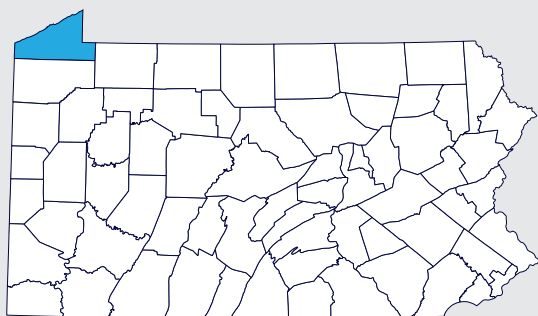


Lean Economic Development Playbook: Mini-case

GROWING RESOURCES FOR INVENTORS THROUGH REGIONAL PARTNERSHIPS

James R. Meehl Innovation Commons



Location: Erie, PA
Demographics¹:
 70.8% White alone
 8.1% Hispanic or Latino
 15.9% Black or African American alone
 2.8% Asian alone
 0.3% American Indian or Alaska Native alone
 0.1% Native Hawaiian and Other Pacific Islander alone
 7.1% Two or more races

Population¹: 93,511
Median Age²: 33.44
Poverty Rate¹: 24.7%
Median Household Income¹: \$40,201
Median Property Value¹: \$91,300

¹ 2020 US Census – census.gov
² Pennsylvania Department of Community & Economic Development - DCED.PA.gov

[Visit James R. Meehl Innovation Commons](#)

BACKGROUND:

When our work with the Invent Penn State initiative began in 2015, the entrepreneurial ecosystem in Northwestern Pennsylvania was disjointed, and services were sparse. With a high poverty rate (especially within minority communities) following a 40-year population decline—caused in large part by the depletion of the region’s manufacturers—it was time to change approaches to economic growth. There were many business ideas within these communities, and we viewed this as an opportunity to support that untapped potential.

All four universities in Erie County—Penn State Behrend, Mercyhurst, Edinboro, and Gannon—saw an opportunity to aid entrepreneurs and industry while increasing the skills and learning

opportunities of our collective base of students. With funds from Invent Penn State and from a regional nonprofit, the Erie County Gaming Revenue Authority, we were able to lead a collaborative effort to do just that.

Concurrently, other organizations in Erie were building entrepreneurial support services, but all groups shared the philosophy that “a rising tide lifts all boats.” Further, each designed community services that complemented one another so there were minimal “turf” issues. By combining services, with no single gatekeeper or failure point, the network could guide entrepreneurs to the services most optimal for them. This was key to the successful growth of Erie’s entrepreneurial ecosystem.

INITIAL OFFERINGS:

Tasked with building a program to support entrepreneurs, we considered our strengths and the skills of our students. Penn State Behrend has a strong engineering program that places high value on hands-on student experiences that have real-world impact. With that in mind, we opened an on-campus product-design center—now named the James R. Meehl Innovation Commons. Local inventors and industry professionals could request support, and students would be assigned to work with them to fabricate different models and prototypes for the company and help inventors move their products to market. This approach built connections with potential employers, fueled entrepreneurial success, and allowed students to realize the value of their work—all while fulfilling Penn State’s land-grant mission.

From the start, collaboration was paramount, as each project required participation from two or more universities. As

processes and our approach became more clearly defined, we took on the name Northwest Pennsylvania Innovation Beehive Network.

Our initial services included early-stage business advice, market research, and branding and marketing. As we served more clients, the network found gaps in its services that new members could potentially provide. The addition of the Erie County Library System extended services by creating a welcoming and educational environment for experimenting with ideas and learning approaches to business development before committing to an idea. Allegheny College joined to offer environmental sustainability consultation. Services are a la carte, and there is no prescribed method for going through the network’s services. We navigate the network for the entrepreneur, removing stress and risk.

WHAT WE LEARNED:

Our key to success is making collaboration central to every decision; it builds a healthy culture that improves service quality for clients while allowing partners to speak candidly with each other when tensions arise. We've found that weekly meetings of network leadership are critical to building and maintaining this culture. It helps with collaborative grant applications, marketing efforts, and anchoring all members to the vision of the work, its scope, and its boundaries.

HOW IT'S GOING:

Since 2015, the James R. Meehl Innovation Commons has grown from one student employee to 20, completed over 350 projects, generated 20 patent applications (all owned by clients, several with students as co-inventors), remained free for all clients, and achieved long-term sustainability through a donation that gave it its new name. The Commons has added app design and user experience research services and spawned two additional programs supporting industry and entrepreneurs in the areas of Industry 4.0 and virtual reality.

We have completed numerous technology implementation projects with Erie's manufacturers, lowering costs, increasing efficiencies, and releasing new products to the market. Students working in the fabrication space gain extraordinary experience and often land exceptional jobs in positions above those typically reserved for recent graduates.

The Beehive Network, in concert with a growing number of other efforts in the region, has changed the landscape of Erie's entrepreneurial ecosystem while spreading a collaborative spirit and a strong sense of localism within the community. Additionally, business survival rates are key indicators of a successful ecosystem, and we have seen a major increase in one- and two-year survival rates of clients who use the Beehive Network. The usual 10% of businesses surviving the first year has become 70%.

We also learned that high-growth technology startups are rare in our region. Therefore, we have concentrated efforts on supporting other business types while encouraging them to be creative with growth strategies (e.g., restaurants can also sell sauces globally).

With the network well established, we've turned our attention to aiding those who have the most need and the least opportunity. Women- and minority-owned businesses are on the rise and have statistically lower likelihoods of success. We are focusing our efforts on increasing the pool of Beehive clients from these communities. Our ability to lower business startup risk should increase opportunity and decrease failure rates. While other organizations work to fill amenity gaps, we will work to help generate generational wealth that is lacking in many underprivileged communities in Erie. Furthermore, the network now serves a 100-mile radius around Erie, extending a hand to many rural areas that lack similar opportunities.

The Northwest Pennsylvania Innovation Beehive Network is now considering when and how it should expand. Is this a model that can keep adding sites? Is there a way to grow entirely new Beehive Networks in other regions while maintaining the culture and vision? We generate particularly highly skilled graduates, so how can we increase the number of students who benefit? How much will this work anchor them to the community, and to what extent do they commit to entrepreneurial endeavors themselves? We are getting a picture of the answers to these questions, but more work is surely needed.



PennState

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