

# Going to Scale: The Global Entrepreneur-in-Residence Program

## Summary

American universities are enrolling unprecedented numbers of foreign students – over 886,000. Many have a passion for entrepreneurship and want to start new ventures in the United States. However, current immigration laws make it difficult – if not impossible – for these budding innovators to obtain a visa to remain in the country after graduation to start and grow their companies.

Through the Global Entrepreneur-in-Residence Program, successfully launched at its [Venture Development Center](#) in Boston, the University of Massachusetts is showing how other universities can help their entrepreneurial graduates obtain a visa, accelerate their business, and further stimulate entrepreneurship at their universities.

The Global Entrepreneur-in-Residence Program is a carefully constructed legal framework developed by leading investors, lawyers and university administrators that can work within any university center for entrepreneurship and gives entrepreneurs access to the visas they need to build great businesses. In exchange for this assistance, the entrepreneurs serve as personalized mentors within the centers for entrepreneurship to students interested in entrepreneurship at the sponsoring university, benefitting the larger startup ecosystem.

With assistance from the Kauffman Foundation, the University of Massachusetts will offer scholarships to expand the number of entrepreneurs participating in the Global Entrepreneur-in-Residence Program, both locally and across the nation. It will carefully document the core knowledge, processes, and best practices underlying the Global Entrepreneur-in-Residence Program's methods and will provide other universities comprehensive assistance in establishing their own formal, sustainable and scalable Global Entrepreneur-in-Residence Program. This will allow for other universities to quickly and effectively replicate the results being achieved in Massachusetts.

The University of Massachusetts partner organization in this “Going to Scale: The Global Entrepreneur-in-Residence Program” project is the [Global EIR Coalition](#), created by venture capitalists to launch and scale the Global Entrepreneur-in-Residence Program nationally in partnership with universities.

The total support requested from the Kauffman Foundation is \$354,102.

## **Description of the program**

### **What the program does and how it works**

In 2009, with the opening of the Venture Development Center in Boston, the University of Massachusetts set out to show how proactively engaging entrepreneurs with a major university is key to nurturing the local startup ecosystem. Since then, the Venture Development Center has been successfully helping founders of startup companies—no matter what university they graduated from—surmount key challenges associated with launching and developing their businesses. It delivers unprecedented access to company-building experience through personalized, ongoing mentoring by a team with vast investment and operational expertise in dozens of well-known Boston-based technology and life science companies.

Typically the mentoring covers understanding and developing the business model; financing business creation and growth; team building and management decisions founders need to make; and building a marketing and sales operation. The way we challenge entrepreneurs simultaneously teaches the entrepreneur how to be a better entrepreneur and moves their company forward.

Given the concentration of international students in Massachusetts – 51,240 – it is not surprising that they make up an increasing share of the young entrepreneurial talent seeking assistance from the Venture Development Center. However, visa issues often interfere with them remaining in Massachusetts to establish new business ventures following their studies.

The most sought-after visa, the H1-B, is really designed for large established companies. Entrepreneurs starting companies typically require more time than their F-1 student visas allow to demonstrate the viability of their company in order to qualify to sponsor an H-1B visa for themselves and their employees.

An additional challenge is that there is an annual cap on the number of H1-B visas granted, limiting their availability. Universities are exempt from this cap, however.

The [Global Entrepreneur-in-Residence Program](#) creatively takes advantage of the U.S. Citizenship and Immigration Services' "Guidance Regarding Eligibility for Exemption from the H-1B Cap" in order to allow entrepreneurs to obtain a cap-exempt H-1B visa through their affiliation with the University of Massachusetts until their company can qualify to sponsor its own H-1B visa. The additional time allows a company to apply

multiple times in the annual lottery for a capped H-1B visa, significantly increasing the chances for success.

Under the Global Entrepreneur-in-Residence Program, an entrepreneur who has a graduate degree in a science, technology, engineering, mathematics or business-related field can get a cap-exempt H1-B visa sponsored by the University of Massachusetts by working part-time for the University of Massachusetts, furthering its mission of educating entrepreneurs and promoting economic development while running their startup the remainder of their time. The company can eventually receive a concurrent cap-exempt visa for part-time or full-time work for their company.

The program has given both entrepreneurs and investors the confidence to develop new businesses in the country. See the profile of one of the companies: “[‘We’re In A Race For Talent’: Mass. High-Skilled Visa Workaround](#)”, WBUR, April 30, 2015.

Further, the larger startup ecosystem benefits through the mentorship these global entrepreneurs provide in exchange for their visa, specifically to university-affiliated students considering entrepreneurship. Each global entrepreneur is a role model for our current and prospective students with entrepreneurial aspirations. Their companies also hire the students as interns so that the students can learn experientially how a company is built from the ground up. Finally, as their companies grow, they take root in and around the Boston area, and they tend to first hire locally as new positions open up, which offers new professional opportunities for local university graduates.

The potential of a program like Global Entrepreneur-in-Residence has been well documented by the Kauffman Foundation itself in its [Immigrant Entrepreneurship](#) series. It said that a program of this nature would "release a gush of economic activity" and "help shift the economy into drive." Our own [research](#) has confirmed this effect.

The Global Entrepreneur-in-Residence has attracted overwhelming national interest. See: [Can states solve the immigration crisis?](#), CNN Money, September 29, 2014; and [Massachusetts’ clever immigration reform workaround](#), Fortune, April 14, 2014.

Over a dozen other universities have contacted the University of Massachusetts or the Global EIR Coalition seeking to begin efforts to set up Global Entrepreneur-in-Residence Programs of their own, starting with the University of Colorado, which launched their program in March 2015. The University of Colorado’s Global Entrepreneur-in-Residence Program attracted more than 100 applicants for four job postings. Three more universities hope to launch Global Entrepreneur-in-Residence Programs over the course of the

summer, and are seeking assistance from the Venture Development Center and the Global EIR Coalition.

There is no shortage of policy ideas at the federal, state, and even local level to attract foreign-born entrepreneurs. They have been well documented by the Kauffman Foundation in “[Immigrant Entrepreneurs: A Path to U.S. Economic Growth.](#)”

What distinguishes the Global Entrepreneur-in-Residence Program is that it has actually been successfully implemented. The program is distinguished by its emphasis on building entrepreneurial skills and accelerating ventures. Other universities across the country looking to set up Global Entrepreneur-in-Residence Programs are following Massachusetts’ model and locating them within equivalent centers for entrepreneurship.

The University of Massachusetts’s embrace of the Global Entrepreneur-in-Residence program stands as a leading example of how the nation’s vast higher education community can collaborate with entrepreneurs to ensure future development of our startup ecosystem. To establish a lasting foundation that leverages and nurtures engagement, universities—especially those that are outside the main entrepreneurial hubs—need entities like the Venture Development Center with visionary administrators who have garnered support across the institution to implement and execute compelling programs to nurture the local innovation ecosystem and engage the broader startup community.

## **Outcomes and evidence of effectiveness to date**

The Venture Development Center is currently supporting four Global Entrepreneurs-in-Residence. Covrd, from Harvard Business School; and FirstLine, from Harvard Business School, joined in late-2014. The founders of these companies have secured cap-exempt H-1B visas, sponsored by the University of Massachusetts, have completed seed rounds of investor financing, and are in process of applying for concurrent cap-exempt visas sponsored by their companies. A grant from the Massachusetts Technology Collaborative, which administers funding for the state’s Global Entrepreneur-in-Residence program, supported the visa and salary related expenses of these entrepreneurs.

Perfetch, from Northeastern University, and Potoo, from the University of Massachusetts, joined in mid-2015. Both have already received friends and family investment. And both have current F-1 student or similar visas that they will convert to H-1B via the University of Massachusetts at the appropriate time.

One other company, CurrencyDoc, from the Massachusetts Institute of Technology, is in the process of joining the Global Entrepreneur-in-Residence Program. The founder has an

F-1 student visa that must be converted to H-1B in late-2015. CurrencyDoc was a finalist in the 2015 MIT \$100k.

The visa and salary related expenses of the Perfetech, Potoo and CurrencyDoc entrepreneurs will be supported by private sources.

The major challenge in accepting additional entrepreneurs is financing. That is, finding a stable source of public or private support to underwrite the wages of Global Entrepreneurs-in-Residence during their service to the universities. The Massachusetts program initially relied on state grants from the Massachusetts Technology Collaborative, which are still available, but has branched out to use private sources. We believe private sponsorship is a more sustainable arrangement than relying on public support. One of the major impacts of this Kauffman Foundation project is the ability to explore a broader range of private financing options.

## **Description of specific expansion plans**

With assistance from the Kauffman Foundation, scholarships will be used to expand the number of entrepreneurs participating in the Global Entrepreneur-in-Residence Program in Massachusetts and at six other universities across the nation. Through offering scholarships, which must be matched privately, we will be able to stimulate additional private interest and identify the ways to move the program entirely to that support after this “Going to Scale” project.

The scholarships will allow more participants in the Global Entrepreneur-in-Residence Program, more lessons learned, and broader results achieved, which will lead more universities to take on the program to assist their best entrepreneurial students.

The other key component to national expansion is to carefully document the core knowledge, processes, and best practices underlying the Global Entrepreneur-in-Residence Program’s methods. Then deliver comprehensive assistance to other universities in establishing their own formal, sustainable and scalable Global Entrepreneur-in-Residence Program so they can quickly and effectively replicate the results being achieved in Massachusetts.

### **Budget**

*Global Entrepreneur-in-Residence Scholarships - \$180,000*

The cost of one Global Entrepreneur-in-Residence is \$15,000, which is comprised of \$5,000 in visa and legal fees, and \$10,000 in 8 hour per week wage-related expenses at the University of Massachusetts.

The total amount requested will support a class of 12 Global Entrepreneurs-in-Residence in Massachusetts, and another 12 at six other universities across the nation identified by the Global EIR Coalition. One-half (\$7,500 each or \$180,000 total) of their support will be provided through scholarships. The other half will come from private sources. That is, the Kauffman Foundation support will be used as match. It will be the responsibility of the entrepreneur to raise the matching funds, which can come from their companies, law firms, banks or investors. The Massachusetts Technology Collaborative currently has \$100,000 in funds for the Massachusetts Global Entrepreneurs-in-Residence Program, a portion of which can also be used as match for the 12 Global Entrepreneurs-in-Residence in Massachusetts in the event private sources are not adequate.

The Global EIR Coalition is in process of qualifying the University of Washington, University of Tampa, University of Kansas, San Jose State University, University of Michigan, Wayne State University and Queens College as candidates for the scholarships. The first two (University of Washington, University of Tampa) have been confirmed.

*Program Delivery, Management and Administration - \$99,742*

We are requesting \$53,002 in salary support for William Brah, Director of the Venture Development Center in order to devote 14% of his time to the program per year for two years, recruiting and qualifying the class of 12 entrepreneurs in Massachusetts, assisting the Global Entrepreneurs-in-Residence obtain private matching funds for the program, and contributing to development and delivery of the training program.

We are requesting \$21,050 in salary support for Aijan Isakova, the Program Manager at the Venture Development Center in order to devote 14% of her time to the program per year for two years, assisting in recruiting the 12 Global Entrepreneurs-in-Residence in Massachusetts, tracking their progress, and developing reports on impacts.

We are also requesting \$25,690 in salary support for Adrianna Campagna, the Budget and Operations Assistant at the Venture Development Center, in order to devote 25% of her time to the program per year for two years supporting the visa, hiring, and orienting processes supporting the 12 Global Entrepreneurs-in-Residence in Massachusetts, as well as grant reporting. Adrianna, assisted by Aijan, will administer the subcontracts with the six other universities to be finalized by the Global EIR Coalition that will receive Global Entrepreneurs-in-Residence scholarship support.

*Program Evaluation - \$ 23,788*

We are requesting salary support (one course buyout) for Dr. Benyamin B Lichtenstein, Associate Professor of Entrepreneurship and Management, and Academic Director, Entrepreneurship Center, in the University of Massachusetts Boston College of

Management to design and conduct an evaluation of the “Going to Scale” project, and to contribute to development and delivery of the training program.

*Training and Support - \$50,572*

We are requesting salary support for Global EIR Coalition Director Craig Montuori to design and execute a plan to document the core knowledge, processes and best practices underlying the Global Entrepreneur-in-Residence Program’s methods, and conduct a one-day training program for six other universities around the country. The Director of the Venture Development Center and College of Management faculty member will contribute to the content of the training. Craig will also identify the six universities with qualified candidates that will receive Global Entrepreneurs-in-Residence scholarship support.

The total support requested from the Kauffman Foundation is \$354,102.

The cost of the actual delivery of entrepreneur mentoring and business acceleration services to the 12 Global Entrepreneurs-in-Residence in Massachusetts will be contributed by the Venture Development Center using its existing revenue. The value of this contribution is \$93,600, valuing the mentoring at \$100 per hour.

**Timeline**

Recruitment: Summer/Fall 2015

Scholarship Program: Fall 2015-Spring 2017

Training: Spring 2016-Fall 2017

**Expected Results**

- 24 new companies started
- Estimated company survival rate after four years, from Kauffman Foundation research - 49% or 12 companies
- Average new jobs created per surviving company after four years, from Kauffman Foundation research - 21.37
- Total new jobs created - 251
- 6 new university-based programs trained to launch a Global Entrepreneur-in-Residence Program

**Plan for tracking and evaluating results**

The Venture Development Center's Program Manager tracks results of all entrepreneurs participating in its program. Weekly meetings with individual Venture Development Center mentors update the status of each of their assigned company's accomplishment of business development benchmarks. The Global

Entrepreneurs-in-Residence report weekly to the Program Manager on their mentoring activity within the university.

The Venture Development Center uses the Lean Stack, a collection of tools, content, and metrics to raise company odds of success. We guide founders from Problem/Solution Fit to Product/Market Fit. Successful iteration usually results in a repeatable and scalable sales model at which point the company "graduates" from the Venture Development Center. The entrepreneurs however typically come back for mentoring as their needs change.

The program impact measures we use include: companies created; startup growth (milestones and revenue); money raised by ventures; and new jobs created. We use Salesforce and Dropbox to track results and produce reports.

### **What we hope to learn from this project**

The Global Entrepreneur-in-Residence Program already has the visa navigation process well in hand. With an eye towards sustainably scaling the Massachusetts program and the starting of new programs at other universities, both locally and nationally, we will study the following factors:

1. Context. Every program starts off somewhere, and the effectiveness of its operating model is often context-dependent. What are the factors that make the context ripe? A certain number or type of international student? A public university willing to lead? An established local startup ecosystem?
2. People. The skills of local program managers are often a critical ingredient in making replication work. What are those skills? What kind of support does the program manager require from their university? Does every program have to marry business acceleration with visa facilitation like the Venture Development Center does?
3. Financial structure. A critical aspect of expanding the program is making its underlying economics – costs as well as revenues – transparent, which we will do.
4. Service Recipients. What is the specific subset of foreign-born entrepreneurs that the program should focus on? Fields? Visa status? Which are more likely to benefit than others?

## **Biographies of key staff members**



## **Steering Committee**

The Steering Committee will provide overall direction to the project, and provide feedback on the selection of the 24 Global Entrepreneurs-in-Residence supported in this project. The Steering Committee is drawn from the Board of Directors of the Global EIR Coalition.

Jeffrey Bussgang has been a venture capital investor and entrepreneur since 1995. He is General Partner, Flybridge Capital Partners in Boston. He is a Board Member at a number of companies such as DataXu, Open English and SimpleTuition. He is also a Senior Lecturer, Harvard Business School, and Vice Chairman, The Alliance for Business Leadership, a network of CEOs in Massachusetts dedicated to advocating sustainable, progressive policy that is pro-growth, pro-business. Jeff was instrumental in the creation of the Global Entrepreneur-in-Residence Program.

Brad Feld is the Managing Director at Foundry Group in Denver. Brad is also a co-founder of Techstars. Brad has been an early stage investor and entrepreneur since 1987. He speaks and writes extensively on the topics of venture capital investing and entrepreneurship. He is a Board Member at Mattermark, SendGrid and about.me. Brad has been active with several non-profit organizations and currently is chair of the National Center for Women & Information Technology, co-chair of Startup Colorado, and on the board of UP Global.

Laura Nelson is the founder at Hackers/Founders, a network of meetups for startup communities all around the world. Hackers/Founders chapters can now be found in 102 cities in 40 countries. In addition to meetups, the organization also hosts educational classes.

## **Project Staff**

William Brah is the Director of the “Going to Scale” project. He is the Founder of the Venture Development Center at the University of Massachusetts in Boston. He led it from vision through construction to operations, raising \$8 million to launch it. It has been financially self-sufficient since opening. He recruited leading entrepreneurs and investors to serve as mentors. So far the center has raised \$131 million in venture capital, launched 14 life science and technology startup companies, and trained over 175 students who have gotten into the tech startup community as company founders and early employees. In addition to directing the center, he serves as Assistant Vice Provost for Research who as a member of executive team in Provost's Office has put the policies and people in place to achieve long-term increases in research, development and innovation. Prior to that, William was a Special Assistant to the Vice President and member of economic development team that has grown the University of Massachusetts into a top ranked

research, development and commercialization behemoth. William ran the pilot program for the path breaking Global Entrepreneur-in-Residence Program in Massachusetts. On the strength of this work, the Boston Globe Magazine named the Venture Development Center a 2015 Game Changer (“51 innovative people and organizations did extraordinary things last year, reshaping the way we live and work.”)

Craig Montuori is the Executive Director at Global EIR Coalition, a not-for-profit organization that was created to bring the Global EIR program across the country, one university at a time. He is a leading expert on navigating the immigration process for entrepreneurs. He bridges the gap between politics and the startup world, drawing upon experiences as a staffer on political campaigns, as a cofounder building a startup, and as a student at the best technical school in the world (California Institute of Technology) to provide unique services to the startup world.

Benyamin B. Lichtenstein is Associate Professor, Management and Entrepreneurship, at the University of Massachusetts in Boston. He is also the Academic Director of the Entrepreneurship Center in the College of Management where he launched the Initiative for Social Innovation. His research uses insights from complexity science to explore the dynamics of entrepreneurship, leadership, and organizational change. He has been published in over 40 journal articles and book chapters, including articles in *Organization Science*, *Journal of Business Venturing*, and *Academy of Management Executive*.

Aijan Isakova is Program Manager at Venture Development Center at University of Massachusetts in Boston. She is passionate about business intelligence and loves helping startups to utilize analytics tools in their core business processes. She provides leadership and execution of client recruitment operations, relationship management, operations and finance and grant management.

## **Capacity to expand**

The Venture Development Center is a “freestanding institute” administered by the Office of the Provost and Vice Chancellor for Academic Affairs of the University of Massachusetts campus in Boston. A “freestanding institute” is an organizational unit created to implement activities that cannot ordinarily be accommodated within existing departmental structures. The Venture Development Center's mission is to help entrepreneurs—no matter what university they graduated from—surmount key challenges associated with launching and developing high potential businesses.

What really distinguishes the Venture Development Center's approach is the mentors' availability to provide ongoing support towards building the business. This personalized, sustained mentoring is what separates the program from the “hit and run” mentoring

common elsewhere, which offers advice without follow-through, and puts the onus of managing the mentoring relationship solely on the founders. The Venture Development Center's program was informed through attending a two-day immersion training offered by the MIT Venture Mentoring Service.

The Venture Development Center is a transformative university model for driving/ fostering collaborative innovation and advancing entrepreneurial culture. It has helped create a Student Entrepreneurship Program that has trained and placed 175 College of Management and College of Science students into paid internships in top venture-backed companies both in residence at the Venture Development Center as well as residing outside. It also helped create the Entrepreneurship Center in the College of Management that has developed an entrepreneurship curriculum and new courses.

The Venture Development Center has been financially self-supporting since opening in 2009. \$7,400,000 was raised during 2007-2009 via four different grants to support the construction and initial operation of the Venture Development Center's 18,000 sf facility.

Today, operating revenue is comprised of 88% fees (which vary depending upon the type of space required) paid by Venture Development Center member companies; and 12% from grants. The Venture Development Center has recently administered a \$211,000 life science entrepreneur skills training grant from the City of Boston via the US Department of Labor; a \$588,000 capital improvement grant from the Massachusetts Life Science Center; and a \$60,000 grant from the Massachusetts Technology Collaborative for the Global Entrepreneur-in-Residence pilot program.

Since 2009, 42 companies have been supported by the Venture Development Center; 77% of the companies are still active. Entrepreneurs supported include the winners/finalists of MIT's \$100k, IDEA, Northeastern University's venture accelerator, HealthXL, MassChallenge, Startup Health, Harvard College Innovation Challenge, MIT's Healthcare Grand H@ckfest, Boston University's New Venture Competition and the UMass Innovation Challenge as well as spinout companies from the labs of leading bioengineers in the world – James Collins, Robert Langer, George Church and Farren Isaacs.

22 ventures are currently in residence at the Venture Development Center, creating a community of about 80 entrepreneurs. In 2014, it accepted 8% of the companies seeking to join.

The total outside investment to date in Venture Development Center companies is \$131,270,000. The average funding per company is \$3,052,791 and 255 direct jobs have

been created. The Venture Development Center's average funding per company of \$3,052,791 compares locally to the \$1,144,000 average at MassChallenge. Nationally, it compares to TechStars average of \$1,827,000 and YCombinator's \$3,563,000, both of which are private, investor driven programs.

A Venture Development Center customer says it best, about the overall experience:

“The Venture Development Center offers an excellent environment in which to build our company. Great facilities, mentors and community. The staff has also been phenomenal in their commitment to culture and understanding of the unique needs of a startup. They have a great track record with companies and we are inspired by all the innovative work our neighbors in the space are doing.”

*Armon Sharei*

*CEO, SQZ Biotech*

*(Armon Sharei is a foreign-born entrepreneur. Scientific American selected SQZ Biotech's CellSqueeze as 1 of the 10 world changing ideas of 2014.)*

The Global Entrepreneur-in-Residence program has added to the Venture Development Center's core offering a mechanism to help founders surmount visa issues, which helps keep the entrepreneurial team's focus where it belongs, on developing the business.

In the “Going to Scale’ project, the Venture Development Center will recruit a new class of 12 Global Entrepreneurs-in-Residence during 2016-2017. Can we adequately handle the additional 12 entrepreneurs? Easily. We already support 4. How can we support another 8?

We have a network of five mentors in place, with 416 excess annual mentor hours available right now. That is, there are two mentors who each can devote 208 additional hours per year. The 8 additional companies will use exactly that amount, at one hour per Global Entrepreneur-in-Residence per week per year.