Measuring Entrepreneurial Ecosystems

Growing Entrepreneurial Communities Summit
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May 5, 2016
• Proliferation of programs
• Headline metrics are often vanity metrics

• What do I measure?
• How do I measure it?
• Brad Feld:
  o “I constantly get asked the question “how are we doing” and “how can we measure the success of our startup community.” I’ve never had a particularly good answer to this, especially one that is quantitative.”

• Must be for non-academics
Measuring Entrepreneurial Ecosystems: Our Proposed Framework

• Density
• Fluidity
• Connectivity
• Diversity
Need to Test Framework

- **Density**
  - Entrepreneurial Density
  - Young firm employment share
  - High-tech firm density

- **Connectivity**
  - Program connectivity
  - Spinoff rate
  - Dealmaker network

- **Fluidity**
  - Population flux
  - Labor market reallocation
  - High-growth firms

- **Diversity**
  - Diversity of economic specializations
  - Economic mobility
  - Outsiders (immigrants)

Stangler and Bell-Masterson: Measuring an Entrepreneurial Ecosystem
Other Challenges and Opportunities

- Closer to real-time
- Inputs v. Outputs
- Kitchen Sink
- “Ecosystem Trap”
- Incumbents
- Invisibility

Sources: MIT REAP; Babson Entrepreneurship Project
Thank You
Please Let Us Know Your Thoughts

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