

Request for Proposal: Venture Catalyst Initiative Impact Study

The Oregon Entrepreneurs Network (OEN) is soliciting responses to conduct an impact study of the statewide Venture Catalyst Network in Oregon.

Background

The vision driving the Venture Catalyst Network is to foster regional prosperity through innovation and entrepreneurship. Specifically, the Venture Catalyst Network is designed to *facilitate the identification, support and growth of innovative start-up companies based in Oregon*, and to *help cultivate a robust and thriving statewide entrepreneurial ecosystem*. The Network is made up of staff positions, called Venture Catalysts, created in partnership with local economic development agencies or nonprofits around the state, including Portland West Metro, Central Oregon, Mid-Willamette Valley (since 2019), Rural Lane County (2), and Linn/Benton Counties. The positions have been funded from a combination of statewide foundation grants, state and local governments, and local corporate sponsorship.

Venture Catalysts have three primary responsibilities in their respective regions:

- 1) **Provide Direct Technical Assistance:** provide one-on-one technical assistance to Oregon-based entrepreneurs to assess their needs and offer individual coaching, as well as access to local training and workshops on topics relevant to their needs and stage of business development.
- 2) **Facilitate Connections to Resources:** connect entrepreneurs to appropriate mentors and resources, be they financial, social, human, or operational; offer networking opportunities that create interaction and engagement among all parties in the entrepreneurial ecosystem, including established and aspiring startup teams, investors, service providers, lenders, and other actors.
- 3) **Build Ecosystem Capacity & Culture:** help grow capacity in each region of the state to foster innovation, increase entrepreneurial investment, and capitalize on the job creation, economic development, and community-building potential of entrepreneurship.

These roles tend to vary by region, depending on the unique local needs, resources, stakeholder engagement, and stage of entrepreneurial ecosystem maturity. In regions at the relatively early stages of entrepreneurial ecosystem development, a Venture Catalyst may engage in significant capacity-building and ecosystem-development to cultivate a cohesive community of entrepreneurs, financiers, and partners. In more developed regions, the role of the Venture Catalyst may focus on helping entrepreneurs become investment-ready and facilitating connections to the appropriate sources of capital and service providers appropriate to their stage of growth.

Project Description

This impact assessment is being conducted to:

1. Quantitatively and qualitatively evaluate the impact of the Venture Catalyst Network in achieving its objectives of A) cultivating the launch and growth of innovative, Oregon-based businesses, and B) developing robust regional entrepreneurial ecosystems;

2. Collect data on race and gender demographics of entrepreneurs served and, to the extent possible, evaluate measurement of how well Venture Catalysts are reaching and serving under-represented populations (i.e. women, entrepreneurs of color); and
3. Establish metrics to facilitate impact assessment on an ongoing basis.

This evaluation will engage the stakeholders in the Venture Catalyst Network, including partner agencies, funders, entrepreneurs and other stakeholders, to answer the following questions:

- What are the economic (return on investment) and ecosystem (return on objective) impacts of the Venture Catalyst Network at the statewide and regional levels, and what metrics are best used to evaluate each?
- Does the impact of Venture Catalysts evolve over time? Is there a time sequence for the impact?

Definitions for this project include:

- *Return on Objective* is defined as how well the Venture Catalyst Initiative meets its objective of cultivating a robust and thriving entrepreneurial ecosystem. These measures may be qualitative in nature and include such metrics as, new partnerships among local organizations, perceived value of assistance received by entrepreneurs, perceived utility by city and county funders, increase in community investment in entrepreneurship, and perceived engagement with under-represented entrepreneurs. In addition, the return on objective would include quantitative metrics of number of entrepreneurs served, race and gender demographics of those entrepreneurs, number of new businesses with more than one employee, etc.
- *Return on Investment* refers to measurable economic impact that can be quantified as a result of the Venture Catalyst Network. Such metrics might include new products brought to market, new businesses created, direct and indirect jobs created and retained, growth in company revenues, average wage and wage premium compared to the county and state average, and capital investment attracted or leveraged.
- *Under-represented populations* is defined for this evaluation to mean women and entrepreneurs of color.
- *Innovation-based company* is defined to mean companies whose revenue will not rely on local or in-state customers past the proof of concept stage.
- *Local company* is defined to mean companies designed to serve a local/regional clientele for the life of the business. (Note that starting as a local company does not preclude a founder from pivoting to an innovation-based orientation at a later point in the company's development.)
- *New business* is defined to mean companies launched within the last five (5) years.

Regions to be evaluated include those with an existing Venture Catalyst in operation for at least 12 months. There are five (5), and include: West Portland, Central Oregon, Linn/Benton Counties, Rural Lane County – Florence/Coburg/Creswell, and Rural Lane County – Oakridge/Lowell/Veneta.

Note that there is a Mid-Willamette Valley Venture Catalyst who was hired mid-2019 and therefore will not be included in this evaluation.

PROPOSED SCOPE AND DELIVERABLES

Using a combination of surveys, interviews, review of existing documents, and economic analysis, the consultant will examine regional and statewide impact based on the following considerations.

Part I: Value to Entrepreneurs

Objective: To assess qualitative and quantitative benefits to entrepreneurs and the regional economy.

Questions/issues to be explored:

What evidence is there that entrepreneurs assisted by a Venture Catalyst found value in the service and that the assistance resulted in measurable benefits to launch or grow a new business?

- For entrepreneurs in a concept/idea stage, to what extent did the assistance help them better define their business concept and risks, and connect them to resources the entrepreneur may not have otherwise accessed?
- For entrepreneurs actively starting or growing a business, to what extent did the assistance help the entrepreneur to bring a product to market, access investment capital, build management teams, create jobs, or otherwise enhance and accelerate their business trajectory? How did that assistance compare to other sources of support?

Available resources:

Each Venture Catalyst will provide a list of entrepreneurs serviced in the last year, including contact information and gender/race demographics if available, for the consultant's use in conducting survey and/or qualitative research to evaluate impacts. Also provided to the consultant will be performance metrics tracked by the Venture Catalysts and Oregon Entrepreneurs Network (OEN). Consultants are also encouraged to use economic modeling software to calculate any multiplier effect of the economic impact.

Anticipated deliverable:

A data and impact summary, by region and rolled up at the state level, that highlights the impacts listed below. Ideally the summary would offer insights based on company stage (concept or post-launch) and orientation (innovation-based or local), demographics (presence of woman, minority, or other underserved population in the founding team), and geography.

- Quantitative results summarizing the value contributed to entrepreneurs by Venture Catalysts.
- Direct and indirect economic impacts generated by assisted companies, including jobs created and retained, revenues, wages, wage premium, attracted investment capital.
- Metrics on outreach to and impact of entrepreneurs from under-represented populations.

Part II: Value to the Regional Ecosystem

Objective: To evaluate what role, including spillover effects such as the creation of new seed funds or coworking spaces, the Venture Catalyst plays in building regional capacity and assets, and/or strengthens connections within a regional entrepreneurial ecosystem.

Questions/issues to be explored:

What evidence is there that the Venture Catalyst played a pivotal role in enhancing regional capacity and resources to support innovation and growth of an entrepreneurial ecosystem?

- What outcomes (new programs, new organizations, expanded partnerships, leveraged resources, etc.) resulted from the facilitation or convener role that the Venture Catalyst played?
- What was the spillover or multiplier effect of these new or expanded organizations or programs? For example, how many entrepreneurs did they go on to serve, and what was the impact on jobs, investment capital, revenues, etc.? To what degree did this capacity reach under-represented populations?
- Are underserved populations being reached by the Venture Catalyst in each region?

Available resources:

Venture Catalysts will provide a list of organizations and assets that are a part of their region's entrepreneurial network, including contact names, phone/email information, to facilitate surveys and/or interviews as needed.

Anticipated deliverable:

An impact summary, by region and rolled up at the state level, that highlights the direct and indirect effects of the Venture Catalyst role in facilitating a cohesive regional entrepreneurial ecosystem. Ideally the summary would also offer insights into key differences among regions.

Part III: Developing a protocol for measuring impact on an ongoing basis

Objective: To develop an ongoing evaluation protocol that can be used to assess the impacts of the Venture Catalyst Network by region and overall on a regular basis going forward.

Questions/issues to be explored

- Based on the outputs in Parts I and II, what would the consultants recommend as an ongoing evaluation protocol for the Venture Catalyst Network?

Anticipated deliverable:

A recommended evaluation protocol, including quantitative and qualitative measures for both economic and impact metrics, as well as suggested timing for ongoing evaluation.

TIMELINE AND BUDGET

The project is anticipated to start in late January or early February 2020 with a draft report no later than May 10 and a final report no later than May 31, 2020.

OEN will have a steering committee that will review key findings at a mid-point identified by the consultant as well as review the draft report. All comments on the draft report will be provided to the consultant within 5 working days.

The budget for the project will not exceed \$35,000. If additional budget is anticipated to be required to achieve the objectives of this evaluation, please provide details of the incremental scope and related funding.

SUBMISSION PROCESS

Questions regarding this RFP should be submitted no later than January 10, 2020 to Laura Kubisiak at OEN, Laura@oen.org, with *Venture Catalyst Impact Study* in the subject line.

Proposals should be submitted by January 15, 2020 to Laura Kubisiak.

Proposals shall include the following:

- Qualifications of company and team members who would work on this project. (Maximum of 4 pages)
- Recommended work plan and timing of each phase of the work plan. This should include an outline of proposed quantitative and qualitative research, and any requests for information OEN or the Venture Catalysts not listed in this document. (Maximum of 4 pages)
- Descriptions of three similar projects including a contact person and contact information. (Maximum of 3 pages)
- Proposed uses and allocation of budget. (1 page)

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