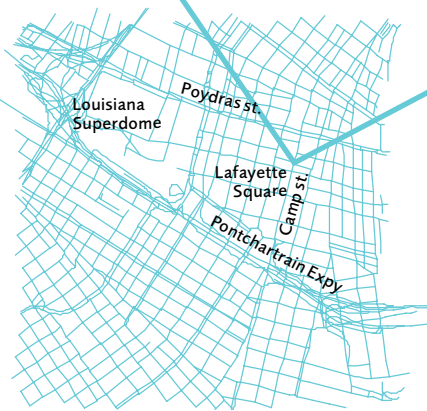




CASE STUDY #5

TIM WILLIAMSON

President:
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Camp Street and Girod Street



Tim Williamson is president of The Idea Village, a non-profit based in New Orleans's Warehouse Arts District, that works with entrepreneurs to "ignite innovation by providing strategy, talent and resources to entrepreneurial ventures." A native New Orleanian who lived around the United States before coming home in the 1990s, Tim's mission is bold: make New Orleans America's headquarters of entrepreneurial innovation.

What is The Idea Village?

The Idea Village is an independent non-profit started by local entrepreneurs. Fundamentally, we believe that innovators are the catalyst for social and economic change in New Orleans.

We believe that the key challenge in New Orleans was the exodus of innovative talent. We realized the need to focus

on creating a vibrant environment where entrepreneurial talent could grow ideas into viable businesses. This entrepreneurial vibrancy, in turn, would attract, retain and engage more individuals that would start and grow new ventures.

Building an entrepreneurial ecosystem is critical. Not just providing capital, nor incubators. It is about building open networks that will allow access to expertise and resources to help these entrepreneurs stay here.

How did The Idea Village get started?

The Idea Village was started in 2000 by five local entrepreneurs who left New Orleans and decided to return home.

Collectively, we realized that the city needed more entrepreneurs and a community to believe in them. There weren't a lot of people like us. There wasn't a lot of capital, a lot of support.

The concept of The Idea Village started in a bar. We decided that rather than just talk—and everybody's talking—let's put money on the table and create action. So we each put up two thousand dollars for a \$10,000 business plan contest and said, "Who's got the best idea in town?" This was a challenge to the community. . . .

Three weeks after announcing the challenge, over \$125,000 worth of resources and services were donated to the winning entrepreneur. We had about 70 business plans submitted and thought we hit a nerve as there really wasn't a lot of focus on entrepreneurship. . . . But obviously there was a desire.

We selected a contest winner and the issue was that the entrepreneur needed \$10 million to start a local company. We liked the idea but realized that these guys weren't ready for money, they needed business strategy. So we went to the city and the chamber but neither was in a position to support the work of entrepreneurs. As a group, we decided to help them with a business strategy, raised risk capital and connected them to key people in the community. After people heard about our efforts, entrepreneurs began coming to us for assistance. . . .

We did not plan to start a new organization. But how come all these people don't have a place to go? We decided to

research other markets, Austin, Atlanta, North Carolina, Minnesota, San Francisco, and we wrote this strategic plan for the city of New Orleans: “the Idea Village-Making New Orleans a world-class entrepreneurial community” .

What are New Orleans' strengths vis-à-vis entrepreneurship?

New Orleans is one of the greatest cities in the world. New Orleans has the assets to create a culture of innovation: The university system, the creative culture, our brand.

The good news about New Orleans is that we create and attract talented people. The guys who started Yahoo! and Netscape went to Tulane and UNO. The challenge is that we have trouble keeping these people in New Orleans. We felt one critical reason was there was not a culture that actually nurtured innovation.

A challenge is our economy is like a “driftwood economy.” The analogy is that we are at the mouth of the river with all opportunities drifting to us. Our community spends time fighting over who gets the resources. Some will win, some will lose—a zero sum game. We need to focus on creating new ideas and opportunities and grow the pie.

Another issue is that we have a very closed culture socially and economically. For these young, innovative people, it really was a hard place to get started. We saw the best and the brightest leave New Orleans and head to New York, Boston, San Francisco, and Atlanta. We wanted to create an environment that grows quality jobs. We felt innovation and entrepreneurship was the answer.

New Orleans has the natural assets to develop talent and The Idea Village was created to cultivate those assets and to have a singular focus on retaining and recruiting talent.

How has Katrina changed The Idea Village?

Pre-Katrina, our focus was high-growth businesses which had the ability to scale to at least ten million dollars in sales. These were primarily technology based companies that were either in tourism, food or music—the natural assets in New Orleans. We had a company that sold tables in restaurants, one that provided a technology solution for the hotel industry, and another that started a business targeted to children’s music.

Post-Katrina, our focus went towards businesses necessary to revitalize our community. The high-growth businesses left. They picked up their servers and their teams, and went back to New York or Austin or San Francisco. The first entrepreneurs back were really the lifestyle, retail, and small businesses. When the story is going to be written, I think that people will realize that the entrepreneurs restarted New Orleans. When all the universities were gone, half the politicians were gone and no city services existed the business owners came back to re-open. They had to open up their food places. They had to open the dry cleaning. But they did it basically on their own spirit and [with] their own funds.

We came back two weeks after the storm. . . . Very few people were here, so the first people back [sold] food. Whether or not they sold food before, they opened up and started selling food. . . . People were opening up supply stores. Women and children came back in December because everybody was in school. So, you saw the small businesses targeting kids. It became a natural progression of opening up a community.

It was critical that you had to sell something that people needed. It is sort of basic, but this was a new economy. People were coming back and they needed stuff now. So, if you were selling golf balls [before Katrina], you had to adjust your business model and you had to . . . open up and sell something relevant to the community.

What does The Idea Village do that's different from what other non-profits or government agencies do?

Our goal is to build relationships with these entrepreneurs. This is not just giving them money. This is not just processing a loan. What we do is build a relationship, to really go through the whole cycle of their businesses, and so money is just one small component of assisting a business. . . . We go through the highs and lows, and participate in the cycle of innovation with the entrepreneur.

So, pre-Katrina, we had all of these relationships. I think that SBA [Small Business Administration] was here to provide loans, which was okay, but what these businesses needed was a network of people to really help them figure out how to react and evolve their businesses. Should I apply for a loan? Or should I hire this person?

So, we are more of a very localized, locally connected organization that really wants to build relationships—long-term relationships—with these businesses.

What have been your biggest challenges in coming back, and what lessons should we learn for future disasters?

As a CEO, my networks are fractured. What I needed [immediately after Katrina] was access to information, and I needed someone who can quickly deliver.

So, I think, some lessons learned that if there were another disaster, every community should probably do an audit of these organizations working directly with small businesses. . . . Because they are really the ones directly working with

these companies, but have that long-term relationship. The day after the storm, we were talking to all of our clients, and we knew exactly where they were and what they needed.

The problem these entrepreneurs or business owners had was that they went through an application process where the new person from the SBA passed to this person, and this person passed to that person, and then six months later, the application was denied. So I would ask, “Look, audit your community to find those organizations that directly touch [entrepreneurs]. Are they credible? Are they transparent? Do they have the capacity to take this on?” Then provide very flexible resources that allow market driven decisions.

Photo: Idea Village

