Tampa Bay Entrepreneurial Ecosystem

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and conducted through the John Lowth Entrepreneurship Center, Sykes College of Business, University of Tampa
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Tampa Bay MSA
Kauffman Index of Start-up Activity
2016 rank by MSA
Start-up employment growth as cohort (5 years after founding)
Percent of adult population who became entrepreneurs per month

- Tampa Bay: 0.30% (2015), 0.38% (2016)
- Miami: 0.50% (2015), 0.55% (2016)
- San Diego: 0.40% (2015), 0.35% (2016)
- Kansas City: 0.60% (2015)
- Atlanta: 0.35% (2015), 0.40% (2016)
- Nashville: 0.40% (2015), 0.45% (2016)
Percent of the adult population who own a business as their main employment

- Tampa Bay
- Miami
- San Diego
- Kansas City
- Atlanta
- Nashville
Patent Activity 2015
Methods

• Lit review: entrepreneurial ecosystems
• Comprehensive list of entrepreneurial support organizations (ESOs) in Tampa Bay
• Semi-structured, in-depth interviews with 43 Tampa Bay community members
• Secondary data for econometric analysis
• Model of entrepreneurial ecosystem
• Transcribe and code interviews in NVivo; grounded theory
Findings

• Low cost of living +
• Excellent airports +
• Attractive climate +
Findings

- Diverse population +
- Unique mix of young and experienced; and money and energy +
- Mix of small business, mid-sized regionals, a few large firms, military and pockets of biotech +
- Strong legacy in real estate dominates -
Findings

- Significant enthusiasm for entrepreneurship +
- Significant support and investment in ESOs +
- Pockets of activity: StPete downtown, Channelside District, Ybor +
- No clear regional brand -
Findings

• Significant interest and support for entrepreneurship +
• Competition among ESOs –
• Competition among governmental groups –
• Lack of unified vision and leadership –
• Lack of strong urban core –
• Lack of action on regional public transit –
• Media and messaging challenges –
• No clear brand or outcomes vision –
"...I do not think the parties are working together for one cohesive marketing branding strategy."

"...In fact what we see is more competition among the ESOs rather than coordination."

"...You end up spending so much money joining the ESOs and learning to navigate the ecosystem as an entrepreneur. As I was pitching to [an ESO], I recommended that or someone, like them, has to take that role of being an umbrella organization for entrepreneurs."

"I guess I would say there’s no support, that’s how I would, not the right support. I think that’s the problem with government in general, there’s tons of support it’s just not the right support. To me, the right support is probably, how, it's not going to be industry-specific."
Findings

• Cumbersome to navigate the system –
• ESOs providing duplicative services and competing for funds -
• Lack of vision and collaboration among system stakeholders -
"... a lot of what we're talking about is the kind of connective tissue between everything, making sure that people are not replicating each other's work and making sure that it's all effective."

"Another big challenge which you guys can solve is that we have too much fracture with all the programs that are trying to drive the success of the ecosystems. It comes from a perspective of more competitive than collaborative. Austin had similar situation and Austin Venture partners kind of corralled everybody together. I think that...[we need] some type of initiative where they [all ESOs] are all working together to grow in the same direction."
Findings

• Talent and concept generators +
• Knowledge spillover potential +
• Low cost +
• Talent gaps –
• Legacy in collateralized investments –
• Investment capital not available for early stage companies required above $1m –
Venture Capital Ecosystem

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Private Equity Investors

Angel investors, venture capitalist (VC), growth equity, and buyout private equity (PE) are all types of private equity used to purchase ownership in private companies at various stages of development.

(We will use the terms PE and VC interchangeably to describe all the various type of private equity investments.)
Stages of Capital Investment

- Seed Stage
- Early Stage
- Growth Capital
- Buyout Capital

Investors:
- Angel investor
- Venture capitalist
- Private equity
- Family office
Key Performance Indicators

- Assets under management
- Total equity investment indicator
- PE deals indicator
- Private companies receiving funds indicator
- Total deals indicator
- Total exits indicator
- Ecosystem value
Assets Under Management in Tampa Bay

- $555 million raised by 4 firms since 2015
- $1.3 billion raised by 8 firms in 12 funds since 2009
- 3 funds over $150 million each raised since 2015
Total Equity Investments made by Tampa Bay

- 46 investments by Tampa Bay area PE firms in 2015
  - Deal size in 20 investments totaled $88 million
  - 14 investments to Florida firms
  - 7 investments to Tampa Bay firms
  - $18 million investment into a single Tampa Bay firm

- 47 investments by Tampa Bay area PE firms in 2016
  - Deal size in 33 investments totaled $211 million
  - 19 investments to Florida firms
  - 10 investments to Tampa Bay firms
  - $10 million investment into a single Tampa Bay firm
Private Equity Investments in Tampa Bay

- 5 incubator equity investments totaling $400,000
- 17 angel investment totaling $48 million
- 6 seed round deals, 5 totaling $7 million
- 4 early stage venture capital deals, 3 totaling $21 million
  - Largest deal: $18 million
- 2 later stage VC deals totaling $30.5 million
  - Largest deal: $30 million
- 14 PE growth capital deals, 2 totaling $28 million
  - Largest deal: $24.75 million
- 34 buyout PE deals, 7 totaling $2,275 million
  - 4 deals over $100 million; largest two deals: $854 million and $1 billion
Total Exits in Tampa Bay

• 78 M&A deals with Tampa Bay firms
  – Deal size identified in 24 deals totaling $2.5 billion
  – Two largest deals: $675 million and $875 million
Ecosystem Value

• Equally weighted index of the assets under management indicator, the total equity investment indicator, the total deals indicator, and the total exits indicator

\[ V_{\text{ecosystem}} = \sum W_{\text{indicator } i} V_{\text{indicator } i} \]

– \(W_{\text{indicator } i}\) is the weight for indicator \(i\)
– \(V_{\text{indicator } i}\) is the total dollar value for indicator \(i\)

• \(V_{\text{ecosystem}} = \$1.6\) billion
There is a tide in the affairs of men,
Which, taken at the flood, leads on to fortune;
Omitted, all the voyage of their life
Is bound in shallows and in miseries.

On such a full sea are we now afloat;
And we must take the current when it serves, Or lose our ventures.

Julius Caesar, Act 4, Scene
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