



PLANS AND PROGRESS TOWARD A VIRTUAL ENTREPRENEUR RESOURCE NETWORK

Report to the Legislature
as required by 2010 Minn. Laws, Chap. 283
[codified as Minn. Stat. § 116J.6581 (2010)]

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Author: Charles A. Schaffer
Minnesota Department of Employment and Economic Development

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Report Pursuant to 2010 Minn. Laws Chap. 283

2010 Minn. Laws, Chap. 283 [codified as Minn. Stat. § 116J.6581 (2010)] requires the commissioner of the Minnesota Department of Employment and Economic Development (DEED) to seek private sector funding adequate to develop, maintain, and market a virtual network to provide access to statewide resources and expertise for entrepreneurs. The goal of that network is to assist in the creation of new Minnesota ventures, the growth of existing businesses, and the ability of Minnesota entrepreneurs to compete globally. In addition to the requirement of seeking private funding, the statute also requires that the network connect to available state and non-state supported services, that standards for the inclusion of those resources be developed, and that to the greatest extent possible the network be built upon and linked to existing resources designed to make business assistance resources more accessible to Minnesota business. To the extent that the network involves state information systems of web sites it will be subject to the authority of the Minnesota Office of Enterprise Technology with regard to factors such as evaluation and approval, compliance with security guidelines, and compliance with accessibility standards. A report to the legislature on the status of DEED's plans and progress in furtherance of the statute is required by September 30, 2010.

Chapter 283 was effective May 1, 2010. A copy is attached.

ISSUES FOR RESOLUTION

A number of issues for resolution were immediately presented by the language of the legislation:

- Performance in the context of DEED's own entrepreneurial information efforts and other efforts supported in part with DEED funds—especially the in-progress work with the Minnesota Chamber of Commerce on the Chamber's BizConnect website.
- The availability, quickly, of private sector monies to support development and continuing maintenance of the network.
- The nature, amount, and sources of content given the legislation's emphasis on both completeness and standards for resource inclusion.
- Questions of ownership, copyright, look-and-feel, for a network supported-in whole or part-by private funds but maintained by DEED.

FINANCING AND THE MINNESOTA CHAMBER OF COMMERCE MODEL

DEED has in place from May 28, 2008 through June 30, 2011 a contract with the Minnesota Chamber of Commerce (the Chamber) for development of the Chamber's own business resources portal BizConnect. That contract passes the sum of \$205,246 (of a total anticipated cost of \$513,116) from DEED to the Chamber for the creation of a business resources database, the development and testing of a referral functionality, and the implementation and marketing of the completed project.

Upon passage of 2010 Minn. Laws Chapter 283, DEED requested the Chamber to informally survey its membership on the availability of private sector contributions to the virtual network contemplated by that legislation. The Chamber did do such an informal survey which indicated that there was effectively no private financial support for such a government developed network. This result was congruent with DEED's perception of a lack of private funds availability. Indeed, the private sector's preference for privately operated systems was one of the basic elements in the Chamber's proposal which resulted in the 2008 contract. That is, that businesses are more likely to request assistance through a private sector portal which they perceive as operated by a private organization that understands businesses, has program stability and consistency regardless of electoral outcomes, and has a network of local chambers in place for referrals and delivery.

Given the absence of private support for a government model and the support of a private model inherent in DEED's contract with the Chamber, DEED has begun work with the Chamber to determine if the Chamber model could be functionally enhanced to meet the requirements of the 2010 legislation when it becomes functionally self-sustaining in June 2011.

In addition to a user accessible database of small business resources, the Chamber's BizConnect model has an "ask a question" function whereby a user submits an emailed question which Chamber staff either answer using their own expertise or refer to DEED or another assistance provider. This kind of system works best if the person inquiring already has been able to obtain from the system adequate information to frame the inquiry accurately and completely. DEED is working now with the Chamber to add that enhanced functionality by providing a series of frequently asked questions from which the user can access a decision tree of follow up questions that will yield either a clear answer or a source to answer the more detailed question that emerges from the decision tree's prompts. The initial set of these enhanced decision questions will go live on October 1st.

CONTENT AND CONTENT STANDARDS

Minnesota is rich in the number and kind of organizations – both public and private – that offer services and assistance to small businesses in general or small businesses organized by product, industry, market location, or some other category. A major impediment to any broadening and deepening of a resource list is the absence for standards for inclusion. Developing standards will make finding resources easier, avoid misdirection of referrals, and avoid the potential for inclusion of organizations of the “Send me \$500 and I will make you a civil engineer in three weeks” type. Standards will also allow for clearer identification of the focus and strengths of included resources. DEED is presently developing, in the context of resources for BizConnect and its own resource listing, standards of organizational competence, capacity, continuity and transparency. DEED anticipates these standards to be available for review and testing in January 2011.

INTELLECTUAL PROPERTY AND PUBLIC POLICY QUESTIONS

Questions of ownership, copyright, look-and-feel, and other intellectual property questions emerge for both the legislatively considered model (one developed and maintained with private funds but operated by DEED) and the BizConnect model (one developed in part with public funds but maintained and operated by a private entity and self sustaining with private funds). DEED’s current grant contract with the Chamber is silent on intellectual property issues which would have to be addressed if the BizConnect model is adopted in furtherance of the new legislation. Other issues relate to the nature and amount of content that resources can provide on the site and whether the site constitutes a public forum in either the legislative or BizConnect model. DEED will be exploring these issues during the period of testing of the new, enhanced functionality beginning September 2010 and extending through February 2011.

TIMELINE SUMMARY ON ONGOING EFFORTS

October 2010: enhanced functionality of BizConnect model goes live for testing.

September 2010- January 2011: standards for inclusion of resources developed. New additional enhanced functionality decision tree questions developed and added.

September 2010-February 2011: intellectual property and public policy issues addressed.

March 2011: recommendations for adoption of legislative model or BizConnect model. Development of legislative proposals or new contracts as necessary.

CHAPTER 283—S.F.No. 2758

An act relating to economic development; providing for the development of a virtual assistance network for Minnesota entrepreneurs; proposing coding for new law in Minnesota Statutes, chapter 116J.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. [116J.6581] MINNESOTA ENTREPRENEUR RESOURCE VIRTUAL NETWORK (MERNV).

(a) The commissioner shall seek sufficient private sector funding for the Office of Entrepreneurship and Small Business Development (OESBD) to develop, maintain, and market a virtual network to provide seamless access to statewide resources and expertise for entrepreneurs and existing businesses using private sector funding. Private sector funding must be for general support of the virtual network and must not be used to sponsor specific portions of the network. The network must disclose the value of the donations and names of private sector organizations providing funding for the network. The network must connect Minnesota entrepreneurs to available state and nonstate supported services and technical assistance. In developing and maintaining the network, OESBD must ensure that all listed resources meet established standards. The goal of the network is to assist in the creation of new Minnesota ventures, the growth of existing businesses, and the ability of Minnesota entrepreneurs to compete globally. To the greatest extent possible, the network should be built on and linked to existing resources designed to make business assistance resources more accessible to Minnesota business.

(b) Any portion of the network that involves state information systems or state Web sites is subject to the authority of the Office of Enterprise Technology in chapter 16E, including, but not limited to:

(1) evaluation and approval as specified in section 16E.03, subdivisions 3 and 4;

(2) review to ensure compliance with security policies, guidelines, and standards as specified in section 16E.03, subdivision 7; and

(3) assurance of compliance with accessibility standards developed under section 16E.03, subdivision 9.

EFFECTIVE DATE. This section is effective the day following final enactment.

Sec. 2. REPORT.

By September 30, 2010, the commissioner must report to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over economic development and state government finance on the department's plans and progress towards the development of the network under Minnesota Statutes, section 116J.6581.

Presented to the governor April 28, 2010

Signed by the governor April 30, 2010, 2:25 p.m.