



2018-2023 Strategic Planning Subgroup Submission

Definition of economic development (used by APLU, CICEP, and UEDA):

In higher education, economic development means proactive institutional engagement, with partners and stakeholders, in sustainable growth of the competitive capacities that contribute to the advancement of society through the realization of individual, firm, community, and regional-to global economic and social potential.

Submitted by: Economic Development & Community Partnerships

Date: 6/19/17

Goal: Facilitate and support establishment of the City of Radford and the New River Valley as focal points for business, social, tourism, and cultural activities.

Strategy: Establish and operate a business incubator, Student Venture Lab, to promote new startups. (see proposal below for full details).

The Radford University Student Venture Lab will be the heart of a new entrepreneurship ecosystem that will give students the opportunity to commercialize their ideas and encourage the creation of new business ventures that will promote job creation and economic growth in the region. The strategy will be accomplished through the following sub-strategies, each with specific KPIs.

Sub-strategies and Key Performance Indicators:

1. The Venture Lab is designed to integrate external stakeholders to the RU innovation ecosystem, serve as a vehicle for student, faculty, and stakeholder interaction, and provide a vehicle for economic growth in the region. KPI: # of new businesses created per year.
2. Create, fund, and design systems to operate the Highlander Venture Fund (HVF). The HVF is to take on the identity of an Angel Investor in student ventures. The Fund is envisioned to be managed by the Student Managed Investment Portfolio Organization SMIPO: an award-winning student finance organization. The HVF serves to provide critical start-up funds to vetted student initiatives, while providing SMIPO members experience of making real-life investment decisions. KPI: private investment \$ raised and invested in student ventures per year.

Responsible Party: Student Venture Lab Director (if hired), Innovation Director, Center for Innovation and Analytics (if no person hired)

Timeline: Hire personnel and launch SVL (year 1), track businesses created and private investment (subsequent years)

Budget: \$87,825 (annual operating) \$350,000 (one-time capital) (see proposal below)

The COBE Student Venture Lab

Building Ideas that Matter

The first step in winning the future is encouraging American innovation.

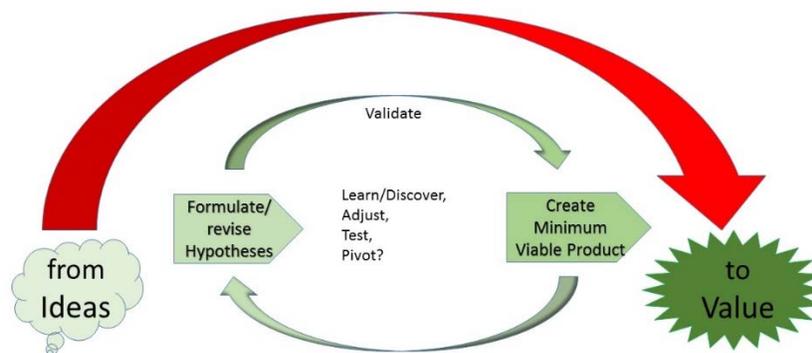
In America, innovation doesn't just change our lives. It is how we make our living.

President Obama, 2011 State of the Union Address

Vision: a bridge between idea and market. The Student Venture Lab (SVL or The Lab), developed and administered by the Center for Innovation and Analytics, will work with students, faculty, and community partners to walk the pathway between idea and organization launch. The Lab serves as a mechanism to integrate Radford University (RU) faculty, staff, and external partners into the RU Entrepreneurship and Innovation ecosystem

The RU Student Venture Lab

Helping build "ideas that matter"



Value for students, stakeholders, and RU community

Rationale: With the increased attention on maker spaces, entrepreneurship curriculum, and innovative activity at Radford University, there is a need to provide a way to discover and grow value in ideas. Currently, many of the entrepreneurship and innovation efforts at RU are not connected to a full overarching ecosystem. This leads to incomplete and unrealized student visions and ideas, a lack of vehicle for the university to interact with external stakeholders, and

an inability for faculty and community members to fully explore innovative projects and share their talents.

Beyond fostering an entrepreneurial ecosystem, the Student Venture Lab is timely in that it aligns with pressures for innovation in higher education. Education experts are calling for more active learning opportunities for students and increased collaboration between traditionally siloed academic units. President Hemphill recognized this in his 2016 Inaugural Address for Radford University when he called for “meaningful conversation[s] regarding delivery models, interdisciplinary programs, and student success in bold and new ways!”¹ An example of this type of thinking can be found in a 2014 *Harvard Business Review* article calling for a Bridging of Health Care’s Innovation-Education Gap.² The authors state “at too many programs, curricula focus on isolated subjects- such as health policy, analytics, and quantitative problem solving- that are taught primarily through lectures and theoretical settings.” The authors’ solutions to accelerate innovation in health care included field projects, mentoring with industry professionals, and team teaching experiences that include an innovator. The SVL and its planned innovation ecosystem is designed to integrate such approaches and would facilitate innovative pedagogy and outreach at RU.

Why is the Center for Innovation and Analytics proposing the Student Venture Lab in the College of Business and Economics (COBE)? Because it fits. COBE’s unique set of faculty skills and experience in innovation and entrepreneurship- coupled with its focus on innovation and analytics- makes it the natural home to such a venture. Further, COBE needs such a center to fulfill its mission and remain viable. According to a 2016 article in AACSB’s BizEd magazine, disruptions in business and business education mean that business schools must adjust traditional practices to be a part of the new “learning environment.”³ Specifically, the AACSB article instructs business schools to:

¹ Hemphill, B.O. (2016, Oct 13). Inaugural Address by President Brian O. Hemphill, Ph.D. Retrieved from <http://www.radford.edu/content/inauguration/home/schedule/inaugural-address.html>.

² Herzlinger, R., Ramaswamy, V.K., & Schulman, K.A. (2014, Nov 11). Bridging health care’s innovation-education gap. **Harvard Business Review**. Retrieved from <https://hbr.org/2014/11/bridging-health-cares-innovation-education-gap>.

³ Iannarelli, J. (2016, May 2). The innovative, connected, nimble business school of tomorrow. **AACSB International**. Retrieved from <http://www.bizedmagazine.com/archives/2016/3/features/the-innovative-connected-nimble-business-school-of-tomorrow>.

- *be catalysts for innovation: drive economic development and support innovation and business creation...They're launching incubators that support and commercialize inventions; they're creating multidisciplinary programs that give students the broad skill sets they need to turn ideas into reality;*
- *be hubs for lifelong learning: Business schools need to position themselves as institutions that will support students throughout their careers;*
- *be co-creators of knowledge: In the future, business school research must be as focused on practice as it is on theory. And schools themselves must reach out to industry to become conveners and partners in knowledge creation, rather than simply being suppliers;*
- *cultivate positions at the intersection of academia and practice: they need to be partners with industry as they co-educate managers, co-create ideas, and co-found new businesses;*
- *measure their success by a different set of metrics. Media rankings that prioritize graduates' salaries will be supplemented by metrics that consider the number of jobs schools help create or the number of new businesses they help launch.*

COBE is well down the path to achieve these AACSB directives. For example, as a “catalyst of innovation,” COBE reached out to academic units in 2006 when it created the Entrepreneurship Task Force. This group included faculty from Information Technology, Nursing, Interior Design, and led to the creation of the Entrepreneurship concentration and minor offered for the first time in the Fall of 2008. As a “co-creator of knowledge,” COBE helped plan, launch, and execute the Interprofessional Graduate Certificate in Gerontology. Finally, to “cultivate positions at the intersection of academia and knowledge,” COBE is currently collaborating with CSAT and CHBS to work on applied projects for Engineering Solutions & Products, LLC (ESP).

While COBE is in a position to achieve the challenges presented by the AACSB, the Lab will help it complete its mission as we work to build innovation (*ideas that matter*) that cross discipline lines. The goal of building *ideas that matter* is possible! For example, the top prize awarded at a 2015 hackathon sponsored by James Madison University went to a student that *coded a working database and a smartphone app to allow the crowdsourcing of health*

*information within a community to follow, for instance, the spread of the flu virus.*⁴ This type of accomplishment is exciting, as it demonstrates what one can accomplish through “data driven” entrepreneurship: a main tenant of the SVL approach to developing ideas. Guided by vetted business development models, such as design thinking and the business model canvas, we will teach students how to determine their information needs so that they can test their business model hypotheses. We will then assist them in conducting experiments and gathering data that can be used to test business model hypotheses. Finally, we will help them pivot their initial ideas, if needed, and retest. Acquiring and interpreting data are core tenants to the data driven innovation ecosystem. Through its ties with the Center for Innovation and Analytics, the SVL is in a unique position to tie both the innovation and analytical approaches into an innovation ecosystem to benefit the RU community.

The students of Radford University need the Student Venture Lab...So do our stakeholders-whether they be alumni wishing to connect or the community in need of economic development...So do our RU faculty and community members.

Operationalization for Student Value: The Lab is designed to counsel students as they formalize, develop, and strengthen innovation efforts. Free of charge to faculty and students, no equity is taken by the Center, College, nor Radford University.

Key Student Benefits

- ✓ Vehicle to practice and extend innovation and entrepreneurship skills;
- ✓ Guidance and instruction on how to test hypotheses. Graduate students, interns, Collegiate Entrepreneurs student organization available to help students in this process;
- ✓ A platform to continue projects developed in entrepreneurship and innovation curriculum;
- ✓ Training and seminars on entrepreneurial topics;
- ✓ A platform to allow like-minded student innovators and entrepreneurs to build a cohort. This will create a competitive environment in which students can strive and thrive;

⁴ Cavagnaro, L.B., & Fasihuddin, H. (2016, Spring). A moonshot approach to change in higher education: Creativity, innovation, and the redesign of academia. Association of American Colleges & Universities, 102(2). Retrieved from <https://www.aacu.org/liberaleducation/2016/spring/cavagnaro>.

- ✓ Micro grant availability...a competitive process which will require a completed proposal, pitch and results presentation. Provides funding to student ventures for research and experimentation. Grant fund set up as a Foundation Account;
- ✓ Access to SVL Faculty Fellows to get direction and feedback on innovation efforts;
- ✓ SVL Mentors to provide advice for vetted projects in the areas of:
 - Analytics
 - Market Research
 - Social Media
 - Legal
 - Financial
 - Accounting
 - Operations
 - etc;
- ✓ Opportunity to have products offered for sale through an envisioned “COBE Main Street” retail shop near Outtakes in Kyle Hall;
- ✓ Creation of an internship for students to provide guidance and assistance to Lab members on their innovation and entrepreneurship projects;
- ✓ Ability to “graduate” ideas to the Roanoke SBDC, based upon a cooperative agreement with that entity.
- ✓ Opportunity to acquire start-up funds through the Highlander Venture Fund
- ✓ Opportunity for vetted ideas to be pitched to investors

Implementation

- Operationalization components lend themselves to external funding support. Friend-raising can be focused on multiple opportunities to include the SVL physical space (each area is fundable); Director endowment; Venture Grant fund development; Highlander Venture Fund, Faculty Fellow program, and more. Workshops and programs offered to the public will lead to revenues that can be used to offset the costs of the SVL program.
- Creation of 3,000 ft² facility in the basement of COBE. Partially completed space already exists behind the walls of the basement and first floor of COBE. According to Mike Biscotte, RU Director of Facilities Planning and Construction, this is the cheapest expansion space on campus.

- The vision of the physical space is industrial: exposed duct work with functional furnishings. The facilities will be designed for work, interaction, and support of student venture testing.
 - Membership will be offered to students that complete an application and demonstrate interest in investigating an innovation concept. Members will have access to the Lab 18 hours/day. This will be possible by eliminating the functionality of the elevator to upper floors and allowing entering members into the adjacent door by utilizing the card swipe that already exists on the outside door next to the basement space.
 - Planned features of the Lab include member lockers; supply wall for parts used to construct product concepts; several computers with multiple monitors for CAD and technical drawing; small “quiet rooms” for private phone conversations; several reservable glass enclosed breakout spaces and meeting rooms; small “pitch room,” office space for Development Lab Director and student staff support.
- An SVL Director will be hired from the COBE faculty. This position is envisioned to be full-time endowed faculty position: SVL Director, Endowed Chair of Entrepreneurship. The Director will be awarded the endowment stipend, and be responsible running the SVL, teaching one course per semester, directing the SVL staff of students, and controlling the SVL budget. The SVL Director will be responsible for organizing resources, maintaining control of the Lab, and exploring outreach goals for the Lab.
 - Work with RU Dining Services to place a shelf in Outtakes where student product ideas can be sold. COBE Main Street will be an opportunity to test student product ideas.
 - Create, fund, and design systems to operate the Highlander Venture Fund (HVF). The HVF is to take on the identity of an Angel Investor in student ventures. The Fund is envisioned to be managed by the Student Managed Investment Portfolio Organization SMIPO: an award-winning student finance organization. The HVF serves to provide critical start-up funds to vetted student initiatives, while providing SMIPO members experience of making real-life investment decisions.
 - Faculty Fellows consortium created with representation from strategic parties across RU Colleges and Departments. Faculty Fellows will be invited by the SVL Director and be

awarded stipend for duties and representation. The Fellows will serve as student recruiters, idea stewards, connectors, and promoters of the SVL and innovation efforts of Radford University.

Operationalization for Stakeholder Value: The Venture Lab is designed to integrate external stakeholders to the RU innovation ecosystem, serve as a vehicle for student, faculty, and stakeholder interaction, and provide a vehicle for economic growth in the region. *Business schools can drive economic development around the world by doing all they can to support innovation and new business creation. That includes contributing to the body of knowledge about the processes, practices, and environments that spark innovation.*⁵

Key Stakeholder Benefits

- ✓ Training and seminars on entrepreneurial topics;
- ✓ SVL Mentoring opportunities for friends of RU and supporters of student education;
- ✓ A catalyst for new product and service innovation launches in our region;
- ✓ Catalyst to keep RU graduates in the New River Valley after graduation as they find support to grow entrepreneurial ventures.

Implementation

- Network and involve local business leaders in the education and development of RU students.
- Build and deepen or relationship with alumni, local business leaders, and regional support centers through use of the SVL Mentor program. This program will connect student entrepreneurs with experts to complete crucial tasks in developing and growing their innovation ideas. Connections will be controlled by the SVL Director, to ensure Mentors are not inundated with requests for assistance. This reduces the chances of our Mentors being over-burdened and acquiring support fatigue.
- Continue and further develop key strategic entrepreneurship relationships and integrate the Lab into the local, regional, and national innovation and entrepreneurship network.

⁵ Iannarelli, J. **BizEd**. Retrieved from <http://www.bizedmagazine.com/archives/2016/3/features/the-innovative-connected-nimble-business-school-of-tomorrow>.

Gaining legitimacy for the program and place in the macro innovation ecosystem is of crucial importance. The SVL Director is to be provided time and resources to participate in regional and greater organizations to support this effort.

- Provide resources to ensure that the SVL Director can appropriately market and brand the center to gain attention and awareness for the Lab. Strong branding increase the status and impact of the Lab.

Operationalization for RU/Faculty Value: The Student Venture Lab and its associated connections will not only give faculty a mechanism to implement their ideas, but also serve as a tool that will connect faculty and stakeholders. In addition, it will help faculty build, hone, and deploy their unique skills sets. The SVL innovation ecosystem will act as a bridge between faculty disciplines, fostering greater collaboration between colleges and departments. With the SVL as its catalyst, RU will truly become a linchpin between the RU campus and its community that fosters creativity, innovation, and entrepreneurial spirit.

Key RU/Faculty Benefits

- ✓ A “draw” for high school, transfer, and continuing education students;
- ✓ An opportunity to retain talented students and reduce transfers, as we will be better able to provide the resources for them to fulfill their learning, development, and career goals;
- ✓ Opportunity, through the SVL Faculty Fellow program, for faculty to interact with innovation efforts on campus and the surrounding community;
- ✓ Competitive pedagogy and research grants for faculty;
- ✓ Create a Summer Camp for Entrepreneurship and Innovation targeting regional high school students;
- ✓ Vehicle to launch for-profit workshops that will bring innovation and entrepreneurship knowledge and skills to a wider audience;
- ✓ Increase the reputation and prestige of the RU brand.

Implementation

- Gain support from COBE and RU leadership;
- Share vision and opportunity with RU friends and supporters;
- Gain resources to fund and begin construction;
- Understand value provided by SVL will be beyond revenue, but also in learning, relationships, and status.

Work to be Done

Completed to Date

- Fall 2016: COBE BB&T Innovation Challenge held. Over 400 students competed.
- Spring 2017: Student Venture Lab “soft opening.” Counsel provided to several student entrepreneurs to help assess the viability of their innovation ideas.

Next Tasks

- Gain support for the Student Venture Lab from RU.
- Acquire initial funding for launch and programmatic efforts.
- Hire an SVL Director.
- Create structure, gain legal status, identify and grow capital fund, and launch the Highlander Venture Fund.
- Announce Lab and open. While Lab construction is completed, initial activities can be held in the space of the existing Center for Innovation and Analytics.
- Build relationships and launch Mentor program.
- Establish and fund initial SVL Fellows and create RFP for faculty-lead workshops.
- Offer Summer 2018 Innovation & Entrepreneurship camp.

Start-Up Costs & Budget (estimate based upon walk-through with Mr. Biscotte)**One-Time Costs**

SVL Construction cost projections

3,000	Square Ft	
	Concrete slab	25,000
	Construction	50,000
	HVAC (finish, move)	50,000
	ADA External Door Adjustment	75,000
	Furniture, fixtures, etc	50,000
	Contingency	<u>100,000</u>

SVL Construction Cost Estimate 350,000.00

Ongoing Costs

SVL Director

	Stipend	15,000
	Course Release (4/yr)	<u>15,000</u>
		30,000

SVL Faculty Fellows (2,500/yr ech) 20,000

Stipend, course release, and Fellows fringe 3,825

SVL Student Grant Funding 10,000

Faculty Grant (workshop, research, etc) 10,000

Promotion 5,000

Travel 5,000

Copier/equip fund 3,000

Supplies 1,000

Yearly Budget Costs 87,825.00

Total Costs**\$ 437,825.00**

Diagram of proposed Student Venture Lab Innovation Ecosystem

