



RESEARCH REPORT

Forward Cities: Mobilizing Local Action for Inclusive Entrepreneurship

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Executive Summary

Forward Cities is a cross-city learning collaborative that fosters inclusive innovation and entrepreneurial development in Cleveland, Detroit, Durham, and New Orleans. The initiative started in June 2014 and will run through June 2016. Using participant interviews and various other sources, this report assesses the early progress and influence of Forward Cities in the four cities through September 2015 and recommends how to improve the initiative. Based on Forward Cities' experiences to date, it also offers lessons for other cross-city efforts seeking to strengthen local entrepreneurial ecosystems.

A Forward Cities Innovation Council leads activities in each of the four cities. This group is made up of volunteer entrepreneurs, funders, corporate leaders, and representatives from economic development and business support organizations. Council members contribute a wide range of time to the initiative, from 1 to 30 hours a month. In general, those whose day jobs align most closely with Forward Cities are committing the most time and resources to the initiative.

For the first stage of the two-year initiative, Innovation Council members identified neighborhoods or corridors where they would identify new ways to direct and coordinate resources in order to increase entrepreneurial and small business activity and connectivity. These selected areas were all located in underserved areas with potential for entrepreneurial growth and small business development.

Forward Cities has expanded community interest in advancing entrepreneurship for minority owners and underserved neighborhoods. It also has brought a broader group to the table than the players usually involved in "inclusive innovation" discussions. Some organizations that have been working city- or region-wide now consider strategies tailored for individual neighborhoods. In a few cases, Forward Cities has facilitated access to new grants or heightened visibility with donors for council members' own programs.

Forward Cities' local activities and cross-site convenings have also shifted how participants relate to one another. Local council members report that although they were generally aware of each other before, they did not interact frequently or were less familiar with each other's services. Councils are described as "coordinating tables" that offer the opportunity for different sectors to come together. The members interviewed are optimistic that the improved connections and relationships within their city will continue after the initiative ends in June 2016.

Convenings are the primary driver of cross-city learning in Forward Cities, with the first held in December 2014 in New Orleans and the second in June 2015 in Detroit. Most participants made a connection with someone from another city during the events. Council members described being energized and inspired and bringing a few concrete ideas back to their city. Several council members mentioned that they would be comfortable calling on council members in other cities if a specific need arose. However, as of September 2015, very little cross-city interaction happened between convenings.

Representatives from the Innovation Councils came to Durham for the third Forward Cities convening in December 2015, and will gather for a final time in Cleveland in June 2016. The Councils are moving into a critical stage: identifying and developing the activities and interventions for their focus neighborhoods or corridors. Establishing a common understanding in each city about concrete, realistic goals for the remainder of initiative will help focus the council's efforts and set up mutual accountability. While all networks face challenges sustaining interaction between convenings, more opportunities for cross-city exchange of local progress and resources would further Forward Cities goals.

Forward Cities is over halfway through its course, and the four participating cities are making initial steps toward achieving the intended final outcomes. Innovation Council members gave mixed responses on whether they would or should continue to meet formally past June 2016. Almost everyone interviewed says the activities started under the auspices of Forward Cities will continue, but some believe it will be carried out in a different format. Another round of research at the completion of the initiative would reveal whether the councils are able to leverage the stronger relationships to launch concrete actions in the focus neighborhoods. In addition, broader dissemination of local council activities would help other communities across the country that are interested in promoting inclusive entrepreneurship to enhance local economies and advance the cause of equity.

Introduction

Entrepreneurship and small business ownership has gained prominence among many national policy experts and community leaders and is an important driver of local economies. Firms with fewer than 20 employees accounted for nearly 90 percent of all businesses in 2011.¹ And businesses with 500 or fewer employees contribute about half the US economy's gross domestic product (Kobe 2012).

Several frameworks describe how environmental factors can nurture entrepreneurship and innovation.² Success for a new enterprise requires many supportive elements, including concrete inputs like access to investment capital or donor funding and resources like space and talent. Relationships with peers, funders, mentors, and potential business partners also are critical to helping emerging enterprises launch, stabilize, and grow. More broadly, local and regional economic and community development policies can facilitate or hinder the progress of local entrepreneurs.

A local talent pipeline helps supply and retain entrepreneurs across economic sectors. Entrepreneurship is increasingly being integrated in school curricula, from elementary grades up to the university level. Similarly, the more visibility a local entrepreneurial ecosystem has through story-telling and media coverage, the more talent, capital, and policy resources it attracts—creating a virtuous cycle.

Local entrepreneurial environments need to be not only supportive but also accessible to a diversity of entrepreneurs. Minority entrepreneurs and small businesses tend to have less access and fewer connections to the support systems they need, part of the reason minorities are far less likely to start their own businesses. For example, African Americans make up 13 percent of the US population but account for only 9.4 percent of all small business owners and less than 1 percent of gross receipts (MBDA 2015). On average, minority households also have less personal wealth to start a business. In 2010 the average wealth in white families was \$632,000 compared with \$98,000 for black families and \$110,000 for Hispanic families (McKernan et al. 2013).

To address the gaps in support for minority entrepreneurs, Christopher Gergen, CEO of Forward Impact and an innovation and entrepreneurship fellow at Duke University, and Denise M. Byrne, executive director and a founding board member of Friends of New Orleans, created Forward Cities, a national learning collaborative. Forward Cities brings together four cities to accelerate, connect, and concentrate local work toward more inclusive innovation and entrepreneurial development. Designed and launched as a pilot in Cleveland, Detroit, Durham, and New Orleans, this initiative brings together key players in a city's entrepreneurial ecosystem to figure out how to unlock the potential of minority entrepreneurs and small business owners. The initiative started in June 2014 and will run through June 2016.

This report is intended to help Forward Cities national staff and local stakeholders, as well as others planning cross-city efforts, mobilize local leadership for community action and economic development. The following sections document the goals and progress of Forward Cities as of September 2015, summarize the early outcomes, and suggest implications for the initiative going forward.

Forward Cities Overview

Forward Cities focuses on fostering both inclusive innovation and entrepreneurial development, particularly in traditionally underserved neighborhoods. For this collaborative, innovation is the development of new and improved strategies, and it can take place in emerging or existing enterprises. An entrepreneur is a person who organizes and manages any enterprise that translates an innovative idea or invention into a good or service that creates value for which customers will pay. This definition applies to individuals, small businesses, and nonprofit organizations.

Goals and Theory of Change

Forward Cities is designed specifically to

- identify ways to develop and support more business entrepreneurs and social innovators living or working in low-income communities of color in addition to ensuring a vibrant pipeline for the next generation of local entrepreneurs;
- figure out best strategies for harnessing the talent and creativity of local entrepreneurial ecosystems to address critical issues in cities' most distressed communities;
- strengthen existing networks and accelerate entrepreneurial activity within participating cities and their surrounding areas;
- foster best-practice sharing, relationship building, and entrepreneurial activity among participating cities and their surrounding areas; and
- serve as a dynamic knowledge resource for others looking to expand their entrepreneurial ecosystems.³

Figure 1 illustrates how the program founders envisioned stronger local relationships would lead to improved economic and social outcomes.

FIGURE 1

Forward Cities Theory of Change

National learning collaborative's intended outcomes

	Short term	→	Medium term	→	Long term
Within collaborative cities	Increased networks, cross-sector relationships, and local engagement		Increased individual and organizational social capital		Increased new enterprise activity or growth
				↔	Financial investment
					↕
Between collaborative cities	Networks across collaborative cities; shared learning		Increased cross-city social capital		Cross-city collaboration between entrepreneurs
					Cross-city investment opportunities
Among "new" cities	Increased knowledge		Increased engagement		Increased action
					Collaborative participation
					Economic and social impact

Source: Forward Cities National Learning Collaborative Proposal, January 2014.

Improving the connections to entrepreneurial supports for all neighborhoods is an ambitious, long-term process. To carve out a realistic scope of work, Forward Cities asked local participants to choose one or more neighborhoods or corridors where they would identify new ways to direct and coordinate resources in order to increase inclusive innovation and entrepreneurship. The neighborhoods selected in all four cities were in underserved areas with potential for entrepreneurial growth and small business development. The hope is to eventually create enduring social and economic impact in the chosen areas and provide a model for other neighborhoods.

Staffing

Forward Cities involves limited national staff time. Friends of New Orleans is the lead organization, and Denise Byrne, as executive director, is responsible for project management, implementation, and fundraising. Christopher Gergen leads the learning, communications, research, and leadership development activities. To supplement its lean staffing model, Forward Cities partners with national organizations, including the Urban Institute for research support. In addition, the Aspen Institute and its Center for Urban Innovation help moderate the convenings and provide expertise on, and advocate for,

policies that promote inclusive innovation and entrepreneurial ecosystems. Forward Cities also contracts with a research partner in each city to provide data and research that inform the decisions and support the efforts of Innovation Councils.

Issue Media Group developed the web platform and content, including information about the partners and donors. The website also features a regularly updated blog where information from each city can be disseminated. The blog entries describe individual entrepreneurs, promising local programs, neighborhoods where councils are working, and perspectives from donors. Since the website launched in December 2014, it has received 16,700 site visits by 12,500 unique users. Issue Media Group also launched @ForwardCities on Twitter, which has about 450 followers to date.

Innovation Councils and Local Context

At the start of Forward Cities, the national staff collaborated with local stakeholders to establish Innovation Councils in each city, averaging about 35 people each and led by cochairs. The volunteer members of these Innovation Councils represent key players in the city's entrepreneurial ecosystem, such as entrepreneurs, funders, corporate leaders, education leaders, and representatives from economic development and business support organizations.

Most local work is led and carried out by these council members, who are invested in the success of Forward Cities. Innovation Councils and their local research partners are asked to meet approximately once a month during the initiative. Each Innovation Council also selects a team of six members that attend cross-city convenings at Forward Cities' expense. The role of these team members is evolving as the local work progresses; they generally serve as a coordinating committee for the council's activities.

The Innovation Councils are implementing the Forward Cities activities within their local institutional and economic context.⁴ The paragraphs below describe background characteristics and the Forward Cities efforts in each city.

- In **Cleveland**, a number of established organizations support entrepreneurship across the region, including youth programs and several others with a high-technology emphasis that are already networked. The region has a strong local philanthropic sector, including the Burton D. Morgan Foundation, which is solely devoted to “champion the entrepreneurial spirit.” Two Forward Cities donors, a local foundation executive and a business leader, chair the Innovation Council. The four selected neighborhoods (Opportunity Corridor, the East 55th Food Corridor,

West 25th Street Corridor, and the East 93rd Street Corridor) each have their own subcommittee that meets regularly. The local research partner is the Center for Economic Development at Cleveland State University.

- In **Detroit**, the entrepreneurial system was already loosely connected before Forward Cities, partly by the collaboration that created BizGrid,⁵ an interactive online directory that helps Detroit entrepreneurs navigate the landscape of organizations providing business assistance. The region benefits from the New Economy Initiative (NEI), a collaborative project funded by 12 local and national funders that works to build a support network for entrepreneurs and small businesses. Detroit's Innovation Council is currently led by five entrepreneurs and entrepreneur support professionals. In September 2015, the council chose the Northend/New Center District as its focus area. Data Driven Detroit is the local research partner.
- **Durham** has many programs supporting entrepreneurs through the public, nonprofit, and academic sectors, but they were not formally coordinated or collectively focused on minority entrepreneurial development before Forward Cities. A community organizer and community development executive lead the city's Innovation Council. The council chose the Angier-Driver corridor in East Durham and created a subcommittee to engage neighborhood businesses and residents in the efforts to accelerate local minority enterprise development and ownership. The local research partner is the City of Durham's Neighborhood Compass Program.
- **New Orleans** experienced a resurgence of entrepreneurship after Hurricane Katrina that helped rebuild the city. Several successful programs support innovation across sectors, from food to biotech, but these programs operate without a formal network. Two prominent business leaders, heads of a successful business and a business incubator, chair the city's Innovation Council. The council chose a contingent set of corridors through the Seventh and Eighth Wards, north of the French Quarter. A geographer, author, and local professor from Tulane University provides data and analytic support.

Convenings

Convenings play a major role in the Forward Cities design. They rotate among the participating cities and consist of three days of topical panels, tours, and formal networking.⁶ Convenings were held in New Orleans in December 2014 and Detroit in June 2015, and the final two will be hosted by Durham and Cleveland. Forward Cities convenings foster relationships among the participants and allow them to

share strategies, lessons learned, and best practices that they can bring back to their respective cities. As one Cleveland donor wrote: “The richness and impact of this experience is unparalleled....Horizons are expanded, problems are viewed from unusual angles, ideas are blended, friendships are forged, and challenges unstuck. This magic occurs because many people from different cities, backgrounds, and types of organizations come together to listen, share, and most of all, understand.”⁷

A main role of the Innovation Councils is to help organize and execute the convening in their city. In the months before hosting a convening, council members are expected to plan the programming with the national Forward Cities staff. This planning includes identifying speakers for panels and selecting neighborhoods and demonstration projects that highlight local efforts to support entrepreneurship. As one Detroit Forward Cities’ member stated: “The Detroit convening was our opportunity to show we are more than just the Motor City. I was excited to share not only our great entrepreneurial ecosystem, but also the true Detroit, one Detroit (downtown, Midtown, and neighborhoods matter equally).”⁸

All council members are invited to attend all convenings. The six participants from each city that attend at Forward Cities’ expense are charged with bringing back lessons to the rest of the council. These six individuals also are eligible to participate in a private leadership session led by either Peter A. Reiling, executive vice president for leadership programs at the Aspen Institute, or Christopher Gergen. This closed-door session strengthens the fellowship among cities’ Innovation Council members.

The New Orleans convening was the first opportunity for local council members to meet their counterparts in other cities. During the convening, the initiative staff presented the goals of Forward Cities and discussed their expectations for local councils. Panel topics included education reform, urban farming, the biotech sector, and strategies for developing low-income and minority entrepreneurs. Tour guides led participants through innovative charter schools and showed them green buildings as tools of blight removal.

In Detroit, the three-day convening took place over 30 hours. Approximately 50 percent of the time was spent touring the city and learning about neighborhoods and local inclusive innovation work; attendees toured Detroit’s incubators and walked through southwest Detroit to visit a Latino bakery and other small businesses. About 25 percent of the convening time was dedicated to topical panels, covering subjects like food entrepreneurship, working with women entrepreneurs, and teaching entrepreneurship in public schools. Fifteen percent of the time was dedicated to keynotes and interviews, including one with Detroit’s director of urban planning and development and another with the president and CEO of Rock Ventures. The remaining 10 percent of the convening time was set aside for open networking.

Data and Methods

To assess the early progress and influence in the four participating cities, Urban Institute researchers relied on Forward Cities documents, local meeting minutes, informal conversations with Forward Cities staff, and researcher observations and participant evaluations of the convenings. In addition, researchers conducted 24 in-depth interviews in August and September 2015 with six members of the Innovation Council in each city, including the council chairs. In consultation with Forward Cities’ staff and the local research partners, the researchers selected interviewees who were knowledgeable about the initiative and crucial local players. All but two interviewees had attended one or more cross-city convening.

The individuals interviewed represented different roles and sectors (table 1).

TABLE 1
Forward Cities Interviewees

	Local government	Support system	Philanthropy	Economic development	Business
Cleveland	✓	✓	✓	✓	✓
Detroit	✓	✓	✓	✓	
Durham	✓	✓	✓	✓	✓
New Orleans		✓		✓	✓

All interviews were conducted by telephone, lasted between 30 and 45 minutes, and gathered information on several key questions from the interviewees, including the following:

- What were their motivations for getting involved in Forward Cities?
- What are the Innovation Council’s activities to date?
- Have the convenings and other Forward Cities supports been helpful?
- How has Forward Cities affected local relationships and activities?
- Has Forward Cities created new relationships with people in other cities?
- What are the council’s expectations for the rest of the initiative?

The researchers synthesized information from these interviews to describe the current state of Forward Cities' activities and analyze short-term local outcomes through September 2015 and develop recommendations for Forward Cities and similar endeavors.

Local Activities

During the two-year initiative, Forward Cities sets out to accomplish five goals (see page 3). These goals ultimately became the responsibility of each Innovation Council. The councils were provided with broad parameters but also given a great deal of autonomy. This section reviews Innovation Council leadership and the responsibilities of council members. Then it turns to the focus neighborhoods that each council chose and the approach that the council has taken to engage the community.

Innovation Council Leadership and Responsibilities

The Innovation Council chairs significantly influenced the pace and structure of the local Forward Cities activities. Some council chairs professed a feeling of ownership toward the council; one described the role as “keeping the trains moving.” Elsewhere, the cochairs saw themselves as facilitators, and interpreted their role as intermediaries to local neighborhood leaders that would later be identified.

The differing roles of council chairs show how Forward Cities has allowed each council to work independently in order to pursue a course of action best suited to local circumstances. In Detroit, the council initially turned to local donors for leadership to ensure the Forward Cities planning was aligned with the NEI’s plans for supporting neighborhood-based entrepreneurship. After the council agreed on the selected neighborhood, it transferred leadership to a group of practitioners providing direct services to entrepreneurs.

The national Forward Cities staff shared defined roles for Innovation Council members at early council meetings, and members were asked to agree to the list of responsibilities in a written document provided by Forward Cities.⁹ These tasks included

- helping the local research partner study the local entrepreneurial ecosystem,
- showcasing local innovators and entrepreneurs,
- designing and planning Forward Cities’ convenings, and
- selecting representatives to serve on the Innovation team and attend the cross-site meetings.

The written documents detailed a modest time commitment. Council members were asked to attend council meetings no more than once a month. Members took their responsibilities beyond the initial call to action at their discretion. Many Innovation Council members expressed that early guidance from

national Forward Cities' staff did not outline expectations clearly enough. One indicated, "We don't really know what our responsibility is in a detailed way," and another stated, "It's not clear to me what the deliverable is."

As of August–September 2015, some individuals were very invested in the initiative, while others stated that they were minimally connected. Some council members indicated that they only spent about 1 hour a month on Forward Cities (to attend meetings) while others committed 10 or more hours. At the highest end, one person interviewed spent an average of 30 hours a month on Forward Cities. For council members interviewed who worked professionally to support entrepreneurs, they estimated the hours allocated to the Forward Cities work aside from their paid responsibilities in this area.

Each Innovation Council comprised a diverse group of stakeholders. Generally speaking these were very busy, high-profile community leaders who committed to volunteering time to the Forward Cities initiative. Those whose professional work aligned with the mission of Forward Cities were able to spend more time on Forward Cities activities and generally took their responsibilities as council members very seriously. One council member had a difficult time estimating the number of hours devoted to the initiative because it integrated closely with his daily work; he said, "My day job is Forward Cities." This close connection could also cause some confusion about roles. One individual described the struggle with what role to represent on the council, whether as a spokesperson for the professional organization or a concerned resident of the focus neighborhood.

Other council members had full-time jobs that were minimally connected to the core mission of Forward Cities. They did not see themselves as major players in the initiative's local action. Some saw their own responsibilities extending no further than attending monthly meetings and semiannual convenings. When asked to describe council members' responsibility, one such individual said, "My role is to learn and share," and spent about one hour a month on Forward Cities plus traveling for the convenings. Another council member described the role as bringing personal experience and expertise to the council, donating a "contribution of intellectual capital." Another did not see the need to be involved in the specifics of the initiative, saying "[the council chair] will plug us in if needed."

In three cities, local government representatives on the councils appeared less invested in the initiative. Some saw the initiative as disconnected from their official civic duty. Or they viewed themselves as liaisons between the initiative and the local government, rather than active contributors to Forward Cities' activities. One local government representative was notably more involved than the counterparts in other cities, estimating 12 hours a month on Forward Cities activities.

Local researchers were also included in the Innovation Council. A major undertaking of the research partners was to inventory their entrepreneurial support organizations, within a framework adapted from Detroit's BizGrid. In addition to being a potential resource for referrals, this inventory could be used by councils to assess the strengths and weaknesses of their city's entrepreneurial ecosystem. The task at this stage was documenting the presence of supports, not evaluating their quantity, access, or quality. The research partners also sought out the best available data on the level of activity and connectivity of small and minority businesses and local entrepreneurs to build a baseline for the focus neighborhood. Because of the additional responsibility the local researchers were asked to undertake, they were paid by Forward Cities for their time.

Focus Neighborhoods and Corridors

Forward Cities emphasizes supporting entrepreneurship and small business in traditionally underserved neighborhoods. With that in mind, the Forward Cities staff recommended that the Innovation Councils choose neighborhoods or corridors where offering opportunities for entrepreneurship, either to new or existing business owners, could help drive progress.

All cities chose focus neighborhoods or corridors by September 2015. Because each city's council was given a great deal of autonomy in selecting its neighborhoods or corridors, the pace of selecting focus areas and beginning local work varied. Some councils were able to identify corridors quickly and start work on the ground. Others took more time to make sure that the corridor selected could benefit from Forward Cities' activity and resources, and that the corridor choice reinforced local priorities.

Cleveland, Detroit, and Durham chose focus neighborhoods to align with existing local initiatives. Several council members in Cleveland mentioned that they chose their focus areas with certain neighborhood organizations in mind. In one city, a council member suggested a corridor where his organization was already working. This hope was to leverage Forward Cities to bring attention to an underserved neighborhood that had been struggling to generate interest from the broader philanthropic community.

In Durham, the Innovation Council considered several external factors in making its selection. The city government had invested in the Angier and Driver intersection for physical improvements, and the Office of Economic and Workforce Development also had several programs in the neighborhood. The council narrowed its options to two potential neighborhoods and picked one based on data provided by the local research partner. "We chose this community because of all the statistics," one council member

stated, further explaining that the council consciously chose a neighborhood where they knew limited activity was happening.

The Detroit Innovation Council wanted to make sure that the neighborhood chosen for the local Forward Cities initiative was within the larger NEI focus area. Because of this, the council did not finalize its focus area until September 2015, several months after the other cities selected their target neighborhoods. With the selection completed, the Detroit council's work is expected to move from its previous priority of hosting the June cross-site convening to developing interventions for its selected neighborhood.

New Orleans took a very different approach. It relied heavily on the research and expertise of its local research partner and chose a neighborhood early in the initiative. One council member described the researcher as a "great asset" to the council who helped them "understand the neighborhood and issues better." As the people interviewed recalled, none of the council members were working in the focus area directly or were even very familiar with the area. The council worked to fill its knowledge gaps with a tour of the neighborhood in October 2015.

Some councils concentrated strictly on commercial corridors and the surrounding areas. Others identified entire neighborhoods, possibly including more than one commercial corridor. The final areas selected range from 0.4 square miles in Cleveland to 2.5 square miles in New Orleans. The neighborhoods and corridors selected by the Innovation Councils are described below.

Cleveland

- **Opportunity Corridor**, on the city's east side, is one of Cleveland's largest publicly funded infrastructure projects in one of its most disadvantaged neighborhoods. The project intends to improve connectivity and spur economic development along the corridor. Forward Cities will leverage partnerships along the corridor to emphasize inclusive entrepreneurship and small business during development.
- **West 25th Street Corridor** is a largely Hispanic community on the west side of Cleveland. Forward Cities will concentrate on the "bricks and mortar" businesses along the corridor, specifically those with minority business owners. Hispanic Village, a cultural, social, and economic center of the Latino community, is a key partner in the area.
- **East 55th Food Corridor** is a neighborhood-based corridor where the Council hopes to encourage residents of the St. Clair/Hough neighborhoods to pursue food entrepreneurship.

Forward Cities looks to leverage the work near and around the corridor involving food-based businesses, the Cleveland Culinary Launch Kitchen, and other entrepreneurial ventures.

- **East 105th/East 93rd Street Corridor** links several of Cleveland's most disadvantaged neighborhoods with University Circle. Forward Cities will highlight ways to link businesses in these neighborhoods to markets created by the Cleveland Clinic, University Hospitals, and Case Western Reserve University.

Detroit

- The **Northend/New Center District** was chosen based on the established businesses and community investment in the area combined with the potential for significant entrepreneurial engagement and community growth. As the planned terminal station for the new Woodward Avenue Streetcar line, it contains active and potential nodes for public transit, commercial establishments, and residential housing. Forward Cities will focus on supporting local business owners and expanding the regional reach of businesses in the neighborhood.

Durham

- The **Angier and Driver commercial intersection** in East Durham is the central point of the focus neighborhood. The City of Durham recently completed a multimillion dollar streetscape improvement project that includes repaving and new sidewalks. Forward Cities looks to leverage these public investments and concentrate on supporting entrepreneurs and small business owners in this commercial corridor and surrounding area as it begins to attract more investment and development.

New Orleans

- The **Seventh/Eighth Ward Focus Area** includes two official city neighborhoods, Seventh Ward and St. Roch, as well as parts of Tremé, Gentilly, and several bordering neighborhoods. It is a working-class area with several pockets of impoverishment as well as gentrification, but it is by no means the poorest part of the city. Forward Cities is identifying several potential interventions for the study area.

Community Engagement in the Focus Neighborhoods

Outreach and engagement of neighborhood groups, businesses, and residents are essential to getting buy-in and ascertaining appropriate activities for the neighborhood. Forward Cities' design lets local stakeholders determine the strategies enabled each council to decide on its timing and approach for this component.

Durham put grassroots community engagement at the center of its on-the-ground work. Given how frequently the neighborhood has been a part of academic studies, stakeholders want to make sure that the residents felt engaged in the process, rather than as a subject of the initiative. As one council member described it, after several past initiatives residents "feel like they've been studied like lab mice with nothing to show." In the summer 2015, the Durham research team conducted interviews with Northeast Central Durham entrepreneurs. The research team wanted to be sensitive to the needs of the residents' without making promises they could not keep. The team spent time listening to residents' stories and understanding their challenges, and then asked about what assistance they wanted in order to develop and grow their businesses. The council also held a dinner convening for neighborhood entrepreneurs to learn about small business resources and to have one-on-one counseling sessions with technical assistance providers.

At the time of the interviews in August and September 2015, the other councils were thinking about community engagement but interviewed council members did not describe direct interaction with neighborhood stakeholders. Council members in Cleveland mentioned reaching out to and working with anchor institutions in the focus neighborhoods, but it did not appear that they had engaged neighborhood residents or entrepreneurs. The New Orleans council similarly understood the necessity of bringing neighborhood businesses and organizations on board with Forward Cities. One individual said that they "need local buy-in to make this matter." As of September the council planned to tour the neighborhood and begin making connections. Council members in Detroit had reached out to influential community organizations, such as the Central Detroit Christian Community Development Corporation, who had already demonstrated sizable impact in the Northend/New Center District.

Short-Term Outcomes

The national staff envisioned that the Forward Cities activities would immediately strengthen relationships and increase knowledge. That early progress would lay a foundation for medium- and long-term outcomes, ultimately with improved economic outcomes for minority entrepreneurs and underserved communities.

Given that Forward Cities is only midway through its course, our interviews centered on four near-term outcomes in the participating cities with an eye toward the future. The data and interviews revealed that Forward Cities did deepen the local emphasis on minority businesses and underserved neighborhoods and generated some additional donor interest and direct funding for entrepreneurship support services. The initiative also catalyzed stronger relationships among organizations within the four cities. Interviewees expressed that they felt a sense of community with others participating in Forward Cities and had formed new connections that they otherwise might not have. At this stage, the relationships across sites seemed largely limited to the convenings.

The progress to date represents very early steps toward achieving the intended end outcomes. However, it is difficult to judge whether the councils have accomplished what was expected since no timeline or interim milestones had been formally articulated. While all councils have made progress toward inclusive innovation, the pace of work is challenging to evaluate on its own. National staff anticipate that more detailed plans will be developed as part of the upcoming implementation process.

Deepen Focus on Supporting Minority Entrepreneurs and Underserved Neighborhoods

The interviews revealed that each city had one or more organizations with some stated concern or efforts related to minority entrepreneurship before Forward Cities. Members noted in interviews that they joined the Innovation Council because they saw Forward Cities' attention to equity clearly aligning with local goals.

At the same time, Forward Cities appeared to expand community interest in advancing entrepreneurship for minority owners and underserved neighborhoods. Several respondents reported that the initiative gave them an opportunity to develop a common understanding of "inclusive innovation" with a broader group of players. Through the Forward Cities planning, they began

conversations about how to move from aspiration to concrete actions to support minority businesses. In addition, some organizations previously working on entrepreneurship city- or regionwide now were thinking about place-based approaches to strengthening entrepreneurship.

One council member described this evolution from citywide to neighborhood-based focus, saying “Now, there’s a larger picture focusing on underserved people, neighborhoods. There were individual people talking about their own focus before, now [they are] looking at it with that lens.” Another indicated that the previously fractured conversation was beginning to meld and that it was “gaining traction” because it was happening at a single table.

The data and analysis provided by the local research partners have helped councils move toward actions to support minority and neighborhood-based business development. In Cleveland, a major component of the local research partner’s work is a citywide database of minority-owned businesses. Several council members mentioned this as a very exciting and innovative contribution that will help the council work in the focus neighborhoods and beyond. The local New Orleans research partner compiled a menu of potential strategies to specifically promote neighborhood-based business development from which the council is selecting two or three to move forward. The Durham research highlighted key neighborhood issues to consider for the Angier-Driver area such as the prevalence of commercial space and home-based businesses.

Forward Cities aims to support councils in crafting actions to advance equity goals, but a few interview participants noted that some components of the first two convenings seemed disconnected from the emphasis on minorities starting and growing businesses. To remedy this weakness, the Durham team planned its convening to include a Racial Equity Institute Workshop and group discussion and panel on race, disinvestment and gentrification in America’s cities.

Increase Funding for Supporting Entrepreneurship and Small Businesses

Several participants cited the potential for attracting more visibility and resources for their organizations as a primary motivation for signing up for Forward Cities. In all four sites, respondents provided at least one example of additional funding commitments or donor interest. These examples included a direct donor of Forward Cities that had not supported small business efforts before and new proposals now in progress to local or national funders.

In one particular fundraising success, a Forward Cities council member in Cleveland won a \$16,000 grant from the Business of Good Foundation to implement a master plan in place for El Mercado (The Marketplace) in the West 25th Street Corridor. When completed, El Mercado will house small, Latino-focused businesses and provide them with retail space and business support services. When asked if he could have gotten the grant without Forward Cities, he said “not as easily. I think Forward Cities was responsible for the grant.”

In another instance, two council members were able to attend the prestigious invitation-only Aspen Ideas Festival, a remarkable opportunity to raise their visibility nationally with high-level investors and supporters. After meeting with staff from the Walton Family Foundation at the event, one of the members received a grant of \$230,000 from the foundation to support her organization’s work in educational equity entrepreneurship.

Strengthen Relationships among Entrepreneurship Support Organizations within Cities

A city’s participation in Forward Cities resulted in regular meetings among one or two dozen council members, proposed a set of tasks to be completed, and provided enriching common experiences during the convenings. For those who attended the convenings, the time away from their regular workday offered an opportunity to break out of their routine and connect with their local colleagues. Two-thirds of the roughly 100 respondents to the Detroit convening evaluation reported that they made a new contact, partnership, or collaboration with someone from their own city during the event. This was true for host cities as well as visitors.

To varying extents in all four sites, these activities shifted how the participants related to one another and strengthened connections among organizations. Many of them were generally aware of each other before but either did not interact frequently or were not knowledgeable about each other’s services. Serving on the council brought stakeholders together to work on common goals. One council member remarked: “Forward Cities has been huge. This group wouldn’t have come together on our own to have that conversation.”

Forward Cities was described as the “coordinating table” for many different sectors. As an example, one council member shared that the Forward Cities council connected groups centered on technology with organizations that assisted locally serving small businesses. Another person described the council by saying, “We might have been on different sides before, but now see shared interests.” Almost all

respondents were optimistic that improvements to within-city relationships would last past the end of the initiative, either officially or unofficially.

There was mixed evidence of whether organizations other than the “usual suspects” were brought into the planning process. In some cities, there was evidence of discussion of who was missing at the table. In others, recruitment was less of a priority.

Foster Learning across Cities about Inclusive Innovation and Entrepreneurship

The chance to learn from other cities was the most commonly cited reason for initial participation. In the words of a Detroit funder, “the value of being a part of Forward Cities is giving those serving entrepreneurs in Detroit an opportunity to connect, learn, and feel support from peers in other cities.”¹⁰ Convenings were the major vehicle for cross-city learning, and interviewed participants noted being energized and inspired by the events.

Networking was a common response in the evaluation to the most useful part of the convening. About two-thirds of the respondents to the Detroit convening evaluation reported that they made a new contact, partnership, or collaboration from another city; a comparable share learned about other cities’ new programs or strategies. One interviewee noted, “You get caught up in what you had been doing; it is good to step out of your comfort zone and see things in different ways.” Aspen Institute also conducted leadership sessions that were viewed as very valuable and an open space to create trust among participants from the four cities. Many of those interviewed requested more open time during the meetings to exchange ideas, and in response, the planners of the Durham convening had scheduled shorter lunch presentations and a long break on Thursday afternoon.

Participants shared a few specific ideas that they had learned about during the convening panels or tours and wanted to adapt for their own city. For example, remarks included learning about incubators for businesses other than high-tech and an exchange of ideas on an “entrepreneur week.” A couple of interviewed council members also mentioned neighborhood-based entrepreneurship related to food. Food entrepreneurship was the focus of panels in Detroit and New Orleans, highlighted in many Forward Cities web features, and featured in a blog post written by a Cleveland donor.¹¹ A few other participants reflected on expanding their vision of the ecosystem, such as the important role of corporate leaders or the benefits of coordinated funding as demonstrated by Detroit.

The convenings helped foster a community, and the personal and emotional connections from the events have carried from one convening to the next. Several council members mentioned that they would be comfortable calling on council members in other cities if a specific need arose. However, as of September 2015, very little cross-city interaction happened between meetings. Only 2 of the 24 respondents reported contacting individuals in other cities. Participants voiced interest in more organized opportunities to connect between convenings, including sharing progress on the four Innovation Councils' plans.

Going Forward

The first stage of Forward Cities has shed light on mobilizing local actors to improve their entrepreneurial ecosystems. In the second year, Forward Cities will have two more convenings and the Innovation Councils will continue work in their focus neighborhoods. The lessons during the first stage can help enhance the efforts in the remaining time of the Forward Cities initiative, as well as those of future networks.

Advice and Expectations for Forward Cities

The Innovation Councils are moving into a critical stage of their work: selecting their activities and interventions in the focus neighborhoods. Though Forward Cities provides a vehicle for sharing examples of place-based entrepreneurial development across the four cities, it does not mandate particular strategies or interventions and leaves the final decision about the best approach for collective action to the councils. The general intention is to concentrate the work already happening locally toward inclusive innovation.

A few people questioned whether local councils have the right funding, skill sets, and information to select and implement appropriate actions. These concerns should be addressed as the councils move from exploration to selection and implementation of specific activities. The Innovation Council members also had varied expectations, even within cities, about how much could be accomplished during the remaining period of the initiative. Some hoped for concrete plans and others for pilot implementations. Establishing a common understanding in each city about realistic goals for the initiative period would help motivate the council's efforts and set up mutual accountability.

In addition, developing formal and informal paths for participants to exchange information across cities would facilitate Forward Cities' cross-site learning goals. Reinforcing the exciting experience of in-person interaction between convenings challenges all networks, but national staff can establish and actively prompt informal ways to sharing local progress and related resources. For example, Forward Cities' staff could bring together affinity groups through conference calls and webinars. Potential groups include those interested in different sectors (such as food or technology), populations (such as youth, women, or immigrants), or services (such as minority-focused incubators and accelerators). Another charge should be to help the few convening participants transmit its benefits to other council

members. This may be through posting questions to think about before the meeting, encouraging post-meeting local blogs, or facilitating video-conferencing with a speaker from another city.

Responses were mixed on whether the local Forward Cities' council meetings and plans would or should continue past the initiative's official end. Almost all interviewees said work would continue, but several believed it would be carried out in a different format. Council members in all sites expressed that they see the work as a longer than two-year process and are already thinking about sustainability. Others valued the new, stronger personal connections from the Forward Cities experience but saw less need for the formal council structure. "The relationships will continue. It [Forward Cities] could continue but it's going to be more communication than program," one council member stated.

Recommendations for Future Networks

The experience in Forward Cities so far offers lessons for future cohorts or similar national initiatives trying to knit together local systems and spur collective action. First, the cities that are best positioned to benefit from participation are those with motivated local actors from organizations with missions and activities aligned with Forward Cities goals. Ideally, participating cities will already have resources for supporting entrepreneurs that need to be better connected or harnessed around common goals.

A set of milestones with a suggested timetable would help guide the local process and provide a framework for councils to agree upon their aspirations for the initiative. These could be presented as flexible guidelines so that the initiative could continue to adapt to local conditions. A list of expected accomplishments would also provide benchmarks for evaluation. More explicit expectations about requested level of effort and delineation of roles would also be helpful. A few people mentioned that many individuals listed as Innovation Council members were not familiar or engaged at all with the work. In response, one active council member suggested that the full council should not be formed until the neighborhood is selected and that membership should be limited to 20 very invested individuals.

Another design question is the length of the initiative. Of Forward Cities' two program years, the first six months largely consisted of ramp-up activities and planning the initial convening. Many individuals were not actively involved until the New Orleans convening in December 2014, and the first Innovation Council meetings occurred in January 2015. Some participants interviewed commented on the relatively short implementation time.

Those interviewed disagreed about whether all the Innovation Councils' planned activities could be finished by June 2016. A few suggested that a third year would be helpful. Others noted that Forward

Cities was intended to be catalytic, and work can still progress even if the initiative is “officially” over. At the same time, keeping an all-volunteer council motivated for three years may be a challenge, especially where Forward Cities’ goals are not connected to council members’ daily work. Spreading the initiative over three years would imply either longer gaps between the four convenings or increasing the number of them to support the critical peer learning and inspiration they provide for the council members.

Finally, a tension exists in any collaborative in determining the level of guidance and participation from national staff. Interview comments included both requests for more on-the-ground help and for less strict guidelines on the council’s major activities. One interviewer suggested raising additional local money for a local project manager would be worthwhile, noting “volunteers work as well as professional staff in the short term, but [it is] very hard to keep them focused over time.” Whatever the role of national and local paid staff, more visible and frequent recognition that council members’ volunteered time is a valuable donation to the initiative would encourage them to stay involved.

Opportunities for Future Learning

Locally, integrating data and evidence with strategic planning and implementation could continue to add value to the Innovation Councils in the next year. All the local research partners have made important progress in accessing and sharing administrative data related to current small businesses, but there are many opportunities to pursue other data and analysis in order to paint a more complete picture of business activity. Participants expressed interest in benchmarking their neighborhoods against those in other cities, but the data sources are presently too disparate. Having local partners explore developing indicators that could be shared and compared across cities would be a valuable exercise. Finally, one council member noted that the local stakeholders need to encourage performance management and evaluation of the programs currently supporting entrepreneurs—not just where or how much but how well they are achieving their missions.

Nationally, another round of research at the end of the Forward Cities Initiative would shed light on whether the initiative is further along the path to longer-term outcomes. Specifically, it would reveal whether the Innovation Councils are able to sustain the momentum that they have created and leverage the improved relationships to launch concrete actions in the focus neighborhoods. It would also inform improvements and benefit any future cohorts of Forward Cities and adaptations for similar multicity learning collaboratives. Finally, broader dissemination of local council activities would help other communities across the country that are interested in promoting inclusive entrepreneurship to enhance local economies and advance the cause of equity.

Notes

1. See the 2011 Statistics of US Businesses (SUSB) data, available at <http://www.census.gov/econ/susb/data/susb2011.html>
2. For examples, see Gergen (2013); Aspen Network of Development Entrepreneurs (2014); Daniel Isenberg, "Introducing the Entrepreneurship Ecosystem: Four Defining Characteristics," *Forbes*, May 25, 2011, <http://www.forbes.com/sites/danisenberg/2011/05/25/introducing-the-entrepreneurship-ecosystem-four-defining-characteristics/>; and "CITIE: City Initiatives for Technology, Innovation, and Entrepreneurship," <http://citie.org/>, accessed December 11, 2015.
3. This report does not assess Forward Cities' broader goal to serve as a knowledge resource for the field outside the four participating cities.
4. For more in-depth information about the focus neighborhoods in Detroit and New Orleans, see the two reports produced by the Forward Cities local researchers: "Forward Cities Detroit North End/New Center District" by Data Driven Detroit and "Catalyzing Entrepreneurship: Assets, Gaps, and Interventions for Areas Beyond the New Orleans Renaissance" by Richard Campanella. These documents and other information about entrepreneurship in the four cities are available at the Forward Cities resource page at <http://www.forwardcities.org/resources/>.
5. <http://detroitbizgrid.com/>.
6. See the "Convenings" page on the Forward Cities website (<http://www.forwardcities.org/convenings/>) for full agendas, videos, and reports from the convenings.
7. Deborah D. Hoover, "Refreshing Your Inner Grantmaker," Forward Cities, July 15, 2015, <http://www.forwardcities.org/features/refreshingyourinnergrantmaker.aspx>.
8. Regina Campbell, "One Detroit for All," Forward Cities, August 12, 2015, <http://www.forwardcities.org/features/onedetroitreginaanncampbell.aspx>.
9. See Forward Cities, "The Role of the Cleveland Local Innovation Council", July 2013 and Forward Cities, "Guiding Document for Local Innovation Councils", January 2015. Both documents are available on the Forward Cities website at <http://www.forwardcities.org/resources/>.
10. Pamela Lewis, "Multi-City Collaboration Provides Inspiration and Motivation," Forward Cities, August 2, 2015, <http://www.forwardcities.org/features/pamelalewisdetroitreflection.aspx>.
11. Deborah D. Hoover, "Food and Entrepreneurship Make a Great Match," Smart Business Network, November 2, 2015, <http://www.sbnonline.com/article/food-and-entrepreneurship-make-a-great-match/>.

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