

INNOVATION AND ENTREPRENEURSHIP IN SUPPORT OF HERITAGE PRESERVATION

A Case Study of the Innovation Underground – Year 1

BACKGROUND

Since 2004, Advent GX has been researching and developing approaches to spur economic growth and job creation in America's rural regions. Advent GX identified gaps, studied best practices and evaluated tools for their potential application to rural settings. By providing access to relevant tools and using approaches that foster innovation and spur entrepreneurship and small business enterprise, Advent GX seeks to remove barriers and set communities on a path to prosperity.

In 2011, Advent GX established the Innovation Underground in Historic Downtown Bryan, TX. A privately owned business incubator, the Innovation Underground is a place for entrepreneurs to grow businesses. We are very deliberately located in the heart of downtown and designed to leverage cultural and heritage assets – including coffee shops, galleries, churches, restaurants – that are a natural draw to the area. Well promoted and supported, these assets become an even greater draw and can form the foundation for a cultural hub which in turn attracts more traditional and tourism business to the area. The result is economic growth and enhanced quality of life.

APPROACH

Advent GX uses a multi-disciplinary approach to support the development of businesses through the Innovation Underground.

Community-Based Entrepreneurship

Location within the heart of the community is essential. So too is a deliberate focus on serving the needs of both entrepreneurs seeking to start a business and freelancers in search of a quiet place to work. Serving both populations creates an ecosystem whereby freelancers feed off start-ups' need for affordable services. Start-ups have access to affordable services, low rent, shared meeting facilities and Advent GX's version of entrepreneurial support systems. Unlike traditional business incubators and small business innovation centers, Advent GX advocates for a more aggressive and experimental brand of start-up employing the following approaches.

Experimental Economics: Using experimental methods to evaluate theoretical predictions of economic behavior, Advent GX encourages entrepreneurs to give their ideas a chance. Rather than expend large amounts of money on complex business plans that are often irrelevant before they are complete, we encourage

entrepreneurs to instead invest in prototype products with which they can test markets and product features.

Behavioral Economics: Understanding the effects of social, cognitive and emotional factors on the economic decisions of individuals and institutions is fundamental to business planning and modeling. Advent GX tools support rapid evaluation of market prices and returns, and serves to support wise allocation of resources through the business and product development process.

Financial Engineering & Business Analytics: This cross-disciplinary field relies on computational intelligence, mathematical finance, numerical methods and computer simulations to make trading, hedging and investment decisions, all the while managing risk. Advent GX provides this support to start-ups to inform both financial models and fundraising decisions.

To encourage sustainable businesses, Advent GX assesses opportunities based on three primary considerations:

- Economic considerations for financial viability
- Ecological considerations for environmental sustainability
- Social considerations for quality of life impacts

Support for Cultural and Heritage Tourism

Tourism development is often considered to offer the best potential for attracting outside investment and generating sales tax revenue in rural communities. Experiential tourism—including heritage, cultural, nature tourism, to name a few—does in fact present a significant opportunity for rural places to expand the economic base and enhance quality of life. But tourism is just a beginning.

The natural attractants that bring visitors to local downtowns also serve to improve the quality of life. Establishing unique shopping experiences, live music venues, quality dining and the arts in a defined downtown district provides a venue for intellectual cultural engagement. The small setting and relatively low population creates a sense of community. Soon the creative class of artists and performers are mingling with engineers, lawyers and other professionals seeking respite after a long day of work.

This experiential lifestyle—typically only available in urban settings—is a key attractant for innovators and entrepreneurs seeking the rural quality of life. The Innovation Underground leverages the natural tourism attractants and provides a catalyst for entrepreneurial initiatives.

OUTCOMES

Advent GX set out to achieve break-even financial status of the Innovation Underground within 6 months. While we've not yet had our official opening, the physical incubation

offices at the Innovation Underground are fully occupied and we achieved break-even operations by month six. In addition to supporting a wide range of start-up activities, the Innovation Underground is home to a number of independent freelance professionals who work in the Creative Space. Start-up members of the Innovation Underground include:

- Rock the Republic
- Kootzin Apps
- Imani-Tumani-Upendo
- Blazing Forge Games
- Rock the Republic
- Beautiful Abilities
- Texas A&M Statistical Services
- Maroon Weekly
- Hog Abatement Management Systems
- Grand Stafford Theater
- TripleStat
- Sideshow Creative

In addition to start-up activities, Advent GX is facilitating the development of community development projects that will add to the financial sustainability of the Innovation Underground and, once established, serve as ready models for replication in other communities. These initiatives include:

- DUFi Distributed Urban Farming Initiative
- SEAD Gallery (Science, Engineering, Art and Design)
- SEAD Academy

CONTACT FOR MORE INFORMATION

There is significant opportunity to extend the Innovation Underground to other communities, enhance the value and reach of the network and generate entrepreneurial activity in more rural places. While no two communities are alike, Advent GX systems for assessing local markets and potential ensure that entrepreneurial centers like the Innovation Underground are developed to fit with local assets, culture and values. Business development tools can then be applied as needed to encourage entrepreneurship and development of vibrant rural communities.

To learn more, visit our web site at iu.AdventGX.com or email JoanQuintana@AdventGX.com