



# Optimizing ED's Role in Fostering and Supporting Entrepreneurial Ventures

## Value Proposition Canvas

The Value Proposition Canvas serves as the cornerstone for identifying Beneficiary (Customer) needs and designing products and services they want (i.e., products and services they perceive or will gain value from).

- **Beneficiary (Customer) Jobs** – Beneficiary jobs describe what each beneficiary is trying to get done through the proposed entrepreneurial support initiative. This might include:
  - Tasks they are trying to perform or complete (e.g., an entrepreneur establishing a successful venture, an ED organization supporting the growth of jobs in a targeted sector),
  - Problems they are trying to solve (e.g., an educational institution preparing students with the skills needed to realize their career goals in a fast-paced technology-focused economy), or
  - Needs they are trying to satisfy (e.g., a mechanism to bring together complimentary initiatives focused on supporting the establishment and growth of a targeted sector).
- **Beneficiary Pains** – Pains describe anything that frustrates or prevents beneficiaries from getting their respective jobs done. Pains can also describe potential risks or bad outcomes that could materialize if the job is done badly.
- **Beneficiary Gains** – Gains describe the outcomes and benefits each beneficiary wants. Gains may be required or expected outcomes and benefits. Gains may also include unexpected positive outcomes and benefits.

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## Creative Industries Sector Businesses

Music	Design Services	Business Consulting	Architecture
Performing and Creative Arts	Radio and TV Broadcasting	Engineering and R&D	Publishing & Information
Computer & Digital Media Products	Marketing, Photography & Related	Film, TV, Video Production/Distribution	Computer & Digital Media Products

Beneficiary	Jobs (i.e., what each is trying to get done)
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Entrepreneurs & SMEs	<ul style="list-style-type: none"> <li>Create successful business ventures in the Creative Industries sector.</li> <li>Maintain and promote the culture of Kaua'i and the Hawaiian Islands.</li> </ul>
Students	<ul style="list-style-type: none"> <li>Increase knowledge and skills needed to pursue careers in the Creative Industries sector.</li> <li>Increase knowledge and skills associated with the Creative Industries sector for personal enjoyment and enrichment.</li> <li>Maintain and promote the culture of Kaua'i and the Hawaiian Islands.</li> </ul>
Government and ED Organizations	<ul style="list-style-type: none"> <li>Increase the economic activity and resiliency of Kaua'i by building the Creative Industries sector.</li> <li>Foster innovation and technology utilization within businesses to improve local, regional and global competitiveness.</li> <li>Create Creative Industries sector jobs and wealth for Kaua'i residents.</li> <li>Provide connectivity and awareness to maximize the impact of existing and proposed Creative Industries programs, activities, etc.</li> <li>Maintain and promote the culture of Kaua'i and the Hawaiian Islands.</li> </ul>

Beneficiary	Pains (i.e., things that frustrate or prevent completion of Jobs)
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Entrepreneurs & SMEs	<ul style="list-style-type: none"> <li>Isolation due to geography and lack of a physical and programmatic focal point for entrepreneurs in the Creative Industries sector on Kaua'i.</li> <li>Affordable work space housing other like-minded entrepreneurs in the Creative Industries sector.</li> <li>Access to meeting space.</li> <li>Access to a place where they can network with other like-minded entrepreneurs and business people in the Creative Industries sector.</li> <li>Access to stable, high-capacity broadband.</li> <li>Access to a continuum of industry experts and mentors for individual consultation/coaching.</li> <li>Access to industry specific networking events and educational programs.</li> <li>Access to debt and equity capital.</li> <li>Access to customers/markets.</li> <li>Availability of dependable, qualified workforce.</li> <li>Access to physical space with the proper features (e.g., sound proofing) for film, animation, and music production to complement existing facilities on Kaua'i.</li> </ul>
Students	<ul style="list-style-type: none"> <li>Access to intern opportunities with companies in the Creative Industries sector.</li> <li>Access to shadowing opportunities with mentors/industry experts in the Creative Industries sector.</li> <li>Access to a place where they can network with students, entrepreneurs and business people in the Creative Industries sector.</li> <li>Availability of creative industry sector job opportunities on Kaua'i or the Hawaiian Islands.</li> <li>Access to integrated Creative Industries focused educational/training programs that extend from Middle School through College.</li> </ul>
Government and ED Organizations	<ul style="list-style-type: none"> <li>Integration of public, private and academic efforts to build the Creative Industries sector.</li> <li>Limited awareness or utilization of existing programs to build the Creative Industries sector.</li> <li>Funding to launch and maintain initiatives to build the Creative Industries sector.</li> </ul>

Beneficiary	Gains (i.e., desired outcomes)
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Entrepreneurs & SMEs	<ul style="list-style-type: none"> <li>Generate sufficient primary or supplemental income to provide a livelihood from a Creative Industries business and provides sufficient return for the time and resources invested.</li> <li>Express technical and/or artistic talents to maintain and promote the culture of Kaua'i and the Hawaiian Islands.</li> </ul>
Students	<ul style="list-style-type: none"> <li>Secure a job and establish a career in the Creative Industries sector (including self-employment).</li> <li>Develop knowledge and/or skills associated with the Creative Industries sector to meet personal objectives.</li> <li>Express technical and/or artistic talents to maintain and promote the culture of Kaua'i and the Hawaiian Islands.</li> </ul>
Government and Economic Development Organizations	<ul style="list-style-type: none"> <li>Increase the average annual job growth rate in the Creative Industries sector from the current rate of 0.6% (2014 to 2015) to 1.5% by 2020 (i.e., 160+ jobs over 5 years, 370+ jobs over 10 years).</li> <li>Foster innovation and technology commercialization within businesses to improve local, regional and global competitiveness of businesses within the Creative Industries sector.</li> <li>Establish public, private, nonprofit and academic partnerships to create programs that support job growth and business creation/growth within the Creative Industries sector.</li> <li>Create the infrastructure (e.g., facility and broadband) needed to support the Creative Industries sector.</li> <li>Support the formation and growth of Native Hawaiian and ethnically diverse enterprises.</li> <li>Maintain and promote the culture of Kaua'i and the Hawaiian Islands.</li> </ul>

## Exercise 1: Formulate Value Propositions & Minimal Viable Product

**Polling Question 1:** Based on the information provided which of the following Value Propositions would you Rank #1 in terms of it alleviating the Entrepreneur's and SME's Pains and helping them to achieve their Gains.

- A. Counseling/Mentoring Services
- B. Structured Education & Training
- C. Connections to Service Providers
- D. Flexible Work Space
- E. Access To Capital
- F. Enhanced/Reliable Broadband
- G. Social & Networking Events
- H. Continuum of Support Services
- I. Meeting Place
- J. Multi-Use Sound Studio

## Exercise 2: Establish Mission Achievement/Impact Factors

As a member of the development team utilize the information below to answer the polling questions at the end of this section.

<b>Creative Industries Employer Establishments by Subsector (by # of Employees)</b>							
NAICS Code	Industry Description	Total	1 to 4	5 to 9	10 to 19	20 to 49	50 +
31--33	Manufacturing – 2014	12	9	1	2	0	0
	Change 2011 to 2014	-3	-3	0	0	0	0
51----	Information - 2014	9	4	4	0	1	0
	Change 2011 to 2014	1	1	0	-1	1	0
54----	Professional, Scientific, and Technical Services - 2014	52	35	6	7	2	2
	Change 2011 to 2014	-19	-15	-6	2	-2	2
71----	Arts, Education, and Recreation - 2014	8	4	0	1	3	0
	Change 2011 to 2014	3	1	0	0	2	0
	<b>All Subsector Employer Establishments - 2014</b>	<b>81</b>	<b>52</b>	<b>11</b>	<b>10</b>	<b>6</b>	<b>2</b>
	Change in All Subsector Establishments 2011 to 2014	<b>-18</b>	<b>-16</b>	<b>-6</b>	<b>1</b>	<b>1</b>	<b>2</b>

<b>Creative Industries Non-Employer Establishments by Subsector</b>				
NAICS Code	Industry Description	2010	2014	Change 2010 to 2014
31--33	Manufacturing	104	140	36
51----	Information	76	65	-11
54----	Professional, Scientific, and Technical Services	592	697	105
71----	Arts, Education, and Recreation	421	444	23
	<b>All Subsector Non-Employer Establishments</b>	<b>1,193</b>	<b>1,346</b>	<b>153</b>

## Creative Industry Jobs, Kaua'i County<sup>1</sup>

Industry Group	Performance Class	Jobs				Avg. Annual Job Growth (%)			
		2005	2008	2014	2015	2005 to 2008	2008 to 2015	2014 to 2015	2005 to 2015
Cultural Activities	Base-Growth	59	57	78	77	-0.7%	4.4%	-1.1%	2.8%
Marketing, Photography & Related	Base-Growth	485	621	676	689	8.6%	1.5%	2.1%	3.6%
Art Education	Emerging	17	25	36	38	13.8%	6.2%	6.3%	8.5%
Music	Transitioning	60	36	66	72	-15.7%	10.4%	9.2%	1.8%
Design Services	Transitioning	102	103	108	110	0.0%	1.0%	1.9%	0.7%
Business Consulting	Transitioning	121	141	147	146	5.2%	0.6%	-0.5%	1.9%
Performing and Creative Arts	Transitioning	638	674	704	705	1.8%	0.6%	0.1%	1.0%
Radio and TV Broadcasting	Declining	63	55	55	55	-4.2%	-0.1%	0.5%	-1.4%
Engineering and R&D	Declining	147	187	128	128	8.4%	-5.3%	-0.3%	-1.4%
Publishing & Information	Declining	133	104	111	114	-7.9%	1.4%	3.5%	-1.5%
Computer & Digital Media Products	Declining	139	168	124	115	6.6%	-5.3%	-7.2%	-1.9%
Architecture	Declining	80	111	67	65	11.4%	-7.3%	-2.5%	-2.0%
Film, TV, Video Production/Distrib.	Transitioning	44	54	37	35	7.4%	-6.1%	-5.9%	-2.2%
Total Creative Industries		2,088	2,337	2,336	2,350	3.8%	0.1%	0.6%	1.2%

Source: DBEDT compilation based on EMSI data.

## Kaua'i County Creative Industry Performance Compared with Nation and State, 2005 – 2015<sup>2</sup>

Industry Group	Performance Class	Job Change	Avg. Annual Job Growth (%)			Avg. Annual Earnings \$'s US (2015)		
		2005-2015	County	State	U.S.	County	State	U.S.
Cultural Activities	Base-Growth	19	2.8%	8.8%	2.8%	27,733	48,025	51,685
Marketing, Photography & Related	Base-Growth	205	3.6%	1.2%	1.9%	17,262	27,013	48,466
Art Education	Emerging	21	8.5%	3.5%	2.9%	17,700	14,180	14,139
Music	Transitioning	12	1.8%	3.4%	2.3%	21,753	40,865	39,271
Design Services	Transitioning	7	0.7%	1.4%	1.7%	25,456	26,607	37,490
Business Consulting	Transitioning	26	1.9%	2.9%	3.0%	38,559	58,726	78,869
Performing and Creative Arts	Transitioning	67	1.0%	0.1%	2.4%	19,457	25,261	26,793
Radio and TV Broadcasting	Declining	-8	-1.4%	-2.0%	-0.4%	66,202	64,006	81,550
Engineering and R&D	Declining	-19	-1.4%	0.8%	1.2%	103,981	95,765	107,679
Publishing & Information	Declining	-19	-1.5%	-4.0%	-1.4%	48,208	50,121	100,855
Computer & Digital Media Products	Declining	-24	-1.9%	0.7%	4.0%	48,223	89,294	112,825
Architecture	Declining	-15	-2.0%	-0.8%	-0.8%	30,979	72,359	67,919
Film, TV, Video Production/Distrib.	Transitioning	-9	-2.2%	-4.8%	0.0%	28,837	54,648	100,737
Total Creative Industries		263	1.2%	0.9%	2.0%	29,729	49,774	73,562

Source: DBEDT compilation based on EMSI data.

<sup>1</sup> Hawaii's Creative Economy Report – 2016, p. 32.

<sup>2</sup> Hawaii's Creative Economy Report – 2016, p. 33.

As a member of the development team you and your partners have identified the following Mission Achievement/Impact Factors that, if achieved, would result in your support to move forward with the initiative and implement the MVP.

- A. Expansion of the Creative Industries Cluster
- B. Enhancing & Maintaining Community Identity
- C. Successful & Sustainable Ventures
- D. Creation & Retention of Creative Industry Jobs
- E. Creation of a Sustainable Initiative

**Polling Question 2:** As a member of the development team which of the following Mission Achievement/Impact Factors would you rank as the initiatives #1 priority.

- A. Enhancing & Maintaining Community Identify
- B. Creation & Retention of Creative Industry Jobs
- C. Expansion of Creative Industries Cluster
- D. Successful & Sustainable Ventures
- E. Creation of a Sustainable Initiative
- F. Other

**Polling Question 2:** As a member of the development team which of the following would be an acceptable time for the initiative to reach a pre-determined level of job creation metrics.

- A. 1 to 2 Years
- B. 3 to 4 Years
- C. 5 to 6 Years
- D. 7 to 10 Years
- E. 11+ Years