Speaker 1:

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Dan Seed:

Hello and welcome to Big Ideas, a podcast from Texas State University. I'm your host Dan Seed from the School of Journalism and Mass Communication. This month, we're joined by Dr. Josh Daspit and Dan Roy from the McCoy College of Business. Dr. Daspit is an Associate Professor of Management whose focus is in entrepreneurship, specifically issues related to family businesses, innovation and social dynamics. Mr. Roy is an Entrepreneur in Residence in McCoy. Mr. Roy spent time in corporate banking and spent 25 years starting three successful companies. Both are here to discuss SCALEUP, which is the sustainable cultivation and advancement of local enterprises for underserved populations. Gentlemen, thanks for being here.

Dr. Josh Daspit:

Thanks for having us, Dan.

Dan Seed:

If you could, describe SCALEUP. How did it come to be?

Dr. Josh Daspit:

Gosh, well, Dan and I have been talking in broad terms about the university, the positioning of the university, some of the critical and unique resources that we have here at Texas State. We've been having these conversations for quite a few years, and several of those conversations, in fact, have related to the issues that ultimately led the development of this idea that became known as SCALEUP, specifically that Texas State has a majority of minority students.

Dr. Josh Daspit:

We have faculty who are doing research and are well known in areas of business, entrepreneurship, family business, diversity across the board, so on and so forth. We also came across of information, some insights from Stanford University, that were showing that minority owned businesses were not growing at the same rate as non-minority owned businesses. So with that in mind we saw that, given the university and some of the kind of interesting or unique positioning that we have, that there is a great opportunity for us to perhaps address some of those issues and see what we can do to make a difference.

Dan Seed:

So as you mentioned, the number of minority owned businesses has increased substantially as many minority populations double the number of new entrepreneurs. But despite this, like you said, the minority owned businesses tend to remain small and don't necessarily scale. I know that that's one of the things that you're looking up or looking with, with SCALEUP, but based off that Stanford study or things that you guys have run into over the course of your careers, why does this happen, or what maybe is the hypothesis as to why that's the case?

Dr. Josh Daspit:

Yeah, you're exactly right. The number of minority entrepreneurs in the United States has grown substantially in recent years. In fact, when you look across minority populations, what we've seen most recently is for most all minority populations, the number of entrepreneurs has doubled. In fact, if you look at the Latino population, the number of business owners in that population has grown over 34% in the last 10 years compared to just 1% for all others.

Dan Seed:

Wow.

Dr. Josh Daspit:

So we're seeing amazing growth, tremendous growth. The issue though that's interesting, is while the number of minority businesses across the board is increasing, those businesses are not growing at the same rate as non-minority businesses. So their growth is lagging, and just, as you mentioned, there are a few ideas about what's behind that, that growth, or lack of growth in this case. That's exactly what SCALEUP is positioned to investigate, and not just investigate, but also to develop some practical tools in partnership with the Center for Innovation and Entrepreneurship to help these businesses.

Dr. Josh Daspit:

The final result is that we're going to be able to go out into the community and share some of these insights, the research and these practical tools, to help minority businesses increase their growth. It's interesting, there's some data that showed that because those businesses are not growing at the same rate, there's an opportunity gap. Specifically, if minority owned businesses grew at the same rate as non-minority businesses, that would add an additional $5 trillion to the national economy, and create over 20 million new jobs. So this is, as we see it, a great opportunity for Texas State and of course, The Center for Innovation Entrepreneurship to make a ... If we can make even a small impact on those number, putting $5 trillion to the US economy, 20 million jobs, if we could make just a small difference, that's a huge impact.

Dan Seed:

Yeah.

Dan Roy:

Sorry, Dan, if I could just jump in real quick and add to that, I'd love to do it. One of the roles that I play in addition to supporting the Macquarie College of Business is, as co-director for the Center for Innovation and Entrepreneurship that Dr. Daspit referenced, and so one of the things that to me is most compelling about this opportunity is, the university is committed to research with relevance. So as a center focused in the areas of innovation and entrepreneurship, certainly the magnitude of this problem, this opportunity is enormous, and it's one that we think is meaningful and directly can impact Texas State, and the local and regional economy.

Dan Roy:

I mean, when you look at where we sit, Hays County alone is 40% Hispanic, if I'm remembering that number correctly. So the university's position, Hispanic [inaudible 00:06:17] Institute, majority-minority, Dr. Daspit mentioned all these. But our ability to impact business, and help to close this gap based on research really was compelling, I think, to the center in one of the driving forces behind SCALEUP.

Dan Seed:

I do want to get into the center, and more about SCALEUP, but just to back up here for a second, this discussion about the national look and the impact that scaling up these businesses would have nationally, what does that look like here in Texas? We're a very pro-business state, it's a state, again, as you mentioned, where minority populations are growing at a rate where minority populations may become the majority in a few years. So how does this national trend, how would scaling up these businesses here affect the business culture in the state of Texas?

Dr. Josh Daspit:

Certainly it's not that minority populations may become majority. They will, and it's going to have a substantial impact again, not just nationally, but within Texas specifically, and certainly within our local county, Hays County, as Dan mentioned. Hays county itself has over double the size of the Hispanic population as the United States. I think it's 40% and about 20% nationally. So it's going to have noticeable impact if we're able to, again, even make a small difference, and the ability of those businesses to grow the same rate as other businesses.

Dan Seed:

I've read that SCALEUP or a goal of it, is to approach its mission with a holistic perspective. For our audience, what exactly does that mean, a holistic perspective?

Dr. Josh Daspit:

Yeah, that's a great point. We want to be able to deliver solutions to business leaders, but we want to be sure that these solutions are research based. That these are evidence based solutions. We might have our own theories, our hypotheses about what might be hindering growth in this population or that population, but we want to make sure that this is done systematically. There's a lot, that's known in research currently about startups, startups in general, and even starting up with respect to minority businesses.

Dr. Josh Daspit:

But when you look at the literature as a whole, research overall in this area, there's far less that is known about growth overall, and specifically the challenges that minority businesses face with growth. So to your question, we want to take a holistic perspective. It starts with research. We want to make sure we have a solid foundation, before we go out and start doing workshops and sharing these insights with business leaders, we want to make sure that we're offering some research based evidence based tools that are developed.

Dan Seed:

You kind of address that with this, but when you look long term at SCALEUP and what you envision this being, how does SCALEUP fit into addressing this problem specifically? And what are your hopes for the program as it launches and goes forward and becomes a sustainable effort?

Dr. Josh Daspit:

Yeah, the way that we have laid it out now is essentially in three phases. The first phase is the phase we're currently in. This has been an initiative, a program, that's approved by the university. Of course, as I mentioned, we're working in partnership with CIE, the Center for Innovation and Entrepreneurship to embark on this exciting journey. This first phase relates to doing the research.

Dr. Josh Daspit:

So we actually have a call out now that is open to all faculty at the university, to apply to become a Center for Innovation Entrepreneurship faculty research fellow, and through that, they'll be focusing on identifying these issues related to minority business growth. Once that concludes, we expect that's going to take at least 12 months or so. Once that phase concludes we'll then move into the second phase, which is developing those tools, working with some practitioners to develop and refine those tools to help minority businesses grow. Ultimately, once those tools are developed, the research has been done, we're going to embark on creating the impact, delivering those tools, sharing those tools with the business leaders in Texas and beyond.

Dan Seed:

Both of you have mentioned CIE a couple times. So Mr. Roy, you're the co-director of the Center for Innovation and Entrepreneurship here at Texas State, fill our audience in, if you could, about what CIE is and what its mission is in context of the university, but also in the broader community?

Dan Roy:

Yeah. Happy to do that. Actually, the center really emerged from the original Big Ideas campaign that the university had. Really essentially what it's attempting to do is to really serve as a hub that connects all of the incredible work that goes on across a campus of this size. Texas State has 38,000 students. As we began to examine the landscape and the ecosystem, it's remarkable how much activity goes on in the areas of innovation and specifically in entrepreneurship.

Dan Roy:

One of the key roles of the center is to begin to kind of shine a light on that and provide connectivity across campus, because a lot of people, unless you're uniquely engaged in a particular aspect of the ecosystem, you may not even be aware that it exists. So one of the great benefits of having a university level center like this is to really provide those connections. If you think about it on an academic front, for example, typically unless you were inside the McCoy College of Business, you were not exposed directly to kind of the formal academic training for entrepreneurship.

Dan Roy:

So one of the goals of the center is to increase act access, and this kind of gets to that global perspective of a cross-disciplinary, interdisciplinary approach, to expose more of our students to the power of entrepreneurial and innovative thinking. What we see now is we have students who are in music, biology, theater, athletics, that are deeply interested in entrepreneurship and will go on to work for companies where their ability to understand what the process of value creation is matters, and it will separate them in the workplace. So supporting programs like SCALEUP that are again increasing accessibility to key components that are needed not only to start companies, but to grow them. So really we're trying to bridge it ecosystem here, and kind of fill in any gaps along the way.

Dan Seed:

So SCALEUP seems like it's a natural evolution from the mission of the center, to expand that reach and that research?

Dan Roy:

Oh, absolutely, and again, I think it's very reflective of the types of initiatives and programs that fit the profile and the demographics of not only Texas State, but of our area and of Texas at large. I think Texas is maybe third or fourth largest Hispanic population. So when we look for ways to be impactful in the areas of innovation and entrepreneurship, certainly it makes a lot of sense to be levered in an area that we can relate to as a population. So yeah, we're very excited about SCALEUP.

Dan Seed:

As I mentioned, your career, you've got a long background and extensive background and entrepreneurship. For you, Mr. Roy, how much does this excite you? What kind of challenge does this present for you in a different kind of arena, to do this, what has this been like for you?

Dan Roy:

Yeah. It's been extraordinary for me, and as you mentioned, I'm much more on the practitioner side. I'm not an academic, but I will tell you that for me, what's really exciting about it is our access at a university to incredible faculty and researchers. You're talking about experts, Dr. Daspit being one of them, in family business. So for me coming up with an idea, or how do we tackle up problem, this is a massive problem. We've identified this huge gap that exists because these companies don't scale at the same rate.

Dan Roy:

Well, I'm in a unique position because there are resources at a university that are perfectly positioned to help us solve the problem, and I think that kind of approach between industry and academics is really compelling. For me, it's been incredibly exciting, and we have a lot of programs that we support. SCALEUP though really transcends a lot of the core areas that I think we're focused on.

Dan Seed:

Dr Daspit, Dan just mentioned this partnership between industry and academia. You're in the classroom, you're in the research. What do you hear, or what are you seeing from your students in terms of a drive to get into entrepreneurship, specifically our minority students? What kind of conversations are they having, questions that they're having, and things that they're coming to you with that you can help guide them through this process in your role as a professor?

Dr. Josh Daspit:

Yeah. There's great interest among all students, as Dan mentioned. It's been interesting to see from my perspective as well, the interest that has kind of been manifesting, not just in management, within the College of Business, but across disciplines within our college and across colleges. Part of that has come from conversations surrounding the entrepreneurial mindset.

Dr. Josh Daspit:

When folks often hear about entrepreneurship, they immediately think, oh, that's about starting a business. And if you're in theater or if you're in fashion design, or another discipline, maybe that's not of immediate interest. However, when we're able to take a moment to explain what the entrepreneurial mindset is, and define it in a way that it's a cognitive perspective. It's not just about starting a business, but it's a perspective that enables any individual to create more value by recognizing and acting on opportunities, making decisions when you don't have all the information, and remaining adaptable and resilient in context that are ever changing and dynamic.

Dr. Josh Daspit:

When you phrase it like that, it's not about just those individuals wanting to start a business. Thinking more creatively, being able to adapt and be resilient is helpful for students, individuals, employees, across the board. In fact, I was listening to one of the recent episodes that you did when you were talking with Caitlin Hopkins from Theater. And there were a couple of things that she mentioned about how theaters changed as a result of the pandemic. One of the things she mentioned was the fact that opportunities arise when you at least expect them, and that the way that they are teaching within that program has changed and is ever changing.

Dr. Josh Daspit:

I think she said now more so than ever, because of the conditions that we're in. When I heard that, I said, "This is the entrepreneurial mindset. This is a leading program in the nation housed at Texas State." And while they may not articulate it as the leaders of their program having an entrepreneurial mindset, it's exactly what they're doing, being very entrepreneurial in how they're instructing students.

Dan Seed:

I'll open this up to both of you, and this was my follow up, and you kind of brought it to the forefront a little bit more, referencing that previous interview. For both of you, when you look at the mindset that people have now, and opportunity. You mentioned the pandemic, and clearly social media and this online world and all this, how has the mindset changed, or what have you guys noticed in terms of people wanting to get into this entrepreneurial spirit now maybe more than ever, is that accurate to say, or what are you, what are you sensing in regard from folks?

Dr. Josh Daspit:

Yeah, I would say that it is being able to think in that way, create value and that way, has not come just as a result of individuals wanting to, but in some instances having to create value with limited resources. For better or worse, it's a result of the times, but those individuals who are able to have this entrepreneurial mindset, they're able to see opportunities where other individuals might just pass them right by. And not just see an opportunity, recognize an opportunity, but create some value from that opportunity.

Dr. Josh Daspit:

That's one of the things that's really exciting is, with the SCALEUP program, if we're able to bring some of those sites as well, into those workshops and helping business leaders understand the value of thinking entrepreneurially, that helps not just them as leaders, but that's something they can share with their employees for even further growth.

Dan Roy:

Yeah. I think I might add to that, that anytime you have times of great disruption, and certainly COVID has presented great disruption, it comes with great opportunities. So again, our desire as a center and I think as a university, is to impact as many of our students as we possibly can, in empowering them with this way of thinking. Because companies now, I'm fortunate to have spent much of my career in, in kind of the employer side of the world. So hiring and HR related issues.

Dan Roy:

I'll tell you that when you look at the skills that employers seek, right now, they understand that if they're not innovating, they're in trouble. So they want to hire students capable of innovating. Well, what does that mean? And I think Dr. Daspit just gave the perfected example of that,.that entrepreneurial mindset gives you the skills that you need to become an innovator.So if I'm inside an organization and I see an opportunity, that's one thing, but am I capable of acting on that, can I gather the data? And more importantly, can I persuade others to join me? Will management fund it, can I get it done?

Dan Roy:

So it's not just starting a business, these are incredibly essential skills going forward, and I think it's a great opportunity for Texas State to set itself and its graduates apart. So with this disruption, lots of opportunity, we have alumni that are re-engaging, saying, "Hey, I'm ready to solve this problem. How can you help Us?" So that again, as a center, we're excited on all fronts, not just for what it means to undergraduate and graduate students, but also to our alumni, and again, through SCALEUP, to impact the community. These are innovative times and we need to stay ahead of the game.

Dan Seed:

Again, we're joined by Dr. Josh Daspit and Mr. Dan Roy from the McCoy College of Business. So the next step for SCALEUP is to secure funding. Where are you with this, how is that obviously going to help you guys and the university advance this goal forward?

Dr. Josh Daspit:

It's critical to have the funding to be able to move forward with SCALEUP. We are fortunate that we have received funding to support the first phase of SCALEUP, which is related to supporting faculty members doing the research. We have secured that funding for the first year of the first phase, but we are still looking for financial support to help support the other phases of the programs. We anticipate the after about three years or so, ideally this could be a self-sustaining program. But we need financial support to be able to get there, to scale up the SCALEUP program. Very happy to have some external funding currently, but additional support will certainly be needed to get us to that point.

Dan Roy:

One of the great things about that, Dan, also though, is that this particular program really is appealing. So that those people that we talk to, I think they understand the magnitude, I think they understand the impact it can have on their own organizations. If you think about being a financial institution, for an example, and we're presenting them with an opportunity to help their customers and their clients grow, get bigger, because when they get bigger, it requires capital, it requires employees.

Dan Roy:

So I think people get it. I think they understand the impact. We're thrilled to have that first round of funding and look forward to additional funding, and I'm quite confident we'll get it. So anyone who wants to reach out to us, let me know, because it's an exciting program, and I think it'd be great to get in on the ground floor, and really establish yourself as a partner.

Dan Seed:

You open the door to that and you have a platform here where you're reaching the masses, the beauty of broadcasting or podcasting. So in this instance, somebody out there listening says, "This sounds like a great idea, and I'd like to help with funding." How can they go about doing that, reach out to you guys individually, the university, what's that process?

Dan Roy:

Yeah, I think a great point to reach in would be for the Center of Innovation and Entrepreneurship here at Texas State university. The center is very well connected with university advancement and others, and so we're engaged in those conversations and would love to continue that. So I would encourage them to reach out to the CIE. They can do that at cie@txstate.edu. Or to Dr. Daspit or myself personally, happy to engage in those conversations.

Dan Seed:

Before we wrap up here, guys, at the end of the day, what do you both hope that SCALEUP can accomplish long term? What do you envision this becoming beyond just necessarily the initial topic that we talked about, helping minority businesses?

Dr. Josh Daspit:

I think given that opportunity gap that we mentioned earlier, yes, it's helping potentially a business grow, but it's also not helping just that business. It's helping that business employ more individuals. More individuals are employed helps their families, of course, but also contributes to the economy. We mentioned that opportunity gap of about $5 trillion that could be added to the US economy.

Dan Seed:

That is a stunning number, it's mind boggling.

Dr. Josh Daspit:

It really is, and over 20 million new jobs can be created. And that's just if minority business were growing at the same rate, not a high rate or increasing the rate, just parity here. So it is, they are amazingly shocking numbers, that there's that much of a gap. So if we can make just a small impact there, then it has repercussions at so many levels in my view.

Dan Roy:

Yeah, and if you want to talk about an economic development perspective, you're talking about creation of wealth. You're talking about a lot of good that comes from overcoming these barriers. So I think, to Dr. Daspit's point, it is a major, it's a staggering number and what gives me great confidence in this, is that we're taking a research based approach, is that it's a solvable problem. If that is true, then the opportunity that lies ahead for Texas State and for quite frankly, for Texas to lead the United States in this type of approach, I think is an incredible opportunity.

Dan Roy:

This may be the perspective of an entrepreneur versus a research academic, but I look at the opportunity and I think we're going to solve it. I think that comes with unbelievable positive impact to our community and to our society. So again, super excited about it and ready to get it going.

Dan Seed:

Well, listening to you guys talk about this, I think that you've done a good job in terms of explaining or showing how academia and industry can come together, which is always usually a good thing. That you're bringing in the academic side, the practical side, we do a lot of that here in the school of journalism, and it's something that benefits students and ultimately can benefit society. So kudos to you guys for this idea in launching this. So Dr. Josh Daspit and Mr. Dan, Roy, thanks so much for joining us.

Dr. Josh Daspit:

Thank you for having us, Dan.

Dan Roy:

Thank you.

Dan Seed:

And thank you for listening. We hope everyone had a great new year and we look forward to the guest episodes and topics that this new year, 2022, will bring. Until next time stay well and stay informed.

Speaker 1:

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