Greater New Orleans Founders Focus Groups

February 4, 2020

During the summer and fall of 2019, Lepage Center MBA fellows conducted a series of focus groups with Greater New Orleans area company founders, who had responded to the survey for the 2019 Greater New Orleans Startup Report. The series included three focus groups with between seven and twelve participants in each. Participants reflected a mix of venture-backed and non-venture backed firms in a wide variety of industries from hospitality to healthcare. During the discussions, three major themes emerged: funding, talent, and mentorship & networks. Below we share some quotes from the groups that help illustrate these themes.

*Quotes below have been edited for readability and to preserve anonymity of the speaker.



Funding

Those entrepreneurs who haven't been able to bootstrap their businesses with revenue have struggled to find the kind of investment they need.

- *We've struggled with…capital for non-brick-and-mortar stuff. If you want to open a donut shop, there are people who will invest, but on the pure tech side, we have to sit down and tell them, "Hey, we could have zero. Your opportunities are either up here or zero." Once you say the zero stuff, it's like "what am I getting for my investment?"*

Company founders know there is capital in the city, but some feel they aren't part of the right circles that might allow them to access it.

- *I've heard that … there are definitely people who can write checks in town, kind of big ones, but you have to know them and get the right introduction and all that other stuff.*

- *There does seem to be this have or have not. Some folks are like, “Oh yeah, angel investors? No problem. I can get some of those.” And then other people are like, “There's no money around.” There's a big disparity there.*

Compared to other cities, capital in New Orleans seems to be less connected and less knowledgeable about how to help companies grow.

- *We were talking to an early stage VC in [large startup city]… He said, “I get your market, I love the growth that I see, but I’m not going to be your person.” He said he only invests in companies in [his city] because if your VP of Sales quits, and you need a new VP of sales, he’s going to have four people in your office the next day.*
- *In other cities, those early stage VCs aren't just providing money. They're providing contacts, they're providing infrastructure. “Hey, I need X.” “Okay, let me call so-and-so, he's going to call you back in an hour.*"
- *“We need some kind of institutional VC here. Even if it's an office…where it's just one analyst or something.”*

Talent

New Orleans is a small city and talent can be tough to find. Typically, area entrepreneurs have an easy time hiring entry-level talent but struggle to attract experienced hires.

- *Hiring young talent has been pretty easy for us. We can recruit young people. As we started to scale, and we needed some director/senior level talent to manage younger employees, it has been a challenge.*
- *Middle management is hard to find. How do you find somebody who’s experienced but who’s not ready to move up to senior management? Because a lot of them, once they get that experience… they’re looking for the next gig that’s senior management. They’re not looking to stay where they are in the exact same place.*

Sometimes, New Orleans companies need to get creative when hiring.

- *I don’t know that there’s a population base that has a ton of people with [the exact skill set I need] here… But I think the good thing is that we’re just looking for people who can figure stuff out. We’re not looking for someone with a*

hyper-specific skill set.

- *If you're saying "I need to hire somebody with this many years experience in the field," … you can absolutely paint yourself into a corner, where you say, "oh that person doesn't exist here." But if you're willing to invest in people… the great thing is two years later, I've got the exact person that I need."*

And while New Orleans founders want to have a diverse workforce, they may struggle to put it into practice when hiring.

- *Our first hire was African American, because if you walk in and you don't see people who look like you, then you think… maybe it's not the right thing for you.*
- *The equity issue in the city is real. While boats are rising, not all boats are rising. There's huge access issues going on. I think until we really crack the workforce development access issues, the city will be held back a little bit.*
- *My staff is diverse by design… I really agree with what you were saying that its hard to attract someone to a white organization, right? Which means [recruiting] has to be done with intent.*

Mentorship & Networks

New Orleans has a uniquely supportive and connected entrepreneurial community.

- *There's lots of ecosystems that have support for entrepreneurs and some that are better than New Orleans. However, the community aspect of startup support in New Orleans is unique.*
- *I have incredible mentors and advisers that mostly came out of this network or local community. But with that said, I think it also took a lot of time and relationship-building to get to that point with those people.*
- *What you put in is what you get out. So I do spend a lot of time getting out into the community and going to events and networking and just meeting people.*

New Orleans is a small city, and while that has some advantages, it also limits how deep ties can go in certain industries.

- *I think our biggest impediment is our population size. We are not a big city. We are not even a borough of New York…We hope that somebody's going to come in and save us from the fact that we're really not a great big city and we are*

not doing the things at a corporate level, or at a governmental level to attract the population that's going to actually engender growth.

- *The size of New Orleans is one of the biggest advantages… There's nobody I couldn't get a quick meeting with and get some easy wins to build some traction here. As we look to scale, I anticipate challenges – I'm going to really have to call on my Los Angeles and New York networks to be able to hit that next level.*

Support for early-stage companies is strong, but it can be tough for entrepreneurs to find focused, industry-specific mentorship.

- *I think one of the big challenges for me was a lack of quality mentorship. I didn't find anyone who actually had content and industry knowledge to help me.*
- *Nobody in [that program] knew about [my industry]. So I felt their advice was going to be more generic than specific. And at the end of the day, what we really needed was focused business support and contacts, introductions to the people that could become our customers.*