

MIAMI TODAY

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Can an entrepreneurial education help Miami reach its potential?

Miami is full of opportunities: a great place to start a business. We rank ahead of many cities elsewhere, and it is hard to disagree with that assessment.

You need only to walk through Little Havana or Coral Gables to see our vibrant retail small-business community. Looking up, one sees the names of many large multinationals at the tops of our buildings.

The tragedy is that only a handful of larger firms are Miami-based. To compete in the future, we need to build new, high-growth firms in new industrial sectors to serve as a hedge against being too dependent on hospitality, tourism and the financial flows from Latin America.

The reality is that most of our small businesses will remain small, producing small income streams for their owners. Even fewer will produce innovative products or services sought by customers worldwide, and an even smaller proportion will produce significant jobs in the community and wealth for their owners to pass on to their families.

What is missing in Miami is a cadre of high-growth entrepreneurial firms in a variety of industrial sectors with symbiotic



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relationships with larger firms in those sectors. Where is our next Codina Group or IVAX?

Proclaiming we are a great place to do business could describe any number of cities that have great weather, a multicultural population and many educational institutions—for example, San Diego. But we do dream and desire to be more: the financial capital of Latin America and one of the great entrepreneurial cities of the world.

The question remains: How did San Diego become a leader in software, wireless technology and biotechnology while Miami's promise in these areas has yet to be realized?

What is missing in Miami's equation is a pool of high-growth ventures in a variety of technologies and service-related businesses. While the Scripps project suggests we could have a vibrant biotechnology sector, several factors must still be put into place if this dream is not to become an expensive nightmare.

Clearly, we already have the intellectual talent at our research universities, the University of Miami and Florida International University. It is not just identifying good technology ideas at Scripps, UM or FIU—it is a systematic approach to turn that intellectual property into commercially viable firms to support the economy of the region. It is in this area that we have a poor track record.

Once we have viable technology, we need well-established angel investor groups that are sophisticated in a variety of technologies, especially biotechnology. A hopeful sign is that the New World Angels are forming.

Yet today, Miami is woefully behind many of its competitor cities in this endeavor, especially San Diego. It was not just Scripps that turned San Diego into a Mecca for biotechnology—it was a focused group of angel investors, led by UC Connect, who were determined to turn research from it and the University of California, San Diego into viable technology firms.

How do we persuade those with wealth in South Florida to invest in the future of the community? If we can have record sales at our art expositions, why cannot we also have record investment in our local technology firms?

We also will need seed-stage venture-

capital funds that see South Florida as their home and want to build significant new businesses here. It is these investors, not politicians, who often determine where a firm will be.

Many investors come and take our new technology back to Atlanta or San Francisco because they claim there is a lack of talent here to develop and run these firms. Venture-capitalists will not even arrive if we cannot show significant commercially viable research endeavors at our universities and if angel investors do not invest in these.

Finally, what we need is to foster the development of sophisticated, technology-savvy entrepreneurs who want to start and run firms here. Our educational institutions must step up to this challenge by providing not just entrepreneurial education in business schools but also to our engineering, science and medical students. If we do not invest in the intellectual capacity of our citizens, we will never reach our potential as the entrepreneurial city.