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COMMUNITY PARTNERS
To say Detroit is on the rise is an understatement. The perception of “the ultimate failed American City” is long gone and the city is now brimming with energy, innovation and spirit. With its robust network of engineering talent, lower cost of living, and proximity to corporate and research powerhouses, Detroit is becoming a leading tech ecosystem that has the potential to set the standard for others to model across the country. In just the last four years, there has been a 54% increase in the number of high-growth companies located in Detroit. As the city becomes an increasingly attractive spot to launch and grow a business, it needs to continue to build upon the fundamental elements necessary to foster a strong entrepreneurial ecosystem — talent, community, research and capital — without losing sight of the importance of inclusion.

Emily Heintz
Founder & Managing Director, EntryPoint
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Detroit’s evolution into a premier hub for entrepreneurial and investment activity in Michigan did not happen overnight. The talent and networking opportunities provided by new startups have made an immediate impact on Detroit’s economic advancement. Economic trends show the positive effect of the influx of entrepreneurs investing in the future, and it’s only going to accelerate going forward. Trends indicate that the entrepreneurial ecosystem will continue to grow and define Detroit as a nationally recognized startup destination.

**Snapshot: Detroit’s High-Tech Entrepreneurial Ecosystem**

Detroit needs experienced, competitive entrepreneurs and investors willing to take risks. We need collaboration between every element of the community creating meaningful, effective connections, and strong entrepreneurial organizations. We need amazing research institutions and innovation corridors spinning out cutting-edge ideas and technologies. We need experienced angel and venture capital investors with capital available investing in and partnering with companies as they grow.

There are 37 active venture-backed startups in Wayne County that have raised an aggregate of $179 million, a 54% increase in the number of high-growth companies in just the last four years. Over a quarter of the high-tech startup companies in Michigan are located in Detroit.
Venture capital investors in Michigan focus their investment in startup companies in a variety of high-growth industries. Detroit’s economy will become more resilient to potential future economic downturns as startup companies grow and become more diversified.

- Of the 37 venture-backed startups in Wayne County, 49% are information technology companies and 14% are mobility-related companies with the remaining companies divided among life science, business services, advanced materials & manufacturing, consumer products, and other industries.

Detroit’s High-Tech Industries BY NUMBER OF COMPANIES

> It’s been great to see so many companies get started here in our ecosystem. It’s critical that Detroit creates a culture of founders helping founders, mentoring, and giving back to one another. A culture of mentorship will help new entrepreneurs learn from those who have successfully scaled up.

AMANDA LEWAN
Co-founder,
Bamboo Detroit
Startups

GuardHat is a Detroit-based information technology startup that provides a multi-product, feature-packed intelligent safety system that integrates cutting-edge wearable technology. Founded in 2014 by Saikat Dey, the technology helps modernize work safety by using data and technology to monitor the safety and health of work environments. The company holds eight patents and has received $41 million in funding from notable investors, including Detroit Venture Partners, Rise of the Rest, and more. In the coming years, the company plans to double its workforce and expand its operations overseas.

StockX is an information technology startup that provides a platform for buying and selling authentic sneakers, streetwear, watches and handbags. Founded in 2015 by Dan Gilbert, Greg Schwartz, and Josh Luber, the platform allows users to sell and trade sneakers, as well as streetwear, based on rates set by the market rather than the seller. The company has received $50 million in funding from notable investors, including Detroit Venture Partners, Battery Ventures and more. The company is considered one of the fastest growing startups in the city with plans to hire more than 1,000 people in the next couple of years.

Ash & Erie is a consumer startup that designs, manufactures and sells everyday clothes for men 5’8” and under. Founded in 2015 by Steven Mazur and Eric Huang, the clothing is designed to provide tailored clothes that fit well for shorter men. The company is an alum of the University of Michigan Desai Accelerator program and has received $160,000 in investment, most notably from Mark Cuban, host of the popular T.V. show “Shark Tank” on ABC. The company continues to gain popularity and plans to build inventory to meet product demand.

Startup Spotlight

There are 37 active venture-backed startups in Wayne County, a 54% increase in the last four years. Three of these growing companies are:
In the last year, 18 startups in the Detroit area received more than $41 million from venture capital firms. Of the 18 startups that received venture capital investment in 2017, 56% are information technology companies and 17% are life science / healthcare companies with the remaining companies divided among the mobility, business services, and consumer products sectors.
Positioned for Excellence

Detroit is well positioned for growth. What makes a great city is not only proximity to funding, but also talent, research and a strong local community. Many individuals who originally thought they had to leave for the Coasts are finding Detroit has the necessary resources to launch and grow a business and have a high-quality of living.

Engineers per Capita

Michigan has the highest density of engineers in the United States: with nearly 1,400 engineers per 100,000 residents² with the concentration of engineers employed in Wayne County.
Detroit is in close proximity to 8 of the country’s top 25 entrepreneurial colleges, 6 of the top 20 engineering schools, and 45% of the Fortune 500 — the talent and research are right here. In the future, San Francisco will be as good as it is today, but those who come to Detroit have the opportunity to be a part of an emerging technology hub that is creating new sectors of innovation.

TED SERBINSKI
Executive Director, Techstars Mobility
Advisory Board Member, EntryPoint

Cost of Living Comparison

The cost of living and doing business is much less expensive than entrepreneurial hubs like San Francisco, New York, or Boston. As a result, building a business is less capital intensive.

Detroit, MI
San Francisco, CA
New York, NY
Boston, MA

97% ↑ than Detroit
96% ↑ than Detroit
56% ↑ than Detroit

6 of the Top 20 Engineering Schools
8 of the Top 25 Entrepreneurial Colleges
45% of the Fortune 500
Preserving Diversity in High-Tech Ecosystems

Detroit has the opportunity to take a proactive approach and maintain its existing community as its high-tech economy grows — a feat that many mature high-tech entrepreneurial ecosystems have failed to achieve and are now struggling to remediate. The relationship between diversity and business performance persists and there is a significant correlation between a more diverse team and greater financial performance. Detroit’s work ethic and energy, coupled with the entrepreneurial and investment community’s forward-thinking vision, can create greater economic opportunities for all members of the city.

The population of the City of Detroit is declining, but the rate of decline has slowed to less than 1% in the last year. Trends over the last ten years indicate that the City of Detroit will be increasing in population once again by 2020. As the city grows, the population is changing as well. Over the last five years, more people are graduating from high school and the average household income is increasing. However, there has also been nearly a 10% decline in the Black or African American population and the percentage of people living in poverty has increased over this same period. It is important to note that, in the last year, we did see a dramatic decrease in people living in poverty that will hopefully continue over time.
The Black or African American population makes up nearly 80% of the total population of Detroit. However, across Michigan, the startup and venture capital communities are comprised of 85% white men. In order to preserve diversity within the City of Detroit, leaders in Detroit will need to ensure existing residents are gaining access to the funding and economic opportunities of the emerging high-tech economy.

- Of the 37 active venture-backed startups in Wayne County, three of them are led by someone who is a racial minority, none of them are led by a woman, and none of them are led by someone who has identified themselves as a member of the LGBTQ+ community.
  - Three active venture-backed startups headquartered in Wayne County are led by a CEO who is a racial minority. These companies have raised just over 5% of the total venture capital raised by startups in Wayne County in 2017.

How We Can Build and Preserve a Diverse High-Tech Entrepreneurial Ecosystem in Detroit:

1. Bridge connections between local organizations and the entrepreneurial community. Leaders of high-tech startups can partner with local organizations in Detroit to build their businesses and engage with the community.
2. Encourage people to recommend diverse talent for employment, speaking and networking opportunities. People within the current high-tech entrepreneurial ecosystem can explicitly encourage those in their current networks to refer people from various backgrounds.
3. Perform an audit of your digital presence to ensure your organization is communicating an inclusive culture. It’s easier to attract interest from a broader community in Detroit when your organization looks like one they can see themselves working with.

As Detroit grows, everyone within the high-tech entrepreneurial ecosystem can create an inclusive community and work across difference. The City of Detroit has the diversity, but the community still needs to focus on building equal access to opportunities to contribute to the entrepreneurial community’s success.
Local Entrepreneurial Resources

Organizations and events making an impact on Detroit’s growing high-tech entrepreneurial ecosystem.

ORGANIZATIONS

Automation Alley
automationalley.com
holmesd@automationalley.com
248-457-3231

Bamboo Detroit
bamboodetroit.com
info@bamboodetroit.com
313-288-2298

Design Core Detroit
detroitcreativecorridorcenter.com
bfahoume@designcore.org
313-664-1479

Detroit Venture Partners
detroitventurepartners.com

D-NewTech
DNewTech.org
organizers@dnewtech.org

Endeavor Detroit
endeavordetroit.org
antonio.luck@endeavor.org

Entrepreneurs’ Organization Detroit
eodetroit.com
admin@eodetroit.com

Fontinalis Partners
fontinalis.com

Grand Circus
grandcircuit.co
hello@grandcircuit.co

Henry Ford Innovations
henryford.com/innovations
616-994-7543

ID Ventures
investdetroit.vc

Inforum
inforummichigan.org
tshea@inforummichigan.org
313-567-0232

Invest Michigan
investmichigan.org

Journi
journi.org
hello@journi.org

Ludlow Ventures
ludlowventures.com

Michigan Association for Female Entrepreneurs
mafedetroit.org
info@mafedetroit.org
844-490-6233

Michigan Small Business Development Center
sbdmichigan.org/find-us
piettea@gvsu.edu
248-931-3886

Michigan Women’s Foundation
miwf.org/programs/entrepreneurs
ccassin@miwf.org
313-962-1920

Mobile Technology Association of Michigan
gomobilemichigan.org
info@GoMobileMichigan.org
248-470-3257

MTRAC for BioMedical
research.wayne.edu/techtransfer/index.php
scott.olson@wayne.edu
313-577-1714

NextEnergy
nextenergy.org
saberj@nextenergy.org
313-833-0100

New Economy Initiative
neweconomyinitiative.org
neicommunications@cfsem.org
313-961-6675

Pinnacle Aeropark
hurontwpdfa.com
pamaclassic@chartermi.net
734-753-4320

Ponyride
ponyride.org
noah@ponyride.org

re:purpose
re:purpose.co
ryan@re:purpose.co
888-848-7686

Techstars Mobility
techstars.com/programs/mobility-program
ted.serbinski@techstars.com

TechTown
techtowndetroit.org
nedstaebler@wayne.edu
313-577-2164

Venture Catalysts
venturecatalysts.co
solutions@venturecatalysts.co
EVENTS & MEETUPS IN DETROIT

Accelerate Michigan Innovation Competition
acceleratemichigan.org

Bamboo Detroit Events
bamboodetroit.com/events

MVCA Annual Awards Dinner
michiganvca.org

Startup Detroit
(great resource for staying in the loop on ALL events)
startupdetroit.co

Techstars Mobility Demo Day
technetstars.com/programs/mobility-program

TechTown Events
techtowndetroit.org/events

SOURCES
1 2018 MVCA Research Report
2 Bureau of Labor Statistics
3 Numbeo
4 Entrepreneur Magazine
5 US News and World Report
6 U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates
7 2018 MVCA Research Report

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Darren Hood | 10-11
Tony Bennett | 12
Leah Castile | 15
ABOUT ENTRYPOINT

EntryPoint advances the entrepreneurial community by promoting inclusion, community engagement and education. The organization works with entrepreneurial support organizations and startups at all stages of growth to foster an inclusive organizational culture, expand their networks, and conduct research for education, outreach and advocacy purposes. EntryPoint was founded in 2018 by Emily Heintz, a leader in Michigan’s entrepreneurial and investment community who was part of Crain’s 40 Under 40: Class of 2016 and recognized in Forbes, Axios, and VentureBeat.