less than ideal. It would have been a much weaker project. The pause to sort out what to do next took four months.

What we've learned from this and other such incidents is that we were speaking in much too general of terms to gain full understanding on what we hoped to do. For instance, the following graphic shows general goals outside of the hexagons that everyone can agree on. However, when we start to get deeper (within the hexagons) it becomes less easy to see how all of the goals align.
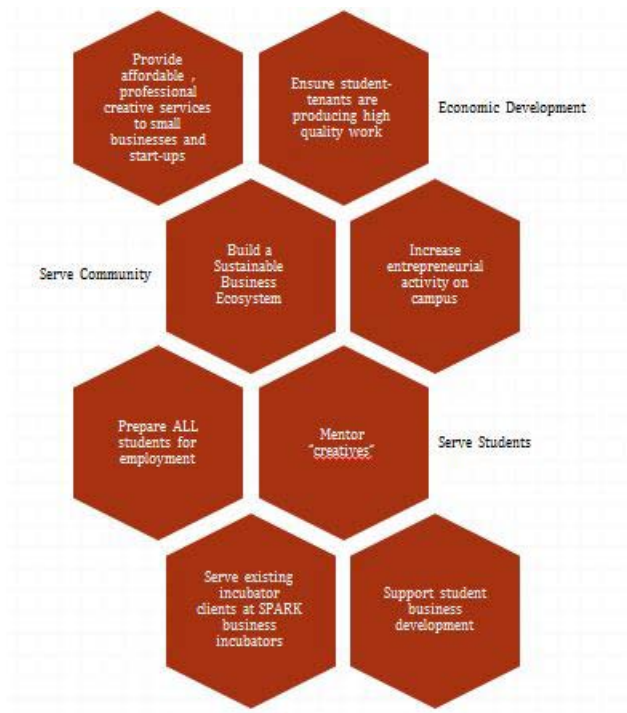
The example above with the WCC faculty is a prime example where not having a full understanding of the specific needs of each group can derail a project. The "decisions" we thought had been made were made to serve the general goals outside the hexagon and didn't meet the specific needs within. In that instance, we were expecting the faculty to respond to the administrations need to "support student business development" and they responded to the need to "prepare ALL students for employment". It is no wonder that the solutions that were proposed for student requirements became an issue. Too many episodes like this can derail the effort completely or result in diluting the impact significantly.

In addition, it was necessary for us to more fully explore how faculty could choose to 'not participate'. While it would have been easy to discount the faculty response as unreasonable, it would not have helped move the project forward. Nor would it provide a better understanding to avoid similar situations for future projects.

1. Members of faculty almost have daily requests to do work outside the classroom. This can come in the form of committees, 'just' giving their opinion, sharing expertise, overseeing co-ops and internships, and special projects like this one. Unless a request comes with a clear explanation of exactly what is being asked in terms of time commitment, material development, and changes to what they're currently doing, etc… it is difficult to agree to participate. All projects are exciting and compelling to the person who is asking for faculty involvement!

2. Many times projects are initiated elsewhere by someone who thinks this will be a great opportunity for the students. Maybe it is. But again, these requests come in regularly AND it is the job of professional faculty members to determine what experiences and opportunities will best prepare their students for employment. If they take on this project

how much time and energy will be taken away from the experiences they've already committed to provide for students.

3. Faculty often has fears that a private agenda exists for projects that they are not aware of. Sometimes the 'private agenda' is as simple as someone else applied for a grant and now we're contractually obligated to produce something – AND faculty involvement is critical. Regardless, the outcome is the same. Refer back to points 1 & 2.

4. It is not uncommon for a business to look at college students as just free or cheap labor. Because of this reality, faculty members are very protective of providing direct access to students by the business community. They want to ensure that the students will be performing work that is important for the business and will help the students move forward professionally. In addition, while the student is not yet a professional, they have received some training. Their time and experience has value and deserves compensation. But when a faculty member places a student in a private business the reputation of that faculty member, the program they teach in and the college as a whole is on the line. To ensure businesses continue to value our students and hire our graduates some level of faculty oversight is necessary, which is again, more time.

5. The primary job of a community college professional faculty member is classroom instruction. Everything outside of that is additional and can potentially take time away from their core role. Some members of faculty work at a community college because they love to teach, which provides little incentive to get involved in activities outside the college.

Another example of how addressing the needs outside the hexagon can affect the outcome of a project goes back to the first meeting between the economic development groups and WCC. The economic development groups did not have a clear understanding of how to engage the community college – more simply put what value the college would derive from such a project. The value proposition presented from the economic development groups was that students would work for free for the opportunity to build their portfolio with real-world work. From the perspective of the faculty, students already leave our programs with a solid portfolio of work, including real-world projects – they even have a Gala every spring to showcase student portfolios. The resulting business model discussed earlier is a big departure from the original project proposed. So, why did WCC agree to move forward?

As it turned out the timing of WCC being approached for this project was very good. WCC business faculty had just completed a redevelopment of the College's Entrepreneurship Certificate. Across the country, community college entrepreneurship programs struggle with low enrollment; WCC's prior program was no exception. This is in part a result of the differences between the academic and the entrepreneurial/economic development worlds. When it comes to how entrepreneurs need to receive information, the traditional college structure has as much appeal to prospective entrepreneurs as the college providing students as free labor has to students – not much. The redesign of the entrepreneurship program was a response to the understanding that WCC has a history of students starting businesses and the college was not currently serving those students (creative students are among them).

During the entrepreneurial program redevelopment WCC faculty sought to understand the reasons why students were not enrolling in the courses at WCC and, maybe more importantly, to

clearly identify who the target market for WCC entrepreneurship courses would be going forward. There were a few things known going into the process: 1) many WCC students come to WCC to learn skills they intend to use to start business; 2) they start businesses in areas like web design, childcare, and cake decorating; 3) students starting businesses in these areas do not take business classes, and; 4) all students starting businesses would benefit from a better understanding of business.

What emerged was a complete redevelopment of the curricula into a more hands-on, activity oriented program geared specifically toward helping start a business – not just go through an academic exercise of what it would be like to start a business - but actually learn by starting a business during the class. The WCC program now provides a path for students exploring skill-based self-employment to transition to small business owners.

WCC is also involved in a federally funded grant with a community college partner in Amman, Jordan. The project is to develop an entrepreneurial ecosystem through several activities at the college, all of which will culminate in a business incubator. As a result of this project five WCC occupational faculty members are co-developing curricular activities with faculty in Jordan that can be used within the occupational-based courses at both colleges. The five WCC faculty members are in the process of determining how to incorporate more entrepreneurial activities on our campus because of their involvement in the grant. One of the five disciplines the grant is focused on is the web. Prior to the Creative Services Business Incubator it was unlikely that WCC would be able to self-fund a business incubator on our campus. Involvement in an incubator with a focus on graphics and web will complement the work the faculty is doing on campus.

Recommendation: Before presenting an idea to a potential partner learn about what they are already doing. Or at least ask during the exploratory meeting. It would have been flattering had the first meeting been about trying to understand the college and how an incubator would fit with the current goals we were already working toward.

THE FUTURE

As stated, we are still currently in the implementation phase for this project. Our goal is to run the pilot phase for at least a year. The project will be watched very closely, especially during the pilot phase; we need to learn from the students what we are doing that is helpful, what we are doing that is causing them extra work without benefit and to understand their ideas of what we are not doing that might be helpful. We need to learn from the faculty if their involvement is too much or too little. We need to learn from the client businesses if the predetermined services are appropriate to their needs. There is so much learning to be done. And as with any new project you cannot have all the answers before you start. During the pilot phase we're proceeding with the following assumptions:
1. Client businesses will be willing to hire students and recent graduates to assist with branding, web development and marketing.
2. Creative students are interested in creating businesses around serving other businesses within an incubator setting.

3. We understand the needs of creative students and will be successful in helping them transition from freelancer to business owner.

As we test these assumptions we will also be identifying areas where adjustments are necessary to accomplish the project goals. As a decision tool to help us with the learning ahead of us, we plan to keep statistics for how many clients the incubator serves, what services are most utilized, and what the impact of working with the incubator has been for the client businesses. It is likely we will also keep statistics on the student-tenants, but those have yet to be developed.

As we continue, our team has made a commitment to be very flexible. While this may be outside the comfort level for some of our partners it is the only way to move forward and allow enough time to really understand each other's needs. We expect that success will follow mutual understanding. We are proceeding with this as our primary expectation, until we learn otherwise.

Appendix A Key Partnerships

Eastern Leaders Group (ELG)

Who they are:

Community-based economic development group including government and quasi-government organizations.

Role within partnership:
This group started the initial exploration for the project and brought it through the feasibility phase.

Activities within partnership:

- Feasibility study
- Funding

Primary Challenges:
Understand the structure and the needs of the academic institutions.

Ann Arbor SPARK

Who they are:
 Independent non-profit economic development group.

Role within partnership:
Member of ELG and currently running business incubators. SPARK will serve as the physical link between the creative student businesses and the business community.

Activities within partnership:
- Incubator space
- Business mentoring
- Business workshops and networking
- Client generation
- Connection to Advisory Committee members
- Tech support for equipment

Primary Challenges:
Time and Capacity: this is one of many projects.

WCC Administration
Who they are:

Key administrators are the Dean and the Dean's Special Project Administrator within the academic division. Beyond that, the college President and the VP for Economic Development are supportive of the project.

Role within partnership:
Provides link between the economic development organizations and the other WCC partners.

Activities within partnership:

- Project management
- Business mentoring support
- Contractual support

Primary Challenges:
Does not have the financial resources or access to client businesses.

WCC Faculty

Who they are:
Instructors in the creative fields of graphics, web programming, web development and technical writing.

Role within partnership:
Provides access to students and helps other stake-holders understand the needs of students.

Activities within partnership:

- Development of equipment list
- Recruit students
- Mentors student-tenants
- Overall project guidance

Primary Challenges:
Time and Capacity: this project includes a small number of students.

WCC Students

Who they are:
Students currently working toward a degree in graphics, web programming, web development and technical writing.

Role within partnership:
Start a creative services business focused on serving small businesses and start-ups.

Activities within partnership:
- Client work
- Progress toward starting a creative services business

Primary Challenges:
 Time: most students are balancing starting a business with school, work, and family obligations.

Advisory Committee

Who they are:
Professionals who own or work in creative services businesses.

Role within partnership:
Provides link to local creative services industry.

Activities within partnership:

- Guidance on establishing service offerings and prices
- Serve as hosts for student-tenants job shadowing

Primary Challenges:
Potential conflict in mentoring future competition for their businesses

Creative Review Committee

Who they are:
Primarily WCC faculty, but may also include members of the Advisory Committee

Role within partnership:
Oversees quality of work

Activities within partnership:
- Monthly reviews of creative work done by students

Primary Challenges:
Allowing students the freedom to succeed or fail

Appendix B Multimedia Student Business Incubator Student Flyer

Creative Services Business Incubator

A joint pilot project of the Eastern Leaders Group, SPARK and Washtenaw Community College

The Multimedia Student Business Incubator is a collection of digital media arts students and recent graduates from WCC who will provide a defined list of creative and web services to client businesses at a discounted fixed rate. At the same time, student incubator tenants will be working toward starting an independent creative services business.

Time Commitments
12-15 hours per week - may vary based on work load

Attend a "How-To" class on starting a business offered by Ann Arbor SPARK, MI-SBTDC or SCORE	http://www.annarborusa.org/ http://www.annarborscore.com/ http://misbtdc.org/

Expectations
Student incubator tenants will be expected to do the following:
- function and conduct themselves as a member of a team
- create a personal development plan to assess what additional resources will be needed to successfully start a business
- meet with clients and complete client work as agreed upon by the contract
- meet monthly with the Creative Review Committee
- meet regularly with SPARK East staff
- attend personal and professional development sessions, as needed, to enhance skills

Benefits
Creative students and recent grads will have the opportunity to experience starting their own business including business development support and a client pipeline that will enable them to build a business within 18 months.

Specific benefits include:	
• Office Space (up to 18 months) • Equipment • Mentoring and Coaching • Networking & Professional Development Opportunities	• Marketing Assistance • Contractual Support • Project Management • Pay for work performed

Admission Criteria
- Currently enrolled or recently graduated WCC Student, majoring in web design, web programming and web development.
- Faculty recommendations indicating technical readiness to professional perform services for pay
- Proof of attendance at a starting a business seminar (SBTDC, SPARK & SCORE)
- Interview to determine readiness to start a business

Appendix C Incubator Manager Job Description

This is a highly responsible position in a fast-paced, entrepreneurial environment, and requires energy, focus, vision, dedication and an ability to juggle multiple priorities.

Qualifications
- Past supervisory experience
- Strong organizational, interpersonal and communication skills
- Willingness to continuously improve professional capabilities and personal knowledge in incubator management
- Experience planning, organizing, promoting, and reporting on events
- Experience starting and operating a business

Key Functions
- Marketing and Outreach
  - Work to develop incubator brand and promote incubator
  - Work with diverse groups including students, businesses, entrepreneurs, major corporations, faculty, college administration, universities, the public and economic development organizations
  - Regularly meet with professional advisory committee
  - Work to develop mentoring relationships between advisory committee members and student companies
  - Develop, promote and report on informational sessions and programs for start-up companies

- Managing
  - Adhere to reporting requirements for the business incubator including preparing required reports and maintaining a comprehensive set of records as required by grants
  - Day-to-day administration of the incubator including preparation and monitoring of the annual budget
  - Assist student and alumni businesses in identifying appropriate resources to achieve their business development milestones
  - Facilitate strategic planning for student and alumni run businesses
  - Provide direct business support to student and alumni run businesses including, business model development, business planning, market analysis, identification of and process to apply for sources of capital , business tax issues, and laws related to employment issues
  - Monitor the progress and milestones of tenant companies
  - Identify and develop programs to assist students in learning and testing business skills
  - Support students and recent alumni in the process of starting and growing a small business

Appendix D Equipment List

	Specs / Notes	Per Unit Price Quote*	Quantity	Total Cost
Apple iMac	2.7 GHz Quad-Core i5 1920 x 1080 resolution 4 GB memory 1 TB hard drive ADM Radeaon HD 6770M with 512 MB	$1,600.00	3	$4,800.00
Apple WiFi iPad 2	16 GB	$500.00	4	$2,000.00
Desktop PC	For web coding and programming. Necessary for browser validation.	$550.00	1	$550.00
Laser Printer / Scanner / Fax Combo	B/W monochrome with Postcript 3 emulation Flatbed scanning capabilities	$550.00	1	$550.00
Laser Print Cartridge Refils	Refils for up to 18 months	$50.00	9	$450.00
Fonts	Adobe Type Basics Open Type Edition	$100.00	4	$400.00
Adobe Creative Suite 6 Design and Web Premium	Includes: Photoshop CS6 Extended, Illustrator CS6, InDesign CS6, Acrobat X Pro, Flash Pro CS6, Dreamweaver CS6 and Fireworks CS6.	$450.00	3	$1,350.00
Visio 2010 Professional		$250.00	4	$1,000.00
Universal Docking workstation	To include universal docking station, monitor, keyboard, and mouse for use with student-owned laptops.	$600.00	2	$1,200.00
Misc. Office Supplies	Paper cutter, mat board, x-acto knives, small light table	$150.00	1	$150.00
Branding for incubator	This includes name, logo, sinage, and business cards for tenants.	$250.00	1	$250.00
Color Printer	ColorQube 8750	$650.00	1	$650.00
Color Print Cartridge Refills		$600.00	4	$2,400.00
Total				$15,750.00

*Please note that some costs are based on institutionally negotiated rates and may vary by purchase.

About REI

The MSU EDA University Center for Regional Economic Innovation (REI) has established a unique new-economic development ecosystem that engages innovative mindsets resulting in new economic development practices that are congruent with the new global and regional economic realities. Through a process of responsive community engagement, strategic partnerships, and collaborative learning REI may result in the best and brightest economic development professionals in the world.

REI Center was established in 2011 with support from the U.S. Department of Commerce, Economic Development Administration in collaboration with the following MSU offices:

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