

The story behind "THE SMOFFICE....the smallest office in
the world and the most UNCONVENTIONAL Chamber of
Commerce project in the world....

Submitted for consideration to:

The World Chamber of Commerce Federation

Chamber Competition: Most Unconventional

By The Greater Durham Chamber of Commerce

Durham, NC

www.durhamchamber.org



Introduction

This application is purposely submitted in a fashion that tells a story...one that we hope you will enjoy reading amongst the hundreds you will receive. The story is not one of mystery and suspense but one wrought with humor and lots of unconventional thinking. It is populated with live links for you to read more, should you get bored with the other applications. This was done with the true belief that chambers can be unconventional in their thinking and in their execution of community growth strategies...hope you enjoy! As you would expect in an unconventional project, the one page executive summary is the last page.

Project Origination....you have to know us first to understand the plot...

The Greater Durham Chamber of Commerce is the official economic development organization for Durham County, North Carolina. Durham is best known as being the home of the Research Triangle Park, the largest and oldest research park in the United States, and one of the largest in the world. The Research Triangle Park (RTP) is home to more than 170 companies, including **IBM, GSK, Syngenta, RTI International, Credit Suisse, and Cisco, that** foster a culture of scientific advancement and competitive excellence. RTP is located between three major universities: [Duke University](#) in Durham, [North Carolina State University](#) in Raleigh, and the [University of North Carolina](#) at Chapel Hill.

The Research Triangle Park had its beginnings in the early 1950's when community and state leaders realized that the economic impact of the textile and tobacco industry would soon be diminishing and a new era of discovery and knowledge would replace it. Therefore, a foundation was created to acquire 4,400 acres in Durham and Wake Counties between the three university campuses for the purpose of providing a campus park setting to attract and grow research and development companies and institutions. Today, RTP has grown to 7,000 acres, with 22.5 million square feet of research and development space and 39,000 employees and 10,000 contract employees. As a testament to this innovation, the Research Triangle Park companies have over 4,000 patents in ground breaking areas.

There is no denying RTP has had such a continuous track record of success because of its close proximity and deeply collaborative relationships with the three Universities. Together, Duke University, the University of North Carolina at Chapel Hill and North Carolina State University are awarded over \$2.5 B in research funding every year. Their research accounts for significant institutional discovery that in collaboration with private companies is commercialized

worldwide. As the successes of these universities grew, their global reputation began drawing graduates of the program to locations throughout the world. Over time, this began to decrease the available talent to fuel the area's continued growth.

With the economic downturn that occurred in the late 2000's in the United States, companies looked to become more efficient and employment growth decreased. Durham was not immune to that trend. Fueled by limited employment opportunities, entrepreneurial activity in the United States began exploding. Durham was no exception. Downtown Durham had slowly been re-investing in building its stock and community infrastructure in an attempt to become a key destination attribute in the county and region. As university students looked to explore entrepreneurial opportunities upon graduation, downtown Durham's low cost, compact design, and community assets became an attractive option.

In 2010, the Greater Durham Chamber of Commerce began activity convening the entrepreneurs they could find within the downtown area to discuss how they could play a part in supporting the growth of entrepreneurialism in Durham in a more organized and intentional way. What we learned was that the movement was indeed real but still very accidental. The successful entrepreneurs that were actively growing in Downtown Durham had stumbled upon the area as a great place. Aaron Houghton, co-founder of iContact (a company he started in his dorm room at the University of North Carolina at Chapel Hill and later sold for \$178M) suggested that if we could make more entrepreneurs aware of Durham, we could become a leading entrepreneurial hub. This led to our first initiative called The Bull City Startup Stampede (www.startupstampede.com).

For this program, the Durham Chamber leased 3000 square feet of office space in Downtown Durham, an old, empty bank building. The Durham Chamber created the work space and developed a website that requested others to "Come try Durham for free for 60 days". We were convinced that if we introduced aspiring entrepreneurs to Durham and Durham's entrepreneurial culture and community, they would stay. We offered startup businesses the opportunity to apply for 13 spots in the space. We accepted applications for only three weeks. To our surprise and delight, we had over 6000 hits from 350 cities and 28 foreign countries. We received 88 applications from startups that were interested in participating.

The Bull City Startup Stampede was so successful that we have repeated it two additional times. A total of 38 startups participated in the Stampedes. Today, 25 of them are still in Durham actively growing their companies. Interestingly, we found that the companies who did not stay in Durham usually failed in their business attempts, but went to work for one of the companies that did stay and grow in Durham. Needless to say, this project also became an important talent attraction initiative for the Durham Chamber as well. This started to give our entrepreneurial efforts a broader base of support because our more traditional companies were interested in assuring that the current economic downturn would not erode the incredible talent pool that they routinely utilized to maintain and grow their companies.

With the growth of the entrepreneurial community, Durham was drawing a very diverse and eclectic group of people. They were very smart but very unique thinkers. They needed collaborative environments in which to live, work, and play. They craved an ever increasing number of creative thinkers in close proximity to enhance their thinking and creativity.

During this time, entrepreneurial-related space and services began emerging throughout Downtown including The American Underground (www.americanunderground.com) and accelerators like The Triangle Start Up Factory (www.trianglestartupfactory.com) which created the space and funding infrastructure necessary to fuel the growth of the entrepreneurial activity. However, keeping the startups coming to Durham and keeping them growing here once successful now became the new problem. In studying the most successful programs in the world, what becomes quickly obvious is that the key to success is density. Entrepreneurs want and NEED to be around other entrepreneurs. **Creating a constant pipeline for vetting new ideas, collaboration and open source development and feeding the never ending need for talent, we believed was the long term key to success. To keep them coming, we simply needed a bigger stage to tell our story. We needed a broader audience to hear about the great things going on in Durham, thus increasing the potential number of entrepreneurs that could feed into our pipeline, and thus, was born the idea for The Smoffice.**

Project Description...ok, now here comes the crazy part...

In 2010, as the discussions around entrepreneurialism were just beginning, the Durham Chamber hired a full time staff person dedicated to our entrepreneurial efforts. Adam Klein is a young, bright, entrepreneurial minded, graduate of the University of North Carolina at Chapel

Hill. He created and executed The Bull City Startup Stampede and was given the charge of creatively addressing the need to tell our story at a larger level with more volume.

In a conventional chamber model, we would have put together a sophisticated public relations campaign. We would have hired a public relations firm to help develop, design, and execute the strategy. We would use the strategy to fund raise in the corporate community to obtain the resources necessary to deploy the campaign. A conventional campaign would have taken us approximately six months to design and fund, and another six months to execute....**BORING!**

But our application is for the most unconventional project...and that's where The Smoffice begins. Our audience included aspiring entrepreneurs, successful serial entrepreneurs, recent college graduates especially in technology and science related fields, and current college students in entrepreneurial related majors. The message had to first get to them, and secondly appeal to them.

The first step was the message. Ultimately, we needed to convey to the world that Durham had entrepreneurs was a place that other entrepreneurs came to start and grow because it was affordable. It had the connections you needed to other entrepreneurs; and finally that the community was a kind of place you would want to live and work. And it goes without saying that we needed to convey this message in a unique style. We knew that the previous project, The Stampede, worked because it did all those things and enticed them by giving them free space which meant there was no risk to trying it. We decided to stay with the same theme, just a little crazier.

The concept behind The Smoffice is that we would give away the world's smallest office FREE for six months. The office will be located in the front window of the most popular coffee shop in Downtown Durham, Beyu Caffé (www.beyucaffe.com). Beyu is ideally located in the center of Downtown Durham and had become the local hot spot for entrepreneurs to hang out and discuss their latest challenges and successes. The office would come with its own furniture, a laptop, and a free downtown condo within walking distance of the office. What we were trying to sell with The Smoffice was that being successful as an entrepreneur **wasn't** about high end office space and slick brochures. It **is** about being in the middle of like-minded entrepreneurs, providing immediate access to their business challenges and opportunities. It is about putting them where they could experience the "maximum collision of ideas and connections". The front

window of Beyu Caffé provided that by simply turning your chair around and checking out who was hanging out there today.

We secured permission from the owner of Beyu Caffé to use his front window for the office and secured a construction company to assist in retrofitting it. We then secured office furniture and the laptop. We also were able to negotiate the lease of a nearby two bedroom condo for six months.

Knowing that The Smoffice was doable, we developed a web page where interested startups could apply to win The Smoffice. To win the Smoffice, a brief company summary, business concept, and a short two minute video on why your company should win were required. We added the video submission to this application process, unlike The Stampede, because we knew the winner would be working in the front window of a coffee shop on a busy street and we needed to make sure that they possessed the personality to pull that off. Since the concept behind this was more media attention and PR than creating a company, we needed to make sure that the winner was both...a solid start up with potential for growth...and an entrepreneur that could successfully survive the daily public scrutiny.

With the project secure and the application process defined, we then developed a plan to deliver the message. We needed to get the word about the contest to applicants and we needed to get some significant general publicity about the contest and its winner long term. To get the word out to the masses of entrepreneurs, we did just two things. First, we ran ads on Facebook pages of our targeted audience directed them to the webpage. We ran the ad on Facebook pages filtered by geographic regions of the country, then added graduates of colleges in particular programs, then added employment in certain industry clusters, and then added active in certain related associations.

Second, we held a “meet-up” (yes people, meet-up is a word in the entrepreneurial world) at The Beyu Caffé invited any entrepreneur that wanted to attend. We asked them all to bring their laptops. We bought them unlimited coffee and asked them to email, tweet, Facebook to their friends and colleagues across the world about the Smoffice and direct them to the webpage. By the end of the two hour meet-up, **we have reached 10,000 people**, who we can only presume, kept the message flowing.

The website was once again up and live for only four weeks. We received 55 video applications and narrowed the finalists to two....A startup from Washington, D.C. and one from Illinois whose parents lived in Durham. We finally selected The Makery from Illinois, a group of sisters whose family lives in Durham. In the end, we felt that their company concept had promise, and they certainly had the personality to live in a window for six months as you'll see from their video submission www.thsmoffice.com/

We then concentrated on getting the PR around the winners and the concept into the media masses. Entrepreneurs, especially tech entrepreneurs, have very specific entities by which they get their information. We first targeted two of those most widely known and read; Fast Company Magazine and Tech Journal. The readership for these two publications alone in our targeted audience is. Rather than distributing a press release or holding a traditional press conference, we once again used the unconventional route, and announced a Skype conference. Both Fast Company and Tech Journal participated in the Skype conference. It resulted in both covering the project on multiple occasions. Check out a couple of those stories at <http://www.fastcompany.com/1834458/what-worlds-smallest-office-says-about-durhams-big-innovation-ambitions> and <http://www.techjournal.org/2012/02/durham-to-stuff-the-next-big-thing-in-a-tiny-little-office/>.

Project Results/Impacts...so you're dying to know if worked, right?....

The Smoffice winners began their occupation of the front window in Beyu in April of 2012 and completed it in October of 2012. The Makery is up and operating on its own and still located in Durham. Along the way, they blogged about their experience to all who would listen. Check out their most recent blog <http://themakerproject.com/saying-goodbye-to-the-smoffice/>!

The **biggest impact to DURHAM** from this initiative is exactly what we had set out to achieve the broader audience to increase the entrepreneur pipeline...

The 76 media hits this project created featured in the two most widely read entrepreneur tech publications in the world....3,000 hits on the website in three weeks....10,000 entrepreneurs contacted by a peer about the program...doubling the number of startups in downtown Durham

to over 100 within a five block radius of downtown Durham...and Durham is now the third most referred destination of Duke students to locate upon graduation...and IS the third largest concentration of Duke University alumni in the world (second only to New York City and Washington DC)...and finally doubled the number the angel and venture capital investors in Durham

Project Budget/Financing...ok, sounds great...but how much did it cost?

Let's continue with why this project is so unconventional for a chamber of commerce. Where else do you get the kind of exposure for a total investment of \$20,000? That is what the Greater Durham Chamber of Commerce spent on the creation and execution of The Smoffice project. It was important to us to deliver this project from a perspective that startup companies would understand and admire...effective but cheap.

Challenges and Obstacles....who wouldn't love this project?

The single biggest challenge in producing an unconventional project **is *conventional thinking***. Chambers of Commerce are traditionally led by successful business leaders who have been successful with a business model that worked pre-new economy. It is difficult for them to grasp the concepts of open source, organic growth, accidental innovation, and the maximum collision of ideas and connections, not to mention, the beer and pizza budget!

The second biggest challenge **is *the difficulty in measuring results in the traditionally accepted economic development outcomes***. Jobs and investments are the standard benchmarks for success in economic development. In entrepreneurial related activity, those benchmarks take longer when they do occur but many times are not the end goal of the entrepreneur, who is motivated more by groundbreaking innovation and eventual acquisition.

Applicability of the Project Elsewhere...can I do this project at home?

The most important part when analyzing the applicability of this project to other chambers in other parts of the world is not the project itself. It wouldn't really be unconventional if it was replicable, now would it? The applicability to the rest of the world is the value of what this unconventional project taught us:

1. Using the new **thought process** that drove us to The Smoffice.
2. The **lessons learned** on how to build an entrepreneurial community
3. It was quick, easy and cheap!

Why Should This Application Be A Finalist? Surely you watch Letterman...

Here are the top ten reasons this application should be considered a finalist:

10. The name is really cool
9. The United States needs a winner right now
8. Many of these entrepreneurs are doing business in your country
7. If you're going for unconventional, go all the way
6. It shows Chambers can have fun
5. It will interest younger demographics in our work
4. Your press release on winners will be trending on twitter
3. I'll buy the beer at the celebration, remember we have a beer budget now
2. We'll put your winners logo on everything we send out for a year
1. You'll be setting the world wide definition of "Unconventional" to chambers

Support. Entrepreneurs don't do letters...

As you would now expect having read this application, rather than give you letters of support, we ask you to log onto our blog and catch what everybody else is saying about The Smoffice at <http://durhamchamber.org/blog/world-chambers-competition>

EXECUTIVE SUMMARY

Project Name: The Smoffice

Project Location: Downtown Durham, NC USA

Project Description: The Smoffice was a project of the Greater Durham Chamber of Commerce as part of an on-going strategy to attract and grow aspiring entrepreneurs. In this project, the Chamber held a national contest to give away the world's smallest office. Aspiring entrepreneurs competed to win a 6 month lease of a 50 square foot office in the front window of a popular downtown coffee shop. The contestants submitted a written one page summary of their business concept and a short video. The contest also included a desk, laptop, some professional services and a free downtown condo to live in for 6 months.

Project Goals: The goal of the project was to begin to create a greater national awareness of Durham as an entrepreneurial hub with the intent to significantly increase the density of entrepreneurs to create greater opportunity for maximum collision of people and ideas resulting in faster commercialization.

Project Results: The project drew national attention from a number of sources with over 75 media episodes. Most notably, both Fast Company and Tech Journal covered the story providing coverage to their 60,000 Tech CEO's per month and 1M page views. A start up called The Makery won the competition and successfully launched their business while occupying The Smoffice. The ongoing PR has helped fuel an intense increase in entrepreneurial activity, doubling the number of start ups in downtown Durham to over 100 employing 1000 people, increasing the square footage of available state of the art space for startups, doubling the number of angel and venture capitalists in Durham, and increasing Durham to the third most preferred location for Duke University students upon graduation.

Project Budget: The budget for this project was \$20,000. It included retrofitting the window space, the lease for the condo, web design and management, and beer and coffee.

Project Replication: The uniqueness of this project is difficult to replicate. Having said that, the process to arrive at the uniqueness can be and should be replicated anywhere.

Staff: The project was conceived by Adam Klein, Chief Start Up Strategist for the Greater Durham Chamber of Commerce and a cadre of entrepreneur volunteers who believe in the uniqueness of Durham. It was executed with the full support of the 8 member team of the Greater Durham Chamber of Commerce with the help of Downtown Durham, Inc.

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