



**JOINT COMMITTEE ON COMMERCE
CONNECTICUT GENERAL ASSEMBLY
SEN. GARY LEBEAU, CO-CHAIR
REP. CHRIS PERONE, CO-CHAIR**

**STATEMENT OF INGRID VANDERVELDT
ENTREPRENEUR-IN-RESIDENCE
DELL INC.**

TUESDAY, MARCH 12, 2013

SB 1077

ENTREPRENEUR-IN-RESIDENCE PROGRAM

Senator LeBeau, Representative Perone, Members of the Joint Committee, my name is Ingrid Vanderveldt, and I am the Entrepreneur-in-Residence for Dell Inc. On behalf of Dell, I am submitting this statement in support of SB 1077, an Act Concerning An Entrepreneur-in-Residence Program. While I had hoped to testify in person before your committee, I appreciate the opportunity to share our views with the committee on this important issue. I especially want to thank Sen. LeBeau for introducing the bill.

Where Did EIR's Come From?

Entrepreneurs are responsible for the creation of thousands of jobs in our economy and are a key to the economic recovery of the state and the nation. The concept of an Entrepreneur-in-Residence goes back to the 1980's, when the high tech sector created EIR's to bring experienced professionals into the startup process. Many venture capital firms use EIR's to nurture successful companies. EIR's are beginning to be used in universities, chambers of commerce and governments at all levels. Several Federal agencies, including the Food and Drug Administration and U.S. Immigrations and Customs Enforcement, have brought in EIR's, where they are streamlining drug approval and high-tech immigration processes.

Dell Responds to the Needs of Entrepreneurs

Dell recognizes the importance of entrepreneurs in Connecticut's and the nation's economic recovery. After all, we were founded by an entrepreneur, Michael Dell; we work with entrepreneurs every day to help them grow their businesses; and as part of our transformation

we have acquired entrepreneurial companies. In recognition of entrepreneurs' importance to Dell and the nation's economy, we have created a Center for Entrepreneurs to provide entrepreneurs with the support they need to start up and to grow (see <http://eir.dell.com/>).

As part of this initiative, Dell created an Entrepreneur-in-Residence (EIR) within our company to focus attention on the needs of this group of business customers. Dell is one of a half dozen Fortune 50 companies that have EIR's.

I joined Dell as the EIR in 2011 as Dell's first Entrepreneur-in-Residence, after launching two successful entrepreneurial ventures. As Dell's EIR, I have built a program to focus attention on what Dell has already been doing for entrepreneurs, and much more.

In addition, in June, 2012, we launched the **Dell Innovators Credit Fund**, a \$100 million technology initiative, giving qualified companies access to financing to help them purchase technology solutions for their businesses. And Dell's **Founders Club**, a group of hand-picked entrepreneurs leading fast growing, disruptive companies that are each using technology in innovative ways, receives from Dell specialized services, including tech support, access to the latest technology and assistance in marketing campaigns.

In addition to providing access to capital and access to technology, Dell is committed to helping entrepreneurs overcome government regulatory obstacles that can stop or slow down their ability to create their products and get them to market. And that is why I pleased to support SB 1077.

Dell Supports Entrepreneurs-in-Residence for Government

Over the past year, Dell's EIR has met with dozens of federal and state officials to discuss the idea of bringing this successful corporate EIR model into government. The idea is very simple. Successful entrepreneurs would serve as EIR's in government agencies to provide outreach to small businesses and entrepreneurs and to make government more responsive to their needs.

Federal EIR Legislation

Last June, Congressman Mike Honda (CA) and Sen. Mary Landrieu (LA) introduced Federal EIR bills in Congress, creating a program of a limited number of EIR's serving for limited periods of time to help bring in innovative thinking to government and serve as an advocate for entrepreneurs within government. Dell supported both bills. We are currently working with both sponsors to reintroduce the bills in the new Congress with multiple co-sponsors.

State EIR Legislation

We've also met with state officials, including with you, Senator LeBeau and with Gov. Malloy, as well as other Governors, state legislators and agency executives, to discuss how entrepreneurs could help improve state government services and promote jobs and the economy. Connecticut and several other states have expressed an interest in this concept. Less than three weeks ago, Virginia became the first state to pass such legislation, and Massachusetts, Tennessee and Texas have joined Connecticut in introducing EIR bills. Legislators in Michigan, California, Delaware, Kentucky and Wisconsin are also considering the introduction of EIR legislation.

Each state is approaching the EIR idea differently. Some would provide compensation for EIR's from existing budget resources. Others are considering a voluntary program, similar to "executives on loan." Some states would limit the number of agencies that can appoint EIR's, while others would provide authority for one agency that works with other agencies to place EIR's.

What the Connecticut EIR Bill Does

SB 1077 provides for a pilot EIR program established by the Department of Economic and Community Development. The pilot program, which would end on Dec. 31, 2016, has a threefold mission:

1. provide for outreach by the state to the private sector, especially small businesses and entrepreneurs;
2. strengthen coordination between the state and the private sector on issues relevant to entrepreneurs and small businesses, and
3. make state programs simpler, easier to access, more efficient and more responsive to the needs of entrepreneurs and small businesses.

The Commissioner would appoint not more than ten entrepreneurs in any year to serve as EIR's, making a good faith effort to ensure that, to the extent possible, the individuals appointed reflect the gender and racial diversity of the state. The Commissioner may appoint not more than two EIR's to a single agency.

The commissioner may convene a working group comprising the appointed entrepreneurs in residence to (1) discuss best practices, experiences, obstacles and

opportunities encountered at the Department of Economic and Community Development and respective state agencies employing the entrepreneurs in residence, and (2) make recommendations concerning the development, implementation and delivery of state agency services to entrepreneurs and small businesses.

The EIR's will assist the Department and other state agencies in improving outreach to small businesses and entrepreneurs, including methods to improve efficiency of agency procedures and programs, and by providing technical support and mentorship to entrepreneurs and small businesses.

Conclusion

In conclusion, let me address two questions I have been asked a number of times:

First, "Is this program necessary? Can't agencies already do this?" The answer is probably yes. Many state agencies have programs focusing on the needs of small businesses. But by bringing in an entrepreneur, one who has navigated the financial, technical, marketing and government challenges to launching a successful business, we believe that this initiative could create significant change in government. Bringing in EIR's into government also would be a very visible commitment to Connecticut's entrepreneurs and small businesses, demonstrating that the state is committed to ensuring that government is supporting, not hindering, innovators and dreamers.

The second question I get is, "Why is Dell doing this, and what's in it for Dell?" Dell is not seeking anything from the Federal or state governments in advocating for EIR's. We don't want to appoint the EIR's, although we would be glad to make recommendations of

outstanding entrepreneurs. We don't want to have a role in running the agencies' EIR programs. We simply view our advocacy for government EIR's as part of our overall effort to help entrepreneurs succeed.

Mr. Chairman, members of the joint committee, the EIR program is a simple idea that can have a powerful, positive impact on Connecticut's small business community. On behalf of our entrepreneur and small business customers, we hope you will create an EIR program in Connecticut. We stand ready to work with this committee, Senator LeBeau and others to make this program a reality.

Thank you.