



POLICY BRIEF

THE OFFICE OF ENTREPRENEURSHIP: *A New Standard in State Government Commitment to Entrepreneurs*

Entrepreneurs create jobs, wealth, and stronger communities. But our system makes it hard for them to start and grow.

To unleash the full power of entrepreneurship, states should establish an Office of Entrepreneurship whose mission is to comprehensively foster entrepreneurship for all residents.

THREE ROLES OF AN OFFICE OF ENTREPRENEURSHIP

An Office of Entrepreneurship fulfills three roles essential to supporting entrepreneurs:

- 1. Coordinating policies across state government to encourage the growth of entrepreneurship,**
- 2. Streamlining processes that hinder new business creation and young company growth, and**
- 3. Strengthening the ecosystem so that entrepreneurs can get quality services and resources quickly wherever they are located in the state.**



Each of these roles meets a critical need that entrepreneurs face when starting or growing their businesses:



THE CHALLENGE FACING ENTREPRENEURS: WHO’S IN CHARGE?

46% of entrepreneurs cite laws, policies, and regulations as presenting challenges to their businesses. Entrepreneurs are affected by numerous government policies and regulations (many outdated and overly burdensome), ranging from taxes and zoning to permitting and licensing and more. How these laws and regulations interact with one another has a significant impact on the success or failure of entrepreneurs.

THE SOLUTION

Appoint or hire a Director of Entrepreneurship, or other high-ranking state official, as the head of the Office of Entrepreneurship and lead liaison on policies, issues, and ongoing strategies that affect entrepreneurs.

| ROLE | PRIMARY FUNCTIONS | FEATURES |
|---|---|--|
| <p>Direct <i>Leadership & Coordination</i></p> | <ul style="list-style-type: none"> • Represent interests of entrepreneurs inside state government • Strengthen policies and programs that support the success of entrepreneurs • Be aware of and monitor federal, local, and private efforts or opportunities to foster entrepreneurship • Collect data (e.g., tracking entrepreneurial activity in the economy and government contracts won by new and young businesses) | <ul style="list-style-type: none"> • Led by Director or other high-ranking official • Independent across silos • Vested with authority • Internal advocate for entrepreneurs • Advancing entrepreneurship in state economic development |



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THE CHALLENGE FACING ENTREPRENEURS: RED TAPE

Complying with complex and confusing government rules and requirements saps entrepreneurs of precious time and limited financial resources, leading many to die “deaths by a thousand cuts.” Others are forced to operate informally, outside of the law.

THE SOLUTION

Make it simpler for entrepreneurs to navigate laws, rules, and regulations that cause confusion, expense, and delays. The public widely supports the idea of improving the “customer experience” for entrepreneurs. 83% of voters, for example, support setting up a government office and website to assist anyone looking to start and grow a new business.

| ROLE | PRIMARY FUNCTIONS | FEATURES |
|---|--|---|
| <p>Streamline <i>Cut Red Tape to Improve Customer Experience</i></p> | <ul style="list-style-type: none"> • Break down barriers to make it simpler for entrepreneurs to navigate state systems • Streamline processes • Serve as point of contact for assisting businesses in their crucial first five years | <ul style="list-style-type: none"> • Accessible and responsive to public • Expertise on navigating government • Customer-service orientation (e.g. “lean process improvement”) |

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THE CHALLENGE FACING ENTREPRENEURS: WHERE TO GO?

The number of organizations that help entrepreneurs and small businesses has grown dramatically. While it’s useful for entrepreneurs to have more places to turn for help, knowing where to go when, and how these resource providers complement each other, can be confusing.

THE SOLUTION

Serve as a referral source for entrepreneurs to find quality assistance and strengthen connections between resource providers so they can make easier cross-referrals that help entrepreneurs get to the “best fit” service faster.



| ROLE | PRIMARY FUNCTIONS | FEATURES |
|---|--|---|
| <p>Support <i>Guide to the Ecosystem</i></p> | <ul style="list-style-type: none"> • Ensure entrepreneurs can access and connect to the right public and private resource providers quickly | <ul style="list-style-type: none"> • Accessible to public • Expert connections to entrepreneurial resources • Trusted within entrepreneurial ecosystem |

HOW STATES SUPPORT ENTREPRENEURSHIP NOW

A 2024 Right to Start analysis of state strategies to support entrepreneurs creating new businesses found that all states offer assistance in some fashion. However, this assistance is often fragmented, providing some forms of assistance but not others. When states offer multiple types of programming to help entrepreneurs, resources may exist in different agencies or departments, potentially creating confusion for entrepreneurs who are unsure where to turn for help.

The absence of a government office charged with comprehensively supporting all entrepreneurs across the business lifecycle inevitably creates gaps, leaving some entrepreneurs to struggle alone as they seek to overcome barriers.

WHAT RIGHT TO START FOUND

State-sponsored entrepreneurship assistance often takes the form of web-based guides or lists of resource providers entrepreneurs can contact. Sometimes, state entrepreneurship programs are part of larger efforts to assist all small businesses, not just new and young companies. Other times, states target assistance to a subset of entrepreneurs, frequently those starting and running technology, life sciences, or other businesses that need large sums of early-stage capital.



COMMON TYPES OF STATE ENTREPRENEURSHIP PROGRAMMING

| TYPE | BUSINESS HUB | BUSINESS REGISTRATION SITE | TECHNOLOGY CORPORATION, OR ORGANIZATION | RESOURCE CONNECTOR |
|------------------------|--|---|---|--|
| Purpose | <ul style="list-style-type: none"> Provide information and tools to educate entrepreneurs about business ownership | <ul style="list-style-type: none"> Publicize registration and other governments requirements in one place online to help businesses comply with state laws and regulations | <ul style="list-style-type: none"> Facilitate economic growth by assisting technology, life sciences, and other businesses that develop and commercialize new technologies | <ul style="list-style-type: none"> Help entrepreneurs identify and connect with resource providers |
| Common Features | <ul style="list-style-type: none"> Guides based on business stage Customized checklists Centralized source of information for business owners | <ul style="list-style-type: none"> Step-by-step guides Online portal Business registration Pay taxes Personalized checklists AI tools/ chatbots | <ul style="list-style-type: none"> State venture fund/direct public investment in businesses Technology transfer Grants to resource providers State Small Business Credit Initiative (SSBCI) Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) | <ul style="list-style-type: none"> Searchable database of private and public resource providers Customizable lists of business resources Events calendar/listings |
| Examples | <ul style="list-style-type: none"> Doing Business in NC (North Carolina) New York Business Express | <ul style="list-style-type: none"> Arizona Business One Stop INBiz (Indiana) | <ul style="list-style-type: none"> Missouri Technology Corporation Maryland Technology Development Corporation (TEDCO) | <ul style="list-style-type: none"> West Virginia BusinessLink Minnesota Exchange |

Less commonly, states charge an office or commission to advocate within government for entrepreneurs and small businesses by representing their views before other agencies and seeking to minimize the negative impact of laws and regulations. Even fewer states employ liaisons to help entrepreneurs get answers from regulatory agencies or entrepreneurs-in-residence who bring their personal experience as a founder to bear on government policy.

While there are merits to each of these separate approaches, the rarest form of support is the one that is needed most: a dedicated Office of Entrepreneurship.

An Office of Entrepreneurship can provide cohesion and purpose to state programming, improve service delivery, and fill gaps in assistance.

Nevada became the first state in the nation to create an Office of Entrepreneurship modeled after Right to Start's policy recommendation. Other states can demonstrate their commitment to expand entrepreneurial opportunity for all residents by also creating an Office of Entrepreneurship within state government, based on Right to Start's guidance.

LEADING STATE INNOVATORS

Entrepreneurs create, iterate, and pivot, responding to changing business environments as they strive to build the strongest businesses possible. Right to Start encourages that same spirit of innovation within government by working collaboratively with policymakers, entrepreneurs, and advocates to enhance states' entrepreneurship programming. Here are four examples of states leading the way.



NEVADA: The Nevada legislature passed AB 77 in 2023 to establish an Office of Entrepreneurship within the Governor's Office of Economic Development. Appropriations fund two full-time employees to launch the office initially: a director and coordinator. A true model for the nation.



NEW MEXICO: New Mexico established an Office of Entrepreneurship within the Economic Development Department in 2023. To start, the state will hire a coordinator that will be a point of contact for entrepreneurs, strengthen connections with resource providers, and provide guidance to resources and funding opportunities. This was inspired, in part, by HB 118.





KANSAS: The Kansas Department of Commerce created the Director of Small Business and Entrepreneurship position within its office in 2024. This was inspired, in part, by an all-day hearing in the Kansas State House Committee on Commerce, Labor, and Economic Development on entrepreneurship in the state and HB 2123 that same year.



MISSOURI: The Missouri General Assembly passed SB 894 in 2024 to create an Office of Entrepreneurship within the state's Department of Economic Development. In addition to promoting policies and initiatives to support the growth of entrepreneurship, including tracking contracts given to racial minority groups, women, and veterans, the office will recommend actions to improve access and resources for new businesses.

