

IN Like Flint: How the Innovation Incubator at UM–Flint Fosters Social Entrepreneurship in a City Remaking Itself

Nic Custer
with contributions by
Kimon Criner, Sara McDonnell, and Sherry Hayden

Abstract

This paper focuses on how the University of Michigan–Flint’s Innovation Incubator supports emerging for-profit businesses and nonprofit organizations through programming, business plan development, and ongoing mentorship. The Incubator is especially interested in supporting start-ups that address key social issues in the surrounding community, including economic vitality. This goal aligns with the university’s mission, which emphasizes that engaged citizens can exercise some control over the social, environmental, and economic factors in the larger community.

When people discuss Flint, Michigan, the first thing that comes up probably isn’t innovation, social entrepreneurship, and a growing economic ecosystem, but perhaps it should be. Although the city has been a poster child for rustbelt deindustrialization thanks to films like *Roger and Me* and a consistent top spot as one of Forbes’ Most Miserable Cities in America, Flint is making a slow recovery from a decades’ long recession.

As part of a growing group of economic service providers in the city, the University of Michigan–Flint’s Innovation Incubator (IN) is a gateway to resources available to help entrepreneurs develop, sustain, and grow their businesses and nonprofit organizations.

IN helps students and community members employ entrepreneurial principles to address social issues, including economic vitality. Services include meeting spaces, Wi-Fi, business planning resources, a reference business library, workshops and conferences, mentoring, coaching, and referrals. Qualifying UM–Flint student-owned start-ups are offered office space in the Incubator. The co-working space is open to the public weekdays from 9:00 a.m.–5:00 p.m. All services are offered at no charge.

Currently seven student-owned businesses are housed in the Incubator, while another thirty student and community members take advantage of IN services. For-profit tenants include a technology and software development company, a graphic design firm, a music producer, and a technical writing company. Nonprofit tenants include a theatre

company, a homeless female veteran resource organization, and a micro-grant funder. Together the tenants employ eight people full-time and forty-six people part-time.

Essential to the University of Michigan–Flint’s mission is the belief that engaged citizens can exercise a measure of control over the social, environmental, and economic factors in their community. The Office of University Outreach, which oversees the incubator program, supports this mission by connecting campus and the community to support learning, collaboration, and partnerships.

All projects and programs of the Office of University Outreach are considered against a series of values that exemplify the department’s own mission. These include being in service, building healthy relationships, justice and fairness, community-building, and economic vitality. In terms of the value of economic vitality, University Outreach supports innovation and creativity and fosters a culture of entrepreneurship by working collectively to develop and retain talent that will contribute to a more vibrant local community. While other University Outreach programs focus on social or environmental projects in the community, IN is concerned with this notion of economic vitality and providing opportunities for individuals to rebuild the city’s economic base.

IN remains the only business incubator in Flint focused on supporting social entrepreneurship, innovation, and creativity.

**Breakdown of Employment by Tenant
Nonprofit and For-profit Companies at the IN**

Name	Status	Full-time	Part-time
DV Technical Writing, LLC	For-profit	3	5
Epic Technology Solutions, LLC	For-profit	3	2
Euro Effex	For-profit	0	2
Flint SOUP	Nonprofit	1	7
Moses Music Productions	For-profit	0	5
Our Home Transitional	Nonprofit	0	15
Shop Floor Theatre Company	Nonprofit	1	10

History of the Incubator

The Innovation Incubator is located downtown in a former office building owned by the university. The suite that houses IN was originally the site of the Michigan Small Business and Technology Development Center from 2000 to 2008, when it moved its facilities across town to Kettering University.

In 2008, the Office of University Outreach began the Incubator, which was originally called Launch to help micro-businesses and give local start-ups a “hand up.” In 2009, Launch was renamed the Innovation Incubator to reflect the change in focus to include social entrepreneurship, innovation, and creativity. The program satisfied the need for a gateway on campus for students and the community to receive business resources. It was also seen as a way for the students to better connect to the community and its available entrepreneurial resources.

The nonprofit incubator is funded by annual grants, primarily from the C. S. Mott Foundation. Financial support has also been provided by UM–Flint’s College of Arts and Sciences, School of Management, and Office of the Provost. More than 55 percent of indirect costs are covered by the university including use of the Northbank Center office suites, utilities, phone lines, furniture, conference fees, mentoring costs, and staff time. The provost’s office provides financial support for an outreach staff member to serve as the faculty mentorship coordinator for the Innovation Incubator. The academic units, School of Management, and the College of Arts and Sciences provide financial incentives to their faculty members to serve as mentors to entrepreneurs affiliated with the Innovation Incubator. As it investigates its own long term sustainability, IN is seeking out additional financial support from local and national foundations and philanthropists.

Since 2008, eighteen student-run tenant businesses have graduated out of the program. While some of the entrepreneurs decided not to continue their businesses beyond this point, several others outgrew the available space and continued their ventures elsewhere in Flint and places like Detroit and New York City.

The Changing Face of Flint

Flint, Michigan’s population peaked in the 1960s at approximately 194,000 and has been declining ever since. This decline, along with the associated loss of high-paying manufacturing jobs, has led to many of the social problems facing Flint today. The 2010 census recorded the city’s population at 102,000, and it is assumed the city now has less than 100,000 residents. The average income per household is \$33,029, which is \$35,000 less than the national average of \$69,821 (Houseal Lavigne Associates 2013, 21).

In 2011, the city’s unemployment rate was 25.6 percent and the city’s poverty rate grew to 41.2 percent. Additionally, there were 2,337 violent crimes reported per 100,000 residents in 2012, and more than 1,600 separate structures have been damaged or destroyed by arson fires since 2008.

Despite these factors, the University of Michigan–Flint has seen consistent growth in its student population in the past decade. For the eighth consecutive year, fall enrollment has reached an all-time high. Enrollment for fall 2014 climbed to 8,574 students, an increase from 8,555 students attending in 2013 and 8,289 in 2012 (Schuch 2014). This means that there are now more University of Michigan–Flint students than autoworkers in the city.

Before the 1970s, many Flint residents were able to find high-paying jobs at GM without any need for advanced education beyond a high school diploma. The decline of the city’s automotive industry over the past four decades has precipitated a need for a more educated and broadly skilled workforce. IN offers services to help build up the entrepreneurial skill sets of students and community members so they can positively contribute to local economic vitality.

Social Entrepreneurship

In their book, *Social Entrepreneurship: What Everyone Needs to Know*, David Bornstein and Susan Davis define social entrepreneurship as “a process by which citizens build or transform institutions to advance solutions to social problems such as poverty, illness, illiteracy, environmental destruction, human rights abuse, and corruption, in order to make life better for many” (2010, 1).

This principle is commonly defined in practice by a focus on the “triple bottom line,” which considers not only a company’s responsibility to make profits but also to the social and environmental impact its business practices have. It is seen as a way to “maximize some form of social impact, usually by addressing an urgent need that is being mishandled, overlooked, or ignored by other institutions” (Bornstein and Davis 2010, 30).

The university’s outreach focus on a “sustainable communities” model means that it supports learning, collaboration, and partnerships that emphasize either a social, environmental, or economic connection between campus and community. This departmental mission helps to inform the philosophy of the incubator program and, in particular, its focus on supporting social entrepreneurship and the triple bottom-line concepts.

In the context of the Incubator, many of the businesses that receive coaching already have a social entrepreneurship element in their business idea or are responding to a community need they have identified. The nonprofits served by the Incubator also work to advocate for a social mission. While not all of the business owners would describe themselves as “social entrepreneurs,” many of them demonstrate some level of social responsiveness or benefit in their business model.

How IN Supports Entrepreneurs

Many of the people who visit IN are at a conceptual or early stage in their business and are in need of basic assistance and space to work. The Incubator provides space to

meet and do work, basic business coaching, programming to increase the community's knowledge base, and referrals to other service providers. Those who demonstrate the need for more advanced mentoring can find that within the university's School of Management professors and through outside experts.

These services provide a strong foundation for entrepreneurs to be successful by asking them to be responsible for accessing available resources as well as providing more direct free services such as coaching and mentorship to help them move their organization in the right direction.

The Incubator program doesn't provide grades to its tenant or associate businesses. The amount of educational benefit the individual entrepreneur receives depends on how much work he or she is willing to put into the business. This provides a low stress environment for entrepreneurs to focus on their venture. While some of the businesses end up failing, IN staff encourage clients to look at their failures as "productive failures" and valuable learning experiences for future endeavors. This personal reflection process can help potential serial entrepreneurs be more willing to start a new business after one idea has failed.

There are three staff offices located within the IN co-working space suite. The co-working space also includes a large classroom and lobby area available to the public weekdays from 9:00 a.m.–5:00 p.m. with free Wi-Fi access. This casual drop-in environment allows individuals and teams to utilize a workspace downtown at no charge, unlike other options such as coffee shops and bars that create a barrier to entry for some community members by requiring the purchase of a refreshment or other item in order to use the establishment's Wi-Fi. The co-working space offers flexible seating arrangements that can accommodate groups of up to thirty-two people. Co-working resources available to the public include white boards, a projection screen, a flat screen TV available for Skype, social enterprise periodicals, and a reference library of business planning resource books. There are also mailboxes for tenant and many associate businesses in this main area. Faculty and students meet in the co-working space to plan projects, especially when they involve community stakeholders. Tenants also take advantage of the co-working area and frequently meet clients, funders, and board members in the space.

This Incubator's location in downtown Flint has successfully drawn community members to the campus and allowed university students to link up with a larger segment of non-student entrepreneurs. Faculty are invited to use the co-working space for on-topic classes that involve community engagement, creativity, and innovation. Faculty in education, visual arts, communications, and theatre routinely reserve the space for their classroom use, and often meet clients in the space. University Outreach staff who work with faculty in civic engagement and service-learning courses often offer use of the Incubator for the faculty's classes. Partners of University Outreach who work collaboratively with the community are given preference on use of the space.

There are four shared office suites next door to the co-working space. These offices are provided to student-owned tenant businesses that show a need for the space. The businesses, which are at least half owned by a UM–Flint student, sign a memorandum of understanding (MOU) which serves as a lease agreement for the office space. Depending on the business' needs, the office could be a desk or up to several workstations. This is based on availability of office space overall.

Currently, tenant businesses have realized a total net increase of fifteen full- and part-time employees compared to the previous year. During early 2014, one for-profit tenant business no longer needed the office space and changed status to an associate business. This year, two new businesses were also granted tenant status, one for-profit, and one nonprofit. The IN now boasts seven tenant organizations in total, and at least forty associate businesses.

In addition to physical resources, the Incubator offers a variety of programming each year to help foster a greater degree of entrepreneurship in the community. This includes workshops, conferences, and competitions as well as coaching for business owners.

Students and community members are offered free workshops by the Incubator, which are focused on important aspects of business such as organizational management, creativity, and innovation, and linking profitability, sustainability, and social entrepreneurship. The purpose of these workshops is to provide motivated clients with opportunities to gain additional knowledge that can advance their business or allow them to think about their company differently.

In the past year, IN has provided workshops in tax accounting, grant writing, intellectual property, and social entrepreneurship. Many times these workshops are geared toward the needs and desires of associate and tenant businesses in order to offer them additional business education services. Examples of social entrepreneurship-based workshops include one led by Tom Root, a managing partner in Zingerman's Mail Order and co-founder of Makerworks in Ann Arbor, Michigan. Root discussed his company's triple bottom-line business model. Other similarly purposed workshops have included a showing and discussion of the film, *Extreme by Design*, which documents how a Stanford design class applied design thinking to create products that tackled daily issues and directly benefitted citizens in Bangladesh, Indonesia, and other Third World countries. The Incubator also hosted a session last year with Dr. Robert Buckingham, a visiting professor, who developed eighty-one hospices in seven countries including the first hospice in the United States and a pediatric hospice for children suffering from AIDS. The Incubator demonstrates the value of these business models by allowing successful social entrepreneurs to talk about their work.

In addition to the workshops, IN has held four annual INspire Conferences on Creativity, Innovation, and Social Entrepreneurship. This conference is a way to both showcase local success stories and to also introduce larger ideas about the value of social entrepreneurship, and innovative and creative problem solving to participants. The most recent conference was held in October 2013. The INspire conference is

offered at no cost to students and community members and includes panel discussions and a keynote address. The keynote speaker in 2013 was Professor Michael Gordon from the University of Michigan Ross School of Business and author of *Design Your Life, Change the World: Your Path as a Social Entrepreneur*. The conference also showcased local entrepreneurs, crowdfunding projects, and a panel discussion with representatives from St. Luke's North End Women (N.E.W.) Life Center. The center provides at-risk Flint women with training as seamstresses and offers jobs to women who complete the training program.

As a way to expand opportunities available to its clients, IN has helped promote business competitions locally. The Incubator partnered with Michigan Corps in March 2014 to announce two business plan competitions through the 2014 Social Entrepreneurship Challenge. In addition to the statewide Social Entrepreneurship Challenge, Flint area entrepreneurs had a chance to win more than \$60,000 in prizes and business training. The Drive Flint Prize, Flint's first entrepreneurship prize for social innovation, awarded \$2,500 to one local social entrepreneur as well as an Impact Investment Fellowship, a four-month business training to further develop the entrepreneur's ideas for investment. Several of the Incubator's affiliated businesses who were already pursuing a social entrepreneurship idea were encouraged to enter the competitions.

In 2014, the University of Michigan–Flint School of Management also launched its first annual Business Plan Competition. This competition is open to students who own for-profit businesses. The Innovation Incubator is partnering with event organizers to implement business pitch clinic workshops for competition participants. This will provide individuals with an understanding of the fundamentals of a good pitch as well as act as a sounding board for participants to get feedback on their ideas.

In 2015, the Michigan Economic Development Corporation funded the Green Light Business Model competition, hosted by Spartan Innovations. Finalists pitched their business idea at a local event in Flint in January to win up to \$5,000. The top winner in Flint received automatic entry to a final competition in East Lansing. This final competition provided \$25,000 to the winner. An additional \$50,000 worth of prizes was awarded to other top competitors. The majority of the Innovation Incubator's tenant and associate businesses were unable to qualify for this competition because they needed to be a for-profit business that was incorporated on or after March 31, 2014.

Before IN staff begin to work with a prospective client, the business owner is required to fill out a "Tell Us About Your Bright Idea" pre-interview questionnaire online (which is less than twenty questions long) describing their business and its needs. Staff then review the business idea and schedule an in-person interview with the entrepreneur. Many start-ups need assistance with developing their business plans; the Innovation Incubator generally uses the business model canvas as a way to help them start that process. The canvas allows clients to put down on paper the elements of their business, such as value proposition, market segment, and revenue streams, and visually identify where the holes in their business might be. This technique is particularly useful when working with creativity-based businesses and other non-

business students. During these initial interviews, staff provide recommendations about aspects of the business' strategy that could be improved and refer the entrepreneur to available resources in the community. These resources include business or nonprofit development courses through the Michigan Small Business Development Center and B.E.S.T. (Building Excellence Sustainability Trust) Project. The B.E.S.T. Project is an organization that provides workshops and development courses for nonprofit board members, employees, consultants, and funders. These include fundraising, leadership development, financial management, and technology-related topics.

Some business owners have a social entrepreneurship focus for their start-up idea but don't recognize the potential value in it. As part of the business coaching process, staff members offer insights about how to better market or direct the business towards its social aspect. One example of this is the Gamerz Den, a gaming and social space being developed by a UM-Flint student. The business offers an arcade-style space that also serves as a safe space for less socially adept young people. The business was inspired by the owner's autistic brother who has trouble connecting with other people outside of video games.

Business owners who show a need for ongoing mentorship on specific aspects of the business such as marketing or financial plans can be paired with UM-Flint School of Management faculty. Several of the associate and tenant businesses are receiving more advanced mentoring with faculty about their business to prepare them for the next stage of development.

There are many student groups also involved in learning about entrepreneurial skills and thinking in their extracurricular activities. These student groups include organizations like the Entrepreneurs Society and the Engineering Club. They provide students opportunities to test and create prototypes for student products, services, or business plans. The Innovation Incubator coordinates with the faculty advisors for these student groups and provides support when appropriate.

As part of its outreach and marketing efforts, the Incubator has held Pop IN open houses, which allow students and community members to tour the offices and co-working space while staff members explain the potential services they can offer. These events have helped to attract more associate business clients to the Incubator for assistance on developing their for-profit and nonprofit organizations.

Strengthening the Ecosystem

The Innovation Incubator is also part of an informal countywide network of about seventeen entrepreneurial service providers known as the "eTEAM." The eTEAM, which stands for Entrepreneurship Team, allows nonprofit organizations that provide entrepreneurial support services to share information, referrals, and resources.

The eTEAM is chaired by staff from the Flint and Genesee Chamber of Commerce and the local Michigan Small Business Development Center. Member organizations

include the Flint Area Reinvestment Office, Goodwill Industries, VetBiz Central, Metro Community Development, Mott Community College FabLab, Red Ink Studios, the Local Initiative Support Corporation, Flint Farmers' Market, Kettering University, Baker College, and others.

The network meets monthly and communicates virtually online on a weekly basis to share program information and updates. The greatest value for the Innovation Incubator of belonging to this group is the large referral network it facilitates and coordinates. All eTEAM members are aware of each other's programs and services and regularly refer local entrepreneurs to the appropriate service providers.

This referral network is transitioning from an informal group to a more coordinated network, which includes joint marketing and branding. The first eTEAM marketing document is called the "Flint City Start-Up Guide." This document provides a quick breakdown of where eTEAM members are located and what services they provide to the differing stages and types of businesses. This free and easy to use start-up guide is a way to break down barriers to discovering and accessing services in the Flint entrepreneurial ecosystem.

Two members of the eTEAM, including Flint SOUP, a nonprofit Incubator tenant, have expanded networking opportunities for local entrepreneurs. They have begun offering a pop-up co-working space, which is a temporary makerspace and co-working space at the Flint Farmers' Market that draws entrepreneurs from Ann Arbor, Detroit, and Lansing. Flint SOUP has begun offering bi-weekly innovation and entrepreneurship meet-ups hosted by various eTEAM member organizations.

In addition, the eTEAM organizes an annual event in February called the Jumpstart Conference for local entrepreneurs and start-ups. This event draws business owners, inventors, and aspiring entrepreneurs to learn about the fundamentals of starting and running a business. It also allows for the various service providers to share the benefits of their programs with potential clients. The Innovation Incubator pays conference fees for associate and tenant businesses and UM-Flint students to attend this day long conference each year.

The Incubator held INSPIRED Michigan, a symposium of Michigan business incubators in October 2014. This event allowed participating groups to re-establish a network of entrepreneurial service providers around the state and strengthen relationships. It also gave service providers the opportunity to share working knowledge and best practices including around issues of metrics and benchmarks.

Highlighted Business Case Studies

Between November 2013 and August 2014, the Incubator worked with more than thirty new community and student-owned associate businesses. These ranged from a prospective Jamaican food restaurant and educational video production company to an online mail order clothier and festival organizer. Several of the businesses and

nonprofits affiliated with the Incubator have a socially-conscious element to their business model.

For-Profit Examples

There are a few key for-profit businesses the Incubator has worked with in the past year that deserve to be highlighted for their innovative approaches and social focus.

Charma's Organic Kitchen is an associate business owned by Charma Dompheh, a community member. Her business produces Sassy Green Chips, a healthy snack made from locally grown dehydrated kale and collard greens. She is a retired teacher who wanted to take on the issue of access to healthy food in "food deserts" or places where access to healthy, fresh food is extremely limited. She has been very successful in marketing her products through presentations and offering samples. She has consistently sold out of the Sassy Green Chips, which she sells in \$3 and \$5 snack sizes as an outdoor vendor at the Flint Farmers' Market every Saturday.

She would like to be able to sell her products in local stores around Flint to better address the problem of food deserts and increase the availability of low-cost healthy snacks. She has hired one part-time employee to help with sales. Charma, who is also a certified raw food chef, recently received her retail food license and won the January 2014 Flint SOUP micro-grant competition for her Sassy Green Chips. She has made contacts with urban hoop house farmers in the area to have a year-round supply of kale and collard greens for her business. A hoop house is an unheated greenhouse that allows food to be grown throughout the winter months.

UM-Flint student Stephan McBride's business, **Gamerz Den**, is a video gaming and social space, which he would like to also cater toward creating a safe space for less social and autistic gamers. Although the associate business was inspired by the student's autistic brother, who only felt comfortable socializing with other people around video games, this idea was not evident in the business concept. IN staff were able to show McBride the added benefit of marketing the safe space element of the business during his initial intake interview. As part of the services offered to him, the Innovation Incubator arranged for McBride to be mentored by a School of Management professor as he develops his financial plan. McBride plans to hire several local employees as the business expands. He entered the Drive Flint portion of the 2014 Social Entrepreneurship Challenge, a business plan competition for Michigan start-ups.

Linda Kachelski, **BFA Communication, LLC**, is developing a mobile application that translates English to American Sign Language and vice versa through video relay. The main use of this associate business' application is for general communication as well as 911 emergency services. As she develops her software, she will work with partners at the National Registry of Interpreters for the Deaf and American Sign Language video relay services. Kachelski believes there is a large market for this software. There are approximately 837,000 deaf and hard-of-hearing residents in Michigan alone. She would

like to charge at least a quarter of her users \$15 to download and use the application. This would allow her to cover her costs and help subsidize lower rates for other users.

Another great social venture associated with the Incubator is a company being developed by UM–Flint student **Nick Looney**. The company will work with Habitat for Humanity to build and sell tiny houses, which are roughly defined as less than 200 square-feet. His company plans to hire homeless and at-risk individuals to build the houses and will contribute 10 percent equity in the company to the local Habitat for Humanity for use of their warehouse space and tools. He has completed his first test project, which is a shed built at the Habitat for Humanity warehouse. Looney is in talks with a local architect and construction manager about gaining their involvement in the project.

Moses Music Productions is a tenant business of the Innovation Incubator owned by UM–Flint Business Administration student Aleah Moses. Moses Music provides songwriting and music production services to artists, and commercial jingles to companies for use in advertising. The business was started in May 2012 after Moses attended the Incubator’s workshop series the previous semester. Her clients primarily request pop songs, but the company can create hip hop, rap, R&B, alternative pop, and other types of music. Moses charges a standard overall product cost for the music and a percentage of the ownership rights.

A social aspect of her company’s mission is to specifically inspire girls, who are underrepresented in the music industry, to realize that they can make it as producers and songwriters. She has produced more than fifty songs (full songs and instrumentals) mostly for out-of-state clients, many of whom she connects with online through her self-made website, www.lovesmosesmusic.com. She recently launched Beatphoria.com, which provides original music available for online leasing and licensing. Her Northbank Center studio inside the Incubator’s Creative Suite has served as her primary recording studio since it was renovated to provide soundproofing panels to improve recording quality. Although she originally wanted her company to be picked up by a major record label, she is now leaning toward starting her own independent recording label, MMP Records, in order to maintain more creative control. She also works as a contracted instructor for BangTown Productions, which provides after school music classes for grade school students throughout Flint and Kalamazoo. In addition, she teaches at Hamady High School, Twenty-First Century, and Flint Community Schools. After the Incubator was able to send her to a music industry conference in Los Angeles, Moses began working with a major recording artist and is producing for Flint’s own Jon Connor, who is signed to Aftermath Records, alongside Dr. Dre (CEO of Aftermath records & Beats by Dre audio technology).

Epic Technology Solutions, LLC, began in 2008 by providing application hosting and Internet services for clients. This tenant business was started by brothers Paul and Eric Knific, and Paul’s wife, Ashley, who are all UM–Flint students or alumni. They occupy an office suite at the Incubator and receive mentoring through the program.

One of Epic's more socially minded projects was to develop software and a card system for the Flint Farmers' Market Double-Up Food Bucks program. This program provides an incentive for low-income people to eat more local produce. The software allows vendors to offer up to an additional \$20 per day worth of free Michigan-grown produce for customers using Electronic Benefit Transfer cards (EBT). The Double-Up Food Bucks program has been subsidized by state and federal funds. Today, Epic has expanded operations and is increasing the efficiency of its computers by moving systems from individual dedicated servers to virtualization, which allows for more information to be hosted with less physical space. The company has five employees, and the owners have hired two interns.

NonProfit Examples

In addition to these for-profit companies, there are a number of nonprofit organizations affiliated with the Incubator that seek to solve social and environmental issues in the Flint community.

Shop Floor Theatre Company is a nonprofit organization that creates place-based arts and education programming "with and for people of all ages, experiences and backgrounds." The group is run by Kendrick Jones, a UM-Flint graduate student and lecturer. This organization's focus includes underserved and underrepresented communities in the Flint area. Shop Floor was formed, after the success of the 2011 play, *Embers: The Flint Fires Verbatim Theatre Project*. This play was constructed in a verbatim style from interviews with community members, firefighters, and government officials about Flint's rash of several hundred arsons in 2010. Shortly after this project, the group was awarded a \$46,000 grant by the Ruth Mott Foundation. The company joined the Incubator as a tenant business in August 2012 and is headquartered in an Incubator office suite. Their next project was *State of Emergency*, which was a similarly constructed and performed verbatim play about Flint's fiscal emergency and takeover by the state of Michigan.

In addition, Shop Floor began working directly with underserved communities in the Flint area and training college-aged artists through an apprenticeship program. Shop Floor's yearlong Apprentice Artist program included an in-school residency teaching ninety students at Beecher Ninth Grade Academy. The Beecher school district is located in a low-income community, north of Flint city limits. The struggling district had its arts programming cut in an attempt to reduce costs and stay out of state receivership. The apprentice artists brought poetry, theatre, and dance workshops to the freshman classrooms, which culminated in a student performance of their original work at the end of the school year in a neighboring school district. The company was awarded a \$58,000 grant from the Ruth Mott Foundation as well as funding from the Community Foundation of Greater Flint for its current 2014–2015 season. Shop Floor subsequently hired more college-aged artists and partnered with New York City-based the Groovy Projects to provide anti-bullying assemblies to Beecher's elementary and middle school students and work with high school students to create their own music video. There is one full-time employee and ten part-time contractors currently including writers, actors,

musicians, and a choreographer. Shop Floor also raises funds outside of grants through speaking engagements, university performances, and other services.

Another tenant business of the Incubator, **Flint SOUP** is run by recent UM–Flint graduate, Adrian Montague. This group holds monthly micro-funding competitions to support various community projects. The organization, which is modeled after Detroit SOUP, charges audience members a \$5 fee to attend the event. Participants receive a light meal of soup and bread and then hear three or four pitches for community projects or small businesses. The audience votes on which idea they want to support the most. The winning idea receives all of the door money collected throughout the evening.

By the time Flint SOUP joined the Incubator in May 2014, it had already hosted about eighteen months of competitions in the Flint area. Flint SOUP has generated \$2,000 in individual donations, \$30,000 from corporations, and 300 volunteer hours from members of the public since entering the Incubator. Flint SOUP fulfills a social role by supporting projects that benefit the city of Flint but might not be formally structured or large enough to seek out grant or private funding. It also allows local people to have a choice of what their money supports. In addition to these values, the soup event brings together a wide segment of the community who might not otherwise be in the same room together or aware of each other's work.

Our Home Transitional was founded by Carrie Miller, a UM–Flint student. Her nonprofit organization provides female veterans with housing assistance and connects them with social services including job training. Our Home is a tenant business at the Incubator and has received mentoring support from School of Management professors. Miller has enlisted a board of directors that includes several veterans and influential community members, including a team of grant writer volunteers.

Our Home Transitional is in the process of purchasing a three-story, ten-bedroom house north of campus. Miller and her board are working to raise \$50,000 to purchase the home. Our Home is working directly with the Detroit Veterans Administration on the project. The group received a one-story, two-bedroom house as an initial project and made plans for occupancy in November 2014. Miller said once one home is fully operational, large funders will be more apt to donate to the nonprofit. Our Home Transitional recently has partnered with Single Veteran Mothers Assistance Program and Of Impact, LLC, two other Veteran Service Organizations. The three groups have opened an extension office to provide more outreach services as well as financial management workshops at no cost to veterans. Our Home Transitional also entered the Michigan Corps Flint Social Entrepreneurship Challenge for 2014.

Collecting Metrics/Evaluation of Program

In 2013, staff researched best practices of other incubators across the country to identify the most effective categories and methods of gathering data on the program. New methods were identified to better gauge the success of IN's clients.

Four primary areas of data are currently the sources for information gathered about Incubator clients: workshop and conference registrations, “Tell Us About Your Bright Idea” pre-interview questionnaires, walk-in questionnaires, and routine updates of student-owned tenant businesses. The purpose of each questionnaire varies slightly, not all registrants have or need business assistance, and tenants are held to a higher level of reporting than others. A core group of questions was determined necessary across the various programming, and the means of collection has been reviewed for standardization. The “Tell Us About Your Bright Idea” pre-interview questionnaire has been updated to ask that entrepreneurs better define their target customers as well as how their business will directly serve the community.

The MOU form for tenant businesses to lease office space has undergone changes during the last year. As part of the requirements for retaining the office space, business owners must participate in biannual meetings with IN staff to discuss their business’ progress as well as attend specific workshops and training sessions.

Each tenant business owner is expected to attend at least half of the workshops offered by the Innovation Incubator each year and must participate in at least two of the following development opportunities: business training through the Michigan Small Business Development Center, networking events at the Flint and Genesee Chamber of Commerce, industry conferences, B.E.S.T. project training, or business mentoring through School of Management faculty. Also each tenant business has to submit a written self-evaluation report about operations and updated financial information. This includes what projects they are working on, if they have hired new staff, needs to maintain business operations, whether revenue has changed in the previous year, financial needs and financial statements including a balance sheet, statement of income, and expenses and budget projections.

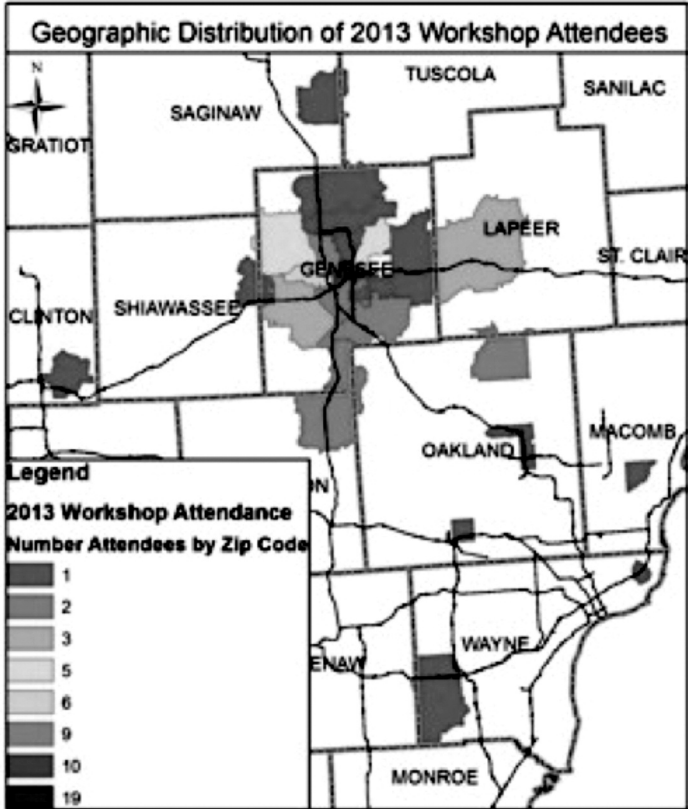
Questions involving short- and long-term organizational goals have been added to the self-evaluation in order to determine how the Incubator can best assist businesses and nonprofits as they move forward. Also businesses are specifically asked how many full- and part-time employees each business claims instead of generally how many people does it employ (with no distinction between full- and part-time employment.)

Staff have included a question that requires tenants to consider potential criteria for their business’ graduation from the IN. Tenant businesses are eligible to graduate out of the program if they have experienced sufficient growth to require more floor space than is available at the Incubator, if the business has shown a quarterly profit greater than the quarterly value of the office space, if the principal owner has graduated from University of Michigan–Flint more than one year earlier, or if they no longer need the services offered by the Incubator. Tenants may also graduate earlier than this if the company is acquired by another firm or legal entity.

This collected data is used in monthly reporting to the campus including the University Outreach faculty advisory board and in the yearly University Outreach annual report, as well as the yearly grant report to funders. The data is used in narratives about the

program through the University Outreach blog and website and in other marketing methods. Results are used to refine the services offered by the Incubator.

At each workshop and conference session, participants submit evaluations of the event. These evaluate course content, instructional materials and methods, administration, the course leader’s presentation, the venue’s appropriateness, whether a participant would recommend the course to peers, weaknesses of the course, suggestions for improvement, other courses the individual would like to suggest for future sessions, what the participant plans to do with gained knowledge and skills, whether it will make a difference in her work, how she learned



about the event, and any additional comments. The data and comments are used in reports to funders, in reports to campus, and to shape and refine the services offered by the Incubator to best fit its clients’ needs.

Strategic Planning

The Innovation Incubator has been performing ongoing strategic planning this year to better identify how it can positively contribute to the growing entrepreneurial ecosystem in Flint and how it can best serve its clients’ changing needs. Staff have engaged in a series of discussions about the future direction of the Incubator and have decided to offer more resources to local entrepreneurs on its website so that the potential client can begin researching next steps before the first meeting with Innovation Incubator staff. The Incubator is also investigating offering intake interviews online over Skype with potential clients that cannot make it downtown to discuss their business. This would expand the reach of the Incubator to a wider swath of Flint and Genesee County.

In addition, the Incubator is planning to pilot a start-up business boot camp in 2015 as a way to build up a cohort of local entrepreneurs. This multiple-week program would

meet once a week to discuss business concepts including the triple bottom line, working with the business model canvas, banking and financing, legal structures for corporations, and a pitch clinic.

Conclusion

Over the past year, IN has increased its efforts to better serve entrepreneurs on campus and in the community. Increased data gathering and establishment of new metrics have allowed staff members to take a critical look at how they are supporting businesses' growth and how they can improve services.

The Incubator has maintained a strong programming focus around social entrepreneurship and related concepts and has seen an increase in the number of social entrepreneurship and community-driven ventures applying to receive services in the past year.

The Incubator is attempting to further reduce barriers to entry through working with community partners like the eTEAM to create new marketing materials and by hosting open houses and other events to increase awareness and use of the co-working space.

Staff expect that continued efforts to promote social entrepreneurship through workshops and conferences and encouraging socially-conscious elements in individual business models will assist clients in exercising some influence over the social, environmental, and economic factors in the larger community.

References

Bornstein, David, and Susan Davis. 2010. *Social Entrepreneurship: What Everyone Needs to Know*. New York: Oxford.

Houseal Lavigne Associates. 2013. *Imagine Flint Master Plan for a Sustainable Flint*. Flint: Houseal Lavigne Associates.

Schuch, Sarah. 2014. "University of Michigan–Flint Hits Record-Breaking Enrollment for Eighth Consecutive Year." *MLive/The Flint Journal*, September 18. http://www.mlive.com/news/flint/index.ssf/2014/09/university_of_michigan-Flint_h_18.html.

Author Information

Nic Custer is a program assistant for University of Michigan–Flint’s Innovation Incubator. A Flint native, he has worked as a journalist, editor, and business coach, and creates marketing and communications materials for the Office of University Outreach.

Nic Custer
Innovation Incubator
Office of University Outreach
University of Michigan- Flint
432 N. Saginaw St., Suite 207
Flint, MI 48503
E-mail: ncuster@umflint.edu
Telephone: 810-424-5454