

New Orleans Symposium Provides Valuable Lessons on Region VI Challenges and Successes

By Brooke Nelson, Writer/Editor

Nearly a decade after hurricane Katrina ravaged the city, the small business ecosystem of New Orleans is thriving. Against this vibrant backdrop, the Office of Advocacy hosted a regional symposium which brought together small business leaders, entrepreneurs and innovators of Region VI in order to learn more about the ways in which Advocacy can better serve small businesses and understand the challenges they face.

Through panel discussions, breakout sessions, site visits and networking, Advocacy's staff utilized the symposium as a valuable opportunity to gain a first-hand glimpse into the unique environment of Region VI which is comprised of Arkansas, Louisiana, New Mexico, Oklahoma and Texas. As part of Advocacy's Innovation Initiative, the symposium aimed to strengthen outreach and gain new insights from the small business community.

Region VI Advocate Caitlin Cain welcomed the symposium participants to her city and described how

New Orleans has evolved into an entrepreneurial hub. She related how just a decade ago, it was in a complete economic decline and steadily losing its workforce, but it has since been transformed into a brand new city. Cain explained some of the unique challenges that Louisiana faces and how Advocacy can help small businesses navigate the complex landscape of federal regulations. In the setting of this recovered city, where the evidence of small business resurgence was everywhere to be seen, Advocacy gained a new understanding of the many ways in which it can be effective in its mission.

In order to share its goals with the small business stakeholders in attendance at the symposium, SBA leaders hosted a panel discussion to further explain the role of the SBA and Office of Advocacy in addressing small business concerns. Moderated by Advocacy Deputy Chief Counsel Claudia Rodgers, the panel included Chief Counsel for Advocacy Dr.

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Chief Counsel for Advocacy Dr. Winslow Sargeant, left, leads a discussion with business leaders from Region VI: Andrea Chen, Kevin Koym, Vicki Malpass, Josh O'Brien and Ann Simon.

Special Conference Edition

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New Orleans' Idea Village Connects the Local Community with Entrepreneurs

By Rebecca Krafft, Writer/Editor

Tim Williamson, co-founder and CEO of The Idea Village, gave symposium participants a new way to look at New Orleans. The nonprofit he leads has created a focus for the city's entrepreneurial energy—nurturing and sustaining it. Idea Village coordinates a nine-month “season” of activities to promote entrepreneurs and involve the public in their new ideas. The “season” culminates in New Orleans Entrepreneurship Week, or NOEW, which awards over \$200,000 in cash prizes to local startups with the best ideas and business pitch.

This year's season ran from July 2013 to March 2014. Some of its many impressive metrics included:

- \$2,262,655 in capital, consulting, and resources allocated;
- 6,104 individuals engaged in the 2014 Season (a 103 percent increase over 2013);
- 6,968 consulting hours provided by 200-plus professionals; and
- 15,866,258 Twitter impressions for #NOEW2014.

But the outlook for entrepreneurs has not always looked so promising. Williamson described a very different landscape 15 years earlier, when he and others returned to



Tim Williamson, Co-Founder and CEO, The Idea Village.

their native city and tried to make it as entrepreneurs. He described a city hard hit by population loss, a failing education system, and a sense of complacency and insularity. The major economic blow dealt by Hurricane Katrina hit a city that was already contracting.

Idea Village's founders looked at other cities' turnarounds—and the assets they leveraged—and saw no lessons to apply here. There was no large company, local hero or entrepreneur, intellectual property or research hub to fuel and inspire entrepreneurial risk-taking and

investment.

The path they took is as unique as the city that owns it. Williamson summed it up as “Just Mardi Gras It,” or “How to build a self-sustaining entrepreneurial ecosystem.”

Several key things are at play in this celebratory model. For example, no one person can own it and grassroots leadership is needed. Diversity is encouraged through krewes and microkrewes (small groups of like-minded individuals with shared enthusiasm and a shared project). Rhythms and rituals

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Winslow Sargeant, SBA National Ombudsman Brian Castro and SBA Region VI Administrator Yolanda Olivarez. Together, they explained the functions of their respective offices and listened to input from audience members.

The growth of entrepreneurial endeavors in the region is not only helped by the efforts of the Office of Advocacy in Washington, D.C., but also by local organizations solely devoted to nurturing small business in their communities.

Representatives from incubators and accelerators in all five states in the region came together to share the unique ways they are working to foster vibrant entrepreneurial ecosystems by connecting diverse networks and creating support systems. These representatives not only shared their big ideas and best practices with Advocacy staff, but also with each other—an ideal learning opportunity that will surely pay off in the continued prosperity of small businesses in the region.

While Advocacy staff learned a lot from the symposium's diverse

audience, Advocacy also had a valuable opportunity to inform these small business stakeholders about its work on their behalf. Breakout sessions led by Advocacy staff members offered participants an opportunity to engage in a more intimate discussion on specific topics. The discussions also allowed small business owners, university representatives and economic development organizations to engage in a productive dialogue and to voice their questions and concerns to Advocacy staff.

Message from the Chief Counsel

The Gumbo of Entrepreneurship

By Dr. Winslow Sargeant, Chief Counsel for Advocacy

New Orleans refers to itself as a melting pot—a mix of ethnicities and cultures that all call New Orleans home. However, after this week, I will refer to New Orleans as a bowl of entrepreneurial gumbo: a place where small business owners, entrepreneurs and small business leaders can come together to make the soup of innovation.

The Office of Advocacy held our Region VI Symposium on *Small Business and Government: Maximizing Entrepreneurship, Driving Innovation* in New Orleans on May 6, 2014. The symposium brought together entrepreneurial leaders across different time zones. People from New Mexico, Oklahoma, Texas, Arkansas and Louisiana joined forces to discuss barriers and collaborate on big ideas and best practices for small businesses moving forward.

Tim Williamson, Co-Founder and CEO of The Idea Village, kicked off the day's event by discussing how New Orleans utilized innovation as a tool to bring about community development and revitalization. We learned about the key elements necessary to build an innovation ecosystem and his remarks jumpstarted the discussion and reminded the audience what it means to have the passion to create success in your community.

Our dialogue continued with a panel on accelerators with representatives from each of the Region VI states. We discussed how to be an incubator for small business success and the role of both financial and social capital when jumpstarting a new business. In the afternoon, our breakout sessions focused on growth in innovative sectors, understanding immigration and international development trends and innovations in entrepre-

neurial assistance. And to close out the day, representatives from SBA, the SBA Regional office and I participated in a panel discussion on the intersection of government and small businesses. We were able to inform the participants from Region VI about resources to improve their respective innovation ecosys-



tems; and by listening to them, the Advocacy team was able to come back to Washington, D.C. with big ideas on ways to improve our nation's entrepreneurial landscape. However, our symposium was only the roux to the start of our gumbo.

The Advocacy team continued to learn about Region VI through valuable site visits throughout the course of the week. By visiting with local business owners, we were able to see first-hand the barriers to entrepreneurial success or the regulatory processes that could potentially hinder advancement. During our coastal tour, we learned about foreign competition and different visa concerns. After visiting a small business's manufacturing plant, we learned about their successful exporting business. We discussed the challenges they face

while navigating the international trade networks and the need for a larger manufacturing facility soon with the expansion of their business. From the coast to NASA, each site visit delivered prime examples of barriers, big ideas, and best practices of entrepreneurs in the New Orleans area. In the end, the Advocacy team returns to Washington, D.C. with the perfect pot of entrepreneurial knowledge—all the information to be the best voice for small businesses in Region VI.

Idea Village, from page 2

are established and a platform for engagement is provided. He noted that government has a limited, but key role, with the ability to act as a funder, a convener, a validator and a resource.

Williamson set the room abuzz with some powerful ideas and left the audience thinking about the ability to empower and engage their own communities. A carnival season of entrepreneurship can evolve in any community and the season will flourish if it is uniquely rooted in a city's spirit and character.

Advocacy Staff Dialogues With Small Business Stakeholders in Breakout Sessions

By Advocacy Staff

Office of Advocacy staff led three breakout sessions that concentrated on specific areas of interest to small business stakeholders.

“Incentivizing Growth in Innovative Sectors” was attended by small business owners and industry partners including university tech-transfer offices and regional technology incubators. The discussion focused on the particular challenges faced by innovative high-tech firms.

Using Advocacy’s research in the additive manufacturing industry as a case study, participants shared their perspectives on the unique needs and best practices of high-tech startups, including community based funding options and partnering with regional non-profit organizations for technical assistance. The key takeaways from the session included the importance of community networks for start-up companies and a desire for the federal government to facilitate those networks through grants and other assistance.

“Defining the Space—Innovations in Entrepreneurial Assistance” aimed to explore ways in which Advocacy can best represent the interests of entrepreneurs

in the small business community. Through fruitful and thought-provoking discussion, Advocacy staff gained new insights into regulatory impacts on small businesses and into data issues and research topics. Advocacy also informed attendees about the current regulatory and research landscape surrounding crowdfunding and accelerator initiatives.

Entrepreneurs in attendance discussed their own experiences with accelerators and asked questions about the JOBS Act and crowdfunding. Attendees also offered recommendations regarding practical ways in which the federal government can help small businesses.

“Understanding Immigration and International Development Trends” featured a discussion on how small businesses, economic development leaders and university leaders utilize immigration visas to foster the regional economy. The session focused on personal experiences, best practices and challenges with visa programs, and suggestions to bring back to government leaders in Washington, D.C.

Representatives from local fisheries and related organizations

related the importance of the H-2B visa program because it allows small companies to bring in seasonal foreign workers needed to harvest and process seafood. Also discussed was the recent action by the Department of Labor to increase the wage rate required to be paid to H-2B workers, making it difficult for local small businesses to compete with foreign companies which have lower labor costs.

In addition, another topic of discussion was the concern that high-skilled international students who study at local universities and who are entrepreneurs have very limited options to stay in the country on an immigration visa. The difficulties of obtaining H-1B visas for high-skilled workers for small businesses in the region was explored by attendees.

Advocacy staff came away from the three breakout sessions with valuable input to take back to Washington, as well as having effectively communicated Advocacy’s mission to small business stakeholders.



The Office of Advocacy’s 10 regional advocates plus other Advocacy staff at the Region VI symposium.



Yolanda Olivarez, SBA Region VI Administrator, and Dr. Winslow Sargeant, Chief Counsel for Advocacy.

Fostering Regional Innovation Accelerators

By Rebecca Krafft, Writer/Editor

Creating jobs and growing businesses from the ground up are top goals of communities around the nation. While many government-led development models attempt to achieve this (for instance using tax credits to compete with large businesses), an opposite, ground-up approach has taken hold around the country—nurturing the talent and resources of local entrepreneurs through business incubators and accelerators.

Business incubators and accelerators provide tools to help entrepreneurs launch and scale the businesses that will contribute to job creation and economic growth. These organizations may provide working space, training, access to equipment, seed capital, community, or connections to a network of other key players (investors, customers, collaborators and competitors). They bring energy and excitement to the challenge of channeling entrepreneurial adrenaline into successful businesses. The possibility of nurturing the next business breakthrough feeds a buzz of potential.

The themes of community, putting people first, and multiple bottom lines, echoed in the panel, “*Fostering Regional Innovation*

To Learn More:

- The Idea Village, <http://ideavillage.org>
- Propeller, <http://gopropeller.org>
- Tech Ranch Austin, <http://techranchaustin.com>
- Innovate Arkansas, <http://innovation.arkansasbusiness.com>
- i2E, www.i2e.org
- Mid-Region Council of Governments, www.mrcog-nm.gov

Accelerators.” Panelists from five states in the region shared tales of frustration and success at nurturing innovators and startups in what some call “the flyover states.”

Ann Simon, head of the economic development program of the Mid-Region Council of Governments in Albuquerque, N.M., discussed the broad challenges of her region.

Josh O’Brien, director of entrepreneurial development for Oklahoma City’s i2E, Inc., described their success at focusing on biotechnology.

Kevin Koym is CEO of Tech Ranch Austin, the starting place for early-stage entrepreneurs who want to launch or grow their tech startup. Koym’s incubator model stressed community and human capital on an equal par with dollars and high tech.

Andrea Chen, is CEO of Propeller, a nonprofit organization that supports social innovation in

New Orleans. Since June 2011, Propeller has incubated 21 new ventures, including a mobile dental clinic, community farms, a food hub, a wetlands kayaking tour company, and a maternal health collective.

Vicki Malpass is program officer for Innovate Arkansas, a program of the Arkansas Economic Development Commission and Winrock International. Innovate Arkansas provides resources to new and startup technology-oriented companies, helping them commercialize products and technologies.

The dynamic group shared local tales of adversity, success against the odds, and an entrepreneur’s basic emotional need for community. Their conversation frequently touched on risk-taking, using failure and rejection as learning tools, and the key role of crowdfunding. They sparked tremendous interest and enthusiasm in the potential for startups and innovation in Region VI.



Caitlin Cain, Region VI Advocate, addresses the audience at the Office of Advocacy’s Region VI Symposium.



From left: Advocacy’s Deputy Chief Counsel Claudia Rodgers, Chief Counsel Dr. Winslow Sargeant, SBA National Ombudsman Brian Castro and Region VI Administrator Yolanda Olivarez.

Understanding the Waterways of Southeast Louisiana

By Caitlin Cain, Region VI Advocate

The Office of Advocacy recently learned about issues facing the waterways of Southeast Louisiana (SELA) as part of an outreach initiative to understand coastal restoration issues impacting the fisheries and the small business community. The Chief Counsel for Advocacy Dr. Winslow Sargeant, accompanied by several Advocacy team members, traveled to Buras, LA to dialogue directly with fishermen concerned about federal policy

and regulatory issues impacting the fishing industry, including ongoing coastal restoration initiatives.

Members of the fishing community spoke emphatically about the need for more flexible federal funding programs, especially smaller micro-loans or alternative lending programs that would allow fishermen to utilize flexible forms of collateral to secure smaller loans for vessel and equipment repair. Fishermen also expressed concern

over ongoing coastal erosion challenges, including both planned and existing local diversion projects, which threaten to impact the viability of local fishing grounds.

The Advocacy team then met with Sandy Nguyen, Executive Director of Coastal Communities Consulting and a local fisherman and wetlands educator. They discussed and showcased a series of ongoing coastal restoration initia-

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Prudhomme's Magic Seasoning Blends: Small Business, Big Aspirations

By Elle Patout, Congressional Affairs and Public Relations Manager

Growing up in South Louisiana, Chef Paul Prudhomme learned the culinary arts by his mother's side in their family kitchen. It is there that he learned the true value of Louisiana cooking—Cajun cuisine is not how spicy you can make it, but an art of blending spices to make a meal full of flavor.

After traveling across the United States learning different styles of cooking from a five-star restaurant to a Native American reservation, Prudhomme opened K-Paul's Louisiana Kitchen in New Orleans

in 1979. Back when the restaurant first opened, K-Paul's customers would request the secrets to his blend of seasoning for his delicious blackened redfish or his finely seasoned vegetables. He would wrap up his blend of spices in some aluminum foil and bring it out to the customers. After endless requests, he realized this was another business opportunity.

Thus, Chef Paul Prudhomme's Magic Seasoning Blends was born. It started with only a couple of people working with a blender to

mix herbs and spices for sale to the public. Today, Magic Seasoning Blends requires a 125,000-square-foot plant where his team of around 100 employees blend and ship his dry spices, rubs, bottled sauces and marinades all over the U.S. and around the world. As a small business, Magic Seasoning Blends understands what it means to overcome small business obstacles. Even to this day, the team at Magic Seasoning Blends continues to learn how to navigate the intricate

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Members of the Office of Advocacy visit with fishermen on the coast of Louisiana. From left: David Rostker, Dr. Winslow Sargeant, Jamie Belcore Saloom and Caitlin Cain.



David Hickey, Vice President of Manufacturing (right), guides members of the Office of Advocacy on a tour of Chef Paul Prudhomme's Magic Seasoning Blends 125,000-square-foot factory outside of New Orleans.

Historic Theater Owners Share Concerns over Regulations

By Janis Reyes, Assistant Chief Counsel

Rene Brunet Jr. knows about the movie theater industry in New Orleans. He literally wrote the book on it, named “There’s One in Every Neighborhood: The Lost Movie Theaters of New Orleans,” which chronicles the history of his family’s three generations of movie theater operation and the decline of small theaters in the region.

On May 7, Advocacy staff visited the almost 100-year old Prytania Theater, operated by Rene Brunet

Jr. and his son Robert, to discuss upcoming regulations affecting the movie theater industry.

In 2010, the Department of Justice (DOJ) released an Advanced Notice of Proposed Rulemaking which considered revising its Americans with Disabilities Act (ADA) regulations to require movie theater owners to provide specific types of captioning equipment. The Department is reconsidering these rules, and they will likely be

released this year.

Rene stated that the Prytania, which is the only single-screen theater left in Louisiana, is so unique in the area because it has survived when other small theaters have closed due to the competition of larger multiple-screen theaters in the last few decades. The Prytania is truly part of the community, showing classic movies and holding neighborhood events.

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NASA’s Michoud Assembly Facility Puts Its Vast Facility to Good Use

By Erik Gulbrandsen, Communications and Congressional Liaison

On May 7, the Office of Advocacy visited NASA’s Michoud Assembly Facility in New Orleans to learn about advanced manufacturing challenges for small businesses, including public private partnerships with small manufacturers and research development strategies.

Started as a shipbuilding factory in 1942, it was later repurposed to build planes. In 1961, as the space race with the Soviet Union was heating up, the National Aeronautics and Space Administration (NASA) took over the property to design and assemble large space vehicles. As the Apollo programs wound down in the 1970s the facility was again

repurposed to build the next generation of space shuttle.

Since the shuttle’s retirement, NASA has found novel ways of using its vast space. They have found various small businesses that needed manufacturing space and equipment. In addition, movie production companies are utilizing their enormous warehouse space for set construction and filming.

Today, the Michoud Assembly Facility has seen another resurgence as NASA has begun construction on the next generation of space crafts. The Space Launch System rocket is currently under construction at the 800-acre property. The manufactur-

ing facility is, in itself, a magnificent feat of engineering. Covering 43 acres, the main building houses all the necessary equipment needed to build and assemble the next vehicle carrying Americans to the moon and possibly beyond.

During the visit, Advocacy staff learned about NASA’s partnerships with the state of Louisiana, Jacobs Technology, Louisiana State University and many others. Furthermore, Advocacy got an inside look at state-of-the art welding procedures and improved systems used to not only save money, but to also improve upon safety for the aircraft and its passengers.



From left, Jonathan Porat and Janis Reyes meet with Robert Brunet and Rene Brunet, proprietors of The Prytania Theater.



NASA's friction stir welder is used to create defect-free bonds for the new Space Launch System.

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tives. They explained how the U.S. Army Corps of Engineers has recently restored over 600 acres of wetlands by utilizing both pumps and diversion initiatives.

Advocacy also had the opportunity to hear about and discuss ongoing coastal challenges with Bob Marshall, a local leading environmental educator and journalist, who further explained the complexity of ongoing erosion resulting from man-made and natural activity and the changing nature of the fishing industry—a major economic and cultural concern for SELA. Advocacy’s outreach resulted in multiple viewpoints being heard and we remain committed to ongoing engagement with local stakeholders as this important and complex dialogue continues to develop within the region.

Seasoning, from page 6

matrix of overseas trading. Whether it is importing specific spices for their specialized blends or exporting their combinations to Japan, the United Kingdom and beyond, Magic Seasoning is constantly learning how to tap into the world’s customers, 95 percent of whom are outside the United States. However, jumping through regulatory hoops is not uncommon, and Magic Seasoning continues to adapt to the changing regulatory landscape. For example, after the Food

Safety Modernization Act, Magic Seasoning learned how to ensure its products and the raw ingredients they imported from overseas met American standards.

To the employees of Chef Paul Prudhomme, it is all about accomplishing Chef Paul’s vision bringing boring dishes to life with seasoning not only within the walls of K-Paul’s Louisiana Kitchen, but also to the shores of the Middle East and the streets of London through their expanding small manufacturing business.

Theater, from page 7

Robert believes that it may be financially difficult for other small theaters to comply with the upcoming regulations because they may be converting all of their equipment to digital equipment, which totaled over \$250,000 for the Prytania. Many small theaters are struggling

with this transition. Also of concern is that the rule may require theaters to purchase expensive digital captioning equipment. Robert hopes that the DOJ can adopt alternatives for small theaters to stay viable and open for business, such as lower required numbers of digital equipment, exemptions for small theaters and financing and tax incentives.

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The Small Business Advocate

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The Small Business Advocate newsletter is published by the U.S. Small Business Administration’s Office of Advocacy. It is distributed electronically to 35,000 subscribers.

The Office of Advocacy is the independent voice for small business in the federal government. The office is the watchdog of the Regulatory Flexibility Act (RFA) and the source of small business statistics. Advocacy advances the views and concerns of small business before Congress, the White House, the federal agencies, the federal courts, and state policymakers.

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Address Office of Advocacy, U.S. Small Business Administration, MC 3114, Washington, DC 20416

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