

GlobalEIR

PILOT PROGRAM EXTERNAL ASSESSMENT

PREPARED BY



GROWTHCAPITAL
NETWORK

EXECUTIVE SUMMARY

Since its inception in 2009, Global Detroit has brought national best-practices and impactful programs to Michigan from across the US. In 2015, their leadership was introduced to Global Entrepreneur in Residence (EIR), a national program that engages high-growth, immigrant-led tech startups with universities.

The Global EIR program addresses the secondary brain drain that Michigan endures with each university graduation. The bright international students who are resident for a masters or doctoral degree in a hard science, engineering, or business lose their visa status and ability to stay. There are programs in Michigan (such as the Global Talent Retention Initiative, GTRI) for the students to be hired by local employers. Some of these students, however, have a disruptive business idea and are interested in creating a high-growth startup. These are the companies that grow exponentially, create jobs, raise grant funds, attract angel/venture capital, and cultivate a significant economic development impact.

The more of our international STEM students that Michigan can retain, the better. According to Kauffman Foundation research nearly a quarter of inventors in U.S. patent filings are immigrants. They are more than twice as likely to start a business than native-born citizens and thirty one percent of VC-backed founders are immigrants. Of the 87 “unicorns” minted in 2020, 44 of them had an immigrant founder. With funding from the William Davidson Foundation, Global Detroit partnered with and housed a Global EIR pilot program at the University of Michigan’s Economic Growth Institute. This summary encapsulates the external program evaluation findings.

Growth Capital Network’s (GCN) evaluation verified that not only has the Global EIR pilot achieved its targets, the outcomes are truly notable. By the end of the pilot in March 2022, the program had employed eight founders representing seven tech startups. The current and alumni startups in the UM-based program have produced more than \$500,000 in annual recurring revenue, raised \$15.6 M+ of funding from investors inside Michigan and across the region, and hired 49 FT and PT staff, working in Michigan and remotely. Pre-pandemic, every job in a high-growth tech startup supported 5 to 6 service sector positions. This has changed since many offices are fully remote, but a conservative 2x multiplier could be used, giving the Global EIR program an impact of 98 full and part time jobs as well as \$30 M in extended economic impact.

With our analysis as a foundation, GCN recommends leveraging the UM Global EIR pilot to bring the opportunity and associated impact to university partners and communities across Michigan. We have made recommendations to improve the program so it is less cumbersome to university partners and provides more robust long-term support to the EIRs, while refining the program’s focus on securing longer-term investments in Michigan.



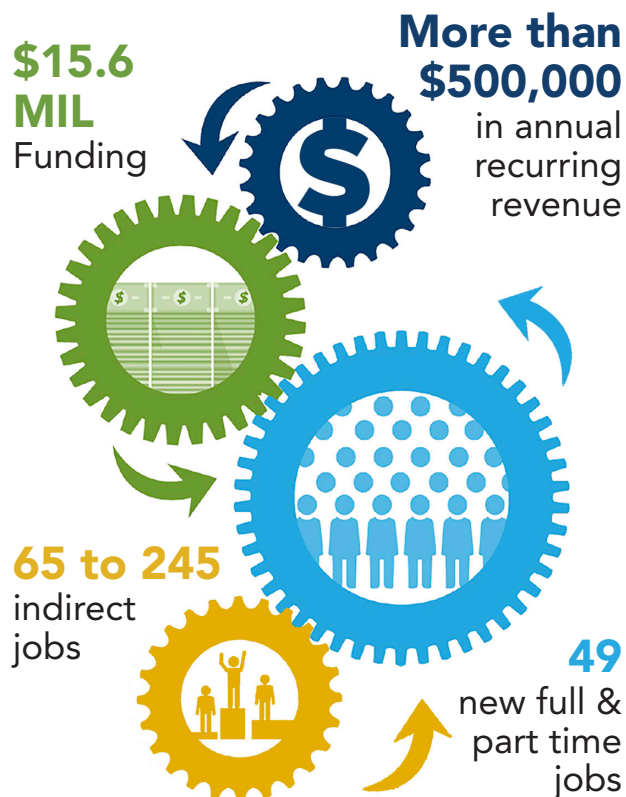
KEY FINDINGS

- The success and visibility of the UM pilot has encouraged other Michigan institutions to initiate discussions and new programs with Global Detroit. These include Wayne State, the College for Creative Studies, and Lawrence Tech.
- The UM Global EIR pilot brought eight founders from seven high-skill, high-growth startups into the Michigan ecosystem where they employed local student and tech talent.



EIRs Ashok Seetharam and Ilya Preston, PAXAFE; Chening Duker, GoodPluck; Miho Shoji, co-founder of Moodbit

- A new marketing and communications partnership with the Michigan Venture Capital Association will educate policymakers and the angel and venture investment community about Global EIR programs and their startup founders.
- With a Kauffman Foundation grant awarded in 2021, Global Detroit is building a national cohort of Global EIR program leadership, engaging current founders, and alumni. The



grant also provides an opportunity to build a national network of Global EIR programs to support immigrant entrepreneurs that is centered in Detroit.

- The UM pilot EIRs provided new national / global networks and additional deal flow for our innovation and investor community.
- The Global EIR program created a “stickiness” to the SE Michigan startup community, retaining the people and students employed by the startup.
- The reputation of the Global EIR pilot was very positive across the 25+ stakeholders in the university, startup and investor ecosystems.
- Whereas the pandemic impacted the geography of the EIRs, the pilot program continued forward and hit all of its recruitment and program targets.

You can find more information about the Global EIR program at globaldetroitmi.org/geir