Chicago: 1871

A robust digital technology ecosystem that generates good jobs and attracts talent investment is a core component for the 21st Century city. Before 2012, Chicago had human capital in the form of world-class universities and serial entrepreneurs, financial capital from angel investors and venture capital firms to host such an ecosystem, and enthusiastic support from the government and community organizations. Yet a physical space, where all parties could interact, host meetings and share ideas, was missing.

Backed by the leadership of Mayor Rahm Emanuel and J.B. Pritzker, an entrepreneur, investor and philanthropist, the Chicagoland Entrepreneurial Center (CEC) opened 1871 in May 2012. Named for the intense period of innovation that followed the Great Chicago Fire of 1871, this incubator for digital entrepreneurs convenes Chicago’s creative minds — digital designers, engineers and entrepreneurs — in a space that includes meeting rooms for entrepreneurs, co-working areas, offices, classrooms and a large auditorium.

1871 hosts entrepreneurs who disrupt business models and form new ventures, as most incubators do, but 1871 took the incubator model to the next level. While the majority of tenants are early-stage digital startups with fewer than 10 employees, universities and other players in the local technology scene are on-site tenants as well. Unlike many similar spaces, the CEC runs 1871 as a non-profit, and does not take equity in the companies there.

Companies located at 1871 have created more than 1,000 jobs, and 26 companies have graduated out of the space based on fundraising or hiring. However, 1871’s engagement with the citywide ecosystem that supports innovation has been even more remarkable. More than 20,000 people have attended events or meetings in the space, and local officials regularly attend weekly open government hack nights at 1871, developing relationships with the tech community and encouraging the development of new technology to improve city services.

Excitement about 1871, led by CEO and serial entrepreneur Howard Tullman, is spreading throughout Chicago and across the country. The Starter League, a coding academy that operates in the space, partnered with the Chicago Public Schools and the City Colleges of Chicago to implement web development courses. The 1871 model has already been replicated in Washington, D.C. where 1776 opened in April 2013.

“1871 has become a gathering place for the Chicago technology community and a driving force of innovation throughout the ecosystem. As 1871 grows and evolves we are seeking to increase the breadth and depth of our offerings while continuing our strong focus on job creation and building sustainable, successful businesses.”

- 1871 CEO Howard A. Tullman

Celebrate Successful Businesses

Small businesses help build the foundation for a resilient local economy by providing jobs to residents, contributing to sales tax revenues, and attracting tourists and other visitors. City leaders should take measures to publicly thank small businesses and recognize their contributions to a city’s unique character.

Seattle’s Office of Economic Development and the Seattle Metropolitan Chamber of Commerce select several local companies per quarter to recognize as part of the In Good Company initiative. The chosen companies are awarded a video profile on the Seattle Channel, a profile on the Office of Economic Development’s daily newsletter, a press release and proclamation from the mayor, and a free one-year membership to the Seattle Metropolitan Chamber of Commerce. This type of recognition is twofold – businesses receive not only the formal recognition from the city, but the increased exposure for the business may also attract new clientele.
Develop One-Stop-Shops and Express Lanes at City Hall

Waiting in line, miscommunication between departments, and unclear guidelines are all common frustrations that small businesses face when working with a city to obtain licenses, permits, or to solve other issues. Red tape and inefficiency are problematic for business owners because they waste time and resources that should be spent building their enterprise. While not every city hall is full of administrative gridlock and long lines, most cities could reorganize their staff, departments, or resources in some way that will streamline interactions with small business owners and offer better customer service.