Sarah Goforth on Entrepreneurship and Innovation | Transcript

[00:00:00] **Andy Murray:** Hi, I'm Andy Murray. Welcome to It's a Customer's World podcast. Now more than ever, retailers and brands are accelerating their quest to be more customer-centric, but to be truly customer-centric it requires both a shift in mindset and ways of working, not just in marketing, but in all parts of the organization.

[00:00:27] In this podcast series, I'll be talking with practitioners, thought leaders and scholars to hear their thoughts on what it takes to be a leader in today's customer centric world.

[00:00:43] Many people dream of becoming an entrepreneur, owning your own business, being your own boss. Being an entrepreneur, conjures up words like freedom and control. And I'd suggest though, the real life of an entrepreneur doesn't really resemble the romantic idea many carry in their heads of what an entrepreneur's day is really like for me, the time I spent as an entrepreneur was the most rewarding part of my career.

[00:01:06] But at the same time, it had moments that were terrifying, because I was trying to cross an unknown sea and had no guarantees

of what I'd find on the other side. The one critical component any entrepreneur needs is support from an ecosystem that understands their journey, understands the challenges and can come alongside them with the right kind of resources.

[00:01:28] That's why I'm super excited about this episode, because I had a chance to sit down with Sarah Goforth. Sarah is the executive director of the office of entrepreneurship and innovation at the University of Arkansas's Walton College of Business. Sarah has dedicated her career to the topic of entrepreneurship and innovation.

[00:01:47] She oversees a team working with the McMillan innovation studio, the startup village, brewer family entrepreneurship hub, and greenhouse incubator. I can't think of anyone more qualified to have a conversation with about entrepreneurship and innovation than Sarah. She's plugged in, switched on and helping others shape the ecosystem being built in Northwest Arkansas.

[00:02:09] I hope you enjoy the show as much as I did.

[00:02:13] Hey Sarah, it's great to see you today. Thank you so much for coming on board and giving us a chat about customer centricity and what's happening with innovation.

[00:02:21] Sarah Goforth: Thank you so much for having me, Andy, I'm a big fan of the customer centric initiative, admirer of your work and just excited to sit down with you anytime.

[00:02:29] Andy Murray: I just found some interesting news on LinkedIn that I thought was interesting in that you've gotten approval from the board of trustees to launch a master in Science in I nnovation, is that correct?

[00:02:41] Sarah Goforth: It's a masters of Science and Product Innovation

[00:02:42] Andy Murray: Very good. Tell me about that. That sounds really exciting. And how did that come about?

[00:02:45] Sarah Goforth: Oh, it is really exciting and it definitely, if anything takes a village, it is getting the launching of a new degree program inside a large research industry. I can imagine. So this is a new accelerated one year master's program that will reside in the department of strategy, entrepreneurship and venture innovation.

[00:03:03] Okay. In the Sam and Walton College of Business. And the unit I run the office of entrepreneurship and innovation is experiential by nature. Most of the programs we operate are hands on team based interdisciplinary. And from the very beginning, this master's program

was intended to be a marriage between coursework that includes the expertise you need to learn to be able to develop and launch new products into the market, but also a practicum, an experiential element that requires you to be part of a team working on something in an ambiguous space, and actually do the work of launching a product or a business or an innovation inside and existing organization.

[00:03:42] And so in that way, Pretty different than most master's programs that you'll find out there. The practicum opportunities we have available right now include everything from launching an outdoor recreation business, through an incubation program, to being paired as a business student with engineers and clinicians in a healthcare environment wow.

[00:04:03] And solving and addressing healthcare challenge. To web three and software innovations. Okay. So our students will have a wide range of practicum opportunities to pair with their coursework in this program. And we believe that it will equip them to become entrepreneurs, but also to work in innovation roles, like a product management role, for example, inside an existing organization or business.

[00:04:23] And to your question about how it came to be, yeah, it was largely informed by the needs of our region. On the one hand, we have a lot of STEM students graduating with a degree in biology or

chemistry or engineering. Maybe not wanting to go on into an academic path where they're pursuing a PhD or not wanting a full blown MBA, but wanting a skill set that's relevant in industry.

[00:04:45] And on the other hand, we have these large companies that have hundreds of innovation roles that require an ability to understand both technology and business, and sit in the intersection between those two domains. And have a really hard time filling those jobs. These are high paying exciting roles.

[00:05:02] And so we created this degree program to marry those two sets of needs and we are so excited about it.

[00:05:09] **Andy Murray:** There's so many things to be excited about that. I get excited coming from corporate industry that you're addressing needs of what it takes to do innovation inside bigger companies.

[00:05:17] Cause I found from my experience that's a real gap. We had an innovation fund in the UK and the problem we had. Couldn't come up with the ideas that were really customer centric and or we would run into roadblocks of how do you do innovation? What does collaboration really look like?

[00:05:33] Just a lot of issues there that are common perhaps to entrepreneurs, but are really unique in business too. So really well done. I'm glad you're taking that full scope.

[00:05:41] Sarah Goforth: Thank you. Yeah I am so excited and I always say in terms of those product management roles, product managers make great entrepreneurs, and entrepreneurs make great product managers. So I think a side effect of this program, if we're successful will be, it will be an engine for startups in our region because we will retain that talent pool here. And they may start off working inside a big company and spin out something on the side or leave and start a startup at some point.

[00:06:06] But it is that skill set, as you said, of being very in touch with customers, comfortable with ambiguity, fluency across different domains and an ability to try something new.

[00:06:18] Andy Murray: well, many senior leaders that at least I've worked with may not be that familiar with the word product management and what comes to mind is project management and totally different thing.

[00:06:28] Totally. You probably get this question a lot. So what's the difference in your mind, cuz I know it's huge, but to enlighten us.

[00:06:35] Sarah Goforth: I appreciate you asking that because I call this the curse of knowledge when you really understand something or you're excited about it. You forget that other people aren't there.

[00:06:44] A, they may not know what it means and B a product management is the most boring sounding title for, I really believe it is one of the best jobs out there. And, as an industry, it emerged in response to the, I think the quickening pace of change created by technology created by the digital life that all products have now, and it no longer worked for large organizations to create.

[00:07:09] And this is I'm talking 20 years ago or. To create a roadmap, a five year roadmap that outlined all of the activities for how they would meet the needs of their customers over the next five years and create that strategy from the top and then roll it out through senior management and then through middle management and then to the people on the ground, as you say, to execute it and then do it perfectly, that way of working just, it was failing.

[00:07:32] And so product management is, if anything, it is culture of constant iteration that has the customer and even the word customer is the wrong word. It's the person that has the person who needs what you're creating, who has a problem that you're solving, who has whose life or whose industry has been disrupted.

[00:07:53] And their frantic first solution is having that person at the heart of everything that you do. And you're in touch with them along the way, and their changing needs inform your changing process and you have to be comfortable with the roadmap that you create in the beginning, always being an act of iteration.

[00:08:10] So it requires like a really creative, curious person. Who's also a leader and doesn't need that sort of top down management style. And most of the people I'm around the students, the artists, the change makers; they're driven by the problem they're solving and not by, marching orders that somebody's given them. And for that reason, it's a great career path.

[00:08:30] Andy Murray: It sounds a little analogous to what it, maybe from my background, a brand manager might have been more closer to that than a project manager.

[00:08:37] Sarah Goforth: Agree. And I come from a marketing background too. And my training is in, I was a science communicator and I had a science communications consulting business.

[00:08:46] And what I loved to do was be in touch with an audience because I wanted people to be excited about basic research and discovery and biology and climate and all the things. And I was really passionate about that. So when I learned about the field of product

management as I developed as a leader inside organizations it was really native to me.

[00:09:04] And I think it is native to a lot of people who are either brand managers, marketers people who've had to be in touch with an audience. People who know how to a pitch. And it is less native often to engineers who are more comfortable with a linear roadmap for creating a product. But once they get the hang of it, it's very empowering.

[00:09:21] **Andy Murray:** It's interesting. You there's so many things we could talk about the user experience work that goes alongside that , for an engineer to step into a product management role, that's a totally different mindset, like you said, but sometimes we think these roles are interchangeable yet they do require different competencies. And what I like about how you're approaching the new program, from an educational standpoint is this, you said this word collaborative, you learn in a collaborative way. And if you don't have collaboration skills and know how to draw from an engineer or UX designer, or, all the stakeholders in the right way, it's just really hard, but the fact you're teaching it this way in a collaborative environment seems quite different.

[00:09:58] **Sarah Goforth:** Yes. And I, I personally believe that it's very hard for anyone to learn it any other way. You can read about it

and you can. Speak the language and become comfortable with the vocabulary of product management. But until you sit on a team that has the different functions, so let's say a software developer who knows everything there is about backend code and database design and knows what functions are expensive to create and what are not expensive to create.

[00:10:25] And a person who thinks about a buyer's motivation to purchase a product till you sit on a team where those people are in the room together, and their roles are respected and you have to negotiate whose work is applied to a problem and you have to translate between sometimes different languages until you've actually done that you're not actually building the muscle. You're not actually learning how to do it. And so I would make the argument to anybody, you actually can't have a degree program in product management without that collaborative learning environment.

[00:10:59] **Andy Murray:** One of the things I think stumble product managers sometimes stumble on is when they have to pitch for support of their idea, because a lot of the haven't been done. So at some point you're gonna run into a financial person, stakeholder, that's gonna say yes or no. And the learning how to pitch which as, an entrepreneurs that's, if you're going for a VC backing you have to get really good at that and telling that story is that part of the training that

they'll get or education part of it, if the communication skills required to really tell that story and being clear about the problem, you're trying to solve.

[00:11:30] **Sarah Goforth:** Oh, yes it's central. And I joke with students about this all the time, because this isn't really a selling point for them because pitching is awful. It's the worst. It's terrifying. And I, I joke, even though I lead lots of pitch workshops and I am known for nudging my students to compete in competitions. And it's not about the winning, it's not about the competition. It is about developing that confidence and that skillset of being in the moment on, in the hot seat, answering difficult questions, having to communicate a technical idea to an audience of people who may have varying degrees of technical expertise, all of those things, you cannot do it by reading the book. You, it just takes practice. And so yeah, we force them there. And often the students where I see the most growth, it is the student who is most comfortable reading and taking tests and, getting to perfect and maybe has never been on stage or never had to present in a meeting.

[00:12:24] That's where there's the most growth at the end because we force them to do it again and again, but it's in a really supportive environment. That's great. And everybody has to do it myself included. I'm up there all the time in front of them and I joke about it.

[00:12:35] Andy Murray: I think what must be one of the hardest tasks is to tell your story in five minutes in a way, cuz you know so much about the most product managers probably have, fall in love with all the features, all the things that their, their idea can deliver. Yes. But then really I can't, I have to leave this out ?And this just seems really difficult to edit.

[00:12:53] Sarah Goforth: Yes, and I had this great mentor in my career, her name's Kate Fort, and she's actually the first product owner that I ever worked with and she was, had a technical background. She'd worked in it for a long time and then she'd moved over to a more customer facing role. And one day I had to go up to our leadership, our executive leadership to pitch an idea I had, and I knew it was a good idea.

[00:13:12] I was in love with this idea and I could have written a book about the idea. And I had been given five minutes at this board of directors meeting and I went to Kate and I said, Kate, there is no way I can make this pitch in five minutes. There is absolutely no issue said you're gonna have to that's the amount of time you have.

[00:13:26] And I said, I just, I don't know where to begin. And she drew two circles on her whiteboard. It was just a very basic venn diagram with the overlap. And she said, Sarah you know this. All you need to do is on one hand, and she wrote this inside one circle. Think

about what you want them to know or do. What decision do you want them to make at the end of this?

[00:13:44] What do they have to do walking out? And then the other circle is. What do they need? What do they care about? What do they wanna know from you to make that decision and then leave everything out, except what's in that overlapping area. You love, you care about it, but leave everything out unless it is right in the heart of what they need.

[00:14:01] And that answered my question for me, because in this particular context, it was pure ROI. They needed ROI. And I knew how to argue for that. It wasn't why I loved the idea, but that audience needed that. And I went in, I showed the ROI, I talked numbers, I talked business. Wasn't what I was all about. But at the end of the day, that was what convinced them to make the investment.

[00:14:22] So I draw the venn diagram everywhere I get.

[00:14:25] Andy Murray: That is great advice. It sounds like it's about knowing your stakeholder really well. Before you go in. One of the things I know you talk quite a bit about in your post on LinkedIn, as I follow what you're doing is customer centricity in the ideas of what that means for entrepreneurship of founders.

[00:14:41] But yeah, I find it's difficult sometimes to know what customers want. And what do you say any advice to those that have early stage, maybe don't have a lot of funding yet. And they, how do they go get those rich it's a different story in a big company where there's lots.

[00:14:55] customer insight data. But for these founders that may not have access to that. Are there any words of advice on how they could get close to the customer to really understand that?

[00:15:04] Sarah Goforth: Yes. And even if a founder had money, so let's say they had friends and family backing, or they had an investor so excited about what they were doing.

[00:15:12] I would say don't spend it yet. Don't buy market data. What you need to do is understand the person you need to understand. That truly understand them. And to understand them, you have to be able to empathize with them and to be able to empathize, you have to know them and to know them, you have to literally talk to them.

[00:15:31] You have to meet them where they are and have a conversation. And this is qualitative data, but when you are working in an ambiguous market. Let's say it's a new market that has opened up because there's been a global pandemic and all of a sudden people

need to have their meals delivered to them in a way that avoids all human contact.

[00:15:50] For example there isn't actually a lot of quantitative data to be found because their needs have just changed and no one has studied it yet. So A quantitative data might not be out there B qualitative data, it gets you to the human need and there are a lot of different methodologies for how to do this. And you know that in the human centered design world, you might use a tool called an empathy map. In the lean startup world, which where I live a lot of the time working with entrepreneurs, you might use a tool called customer discovery. And these, these, it's not as simple as having conversation.

[00:16:23] These are true methodologies and it takes practice and it takes training to be efficient with your time. But at their heart, what they have in common is. A recognition that people's motivations are different than numbers. More nuanced and you will arrive at the truth faster with the human connections than you will looking at the numbers.

[00:16:42] Andy Murray: That's fascinating. I see a lot of consultants in this space with ideas to sell around how just use unbalance in technology, paid media, social media, and just keep standing up multiple tests and let the testing kind of show you the path to glory of what the customers want.

[00:16:58] But none of that gets to the why. And the deeper part that you're talking about.

[00:17:03] Sarah Goforth: None of it gets to the why. And if you, especially when you're in a changing environment, a fast changing environment you won't have the right questions to do the functional test, the AB test or the yes, no. Or is this better than that?

[00:17:16] You may be developing the wrong product. Or you may be developing a product that has 25 features and only three of them are what really meet the imminent urgent. I think of it as the shark bite need the pain point that keeps me awake at night. Whereas getting out the door and talking to people sometimes you can't ignore it.

[00:17:35] And I, I honestly believe that skill set and that habit is as important for people really sophisticated, experienced people in large companies, as it is for entrepreneurs.

[00:17:45] Andy Murray: That's really helpful and interesting. I guess you talked about big companies and entrepreneurs. What do you think entrepreneurs can learn from best practices of bigger companies to innovation and vice versa?

[00:17:56] What could some of the big corporates learn from entrepreneurs that are doing well in the innovation space?

[00:18:01] Sarah Goforth: In terms of what entrepreneurs can learn from big companies, there is a let think of the right way to say this. There is a discipline that comes with the need to be very efficient with your time.

[00:18:15] That is trained into you working inside a structured large company. You're typically held to metrics and they might be key performance indicators or OKRs. Different companies use different ways to make sure that you're using your time but they're paying for your time and you often are held accountable to that.

[00:18:34] Entrepreneurs are their own boss, and this is a very alluring part of entrepreneurship. And they often have many ideas and many problems. They're interested in solving and their time can be very scattered and this can exhaust them, especially if you're pursuing five leads or five ideas at the same time.

[00:18:52] And so learning the discipline of focusing on the most the most compelling market need that's aligned to what you uniquely can do or what your team even better can uniquely do. Being disciplined about that is something that you can look to a large company for good advice, good structures, good frameworks, inspiration.

[00:19:10] Conversely, I think large companies, they have a hard time moving quickly for all the obvious reasons. And they get entrenched in

these structures, entrenched in the metrics that were relevant maybe three years ago, but maybe today requires different metrics because customer needs are changing and the market needs are changing.

[00:19:29] And I believe the large companies that I really admire find a way to either embed within themselves, small organizations that can move fast. And so in Walmart that might be store eight or other mechanisms for giving the freedom for groups to have the independence and autonomy to create without a lot of structure and process, or it might be surrounding themselves and investing in startups. It's a gold standard there in my view, my world is Johnson and Johnson. So Johnson and Johnson for 15, 20 years has supported and developed incubation programs, venture capital programs, mentorship programs that embed startups in their universe. And this is a way of tapping into those emerging market needs of being able to move quickly without taking all the risk of doing that yourselves.

[00:20:13] An easy way for big companies to do it doesn't require really any investment at all is just. To encourage your people to mentor startups, encourage your senior executives, just to be out there, mentor a young ambitious scrappy team, trying to figure out an emerging market need, where you've got some expertise to bring to bear on it.

[00:20:27] Either way, if you are a mentor or an angel investor and you're engaged with the people who are absorbing the risk of understanding new market needs and developing new products and innovations, you'll bring that skillset, that expertise, that market access back into your role.

[00:20:43] That will keep your insights fresh. That will keep your customer facing heart beating and some companies encourage that and others don't, and I've never quite understood that latter orientation.

[00:20:54] Andy Murray: Yeah, that's really interesting. I think what I've experienced, at least in my time at Walmart and in the UK, is that just telling people to be entrepreneurial in a corporate environment doesn't really work. Because entrepreneurs think so differently. That would be, and I can relate to your point about having 10 ideas and all of them look great. I'm cursed with that but one of the things that I try to help teach the people doing entrepreneurial type work is for it to work in a corporate environment.

[00:21:20] The one difference is you really do need to think about how are you gonna measure success because you're not gonna get away from capital allocation decisions on, should we back this idea or not? And if you've not thought about that then you won't be successful. And

a lot of entrepreneurs don't put a ton of time on the measurement elements.

[00:21:38] The KPIs are really after they're just trying to get a product up and get people to like it and get traction. And so that idea of making sure you can do create a, even if that measurement doesn't exist yet you have to go and figure that out and have that as part of the repertoire.

[00:21:51] **Sarah Goforth:** Yes, I think so. And also being aware of your organizations appetite for risk is essential. So if you are a person of one or a founding team of two out on your own, you can absorb as much or as little risk as you want in pursuing an untested idea. Inside a large company there are sometimes good reasons to be risk averse.

[00:22:11] So take healthcare systems. For example, healthcare systems can't afford to exist in a world full of risk. Their world is full of risk patient risk. And so they are designed to minimize that. And in some ways that just hinders entrepreneurialism within the organization. And I say to people, sometimes they don't like hearing this, but that's actually, okay. It's not the job of a hospital to be entrepreneurial. A hospital might be able to support entrepreneurial behavior by opening up certain mechanisms. Like for example, opening their doors to entrepreneurial teams or innovators who need

access to the physicians and the patients who experience problems and wanna innovate on the outside.

[00:22:54] But understanding when you're inside a company or an organization. Whether and why or why not there is this acceptance of risk will help you frame the ask if you haven't ask and know whether it's even appropriate to broach in the first place.

[00:23:09] **Andy Murray:** Ah, that's really helpful to understand that and I guess one of the things I struggle with is people have an idea of what it is to be an entrepreneur. And I think it's a romantic idea than a pragmatic idea. What are some of the myths about being an entrepreneur that you of come across and chuckle at or would love to educate people about what does it really mean?

[00:23:28] **Sarah Goforth:** Yes. Do you know who you should ask this question to? Phil Libin. So Phil, for those of you who are listening, you may not know Phil. He is the founder of Evernote and he has moved to Betonville and he has a whole suite of companies and projects that he's working on that are all in this space of remote work and the distributed workforce really fascinating is one of his companies called Mhmm.

[00:23:51] **Andy Murray:** Oh yes, I've seen that.

[00:23:52] Sarah Goforth: The video platform that's really designed to facilitate collaboration and joy in the workplace. When you have employees on a team spread all over at any rate, he gave a talk at an event that we held in April. It was the Heartland challenge. It was a graduate student startup competition.

[00:24:06] And we had graduate student startup teams from all over the world in this competition. And he was one of our keynote speakers and we'd asked him, do I really inspire everybody with the power of the beauty spirit of entrepreneurship? And he had, I think, 45 minutes to speak and he spent 40 of them telling you why you shouldn't be an non entrepreneur.

[00:24:22] You've got to kidding me. No, and it was, oh, it was one of the best, if not the best talks on the subject I've ever seen. And at the end he brought it home. And I'll tell you how you brought it home, but I'll give you a couple of examples of myths. So yes, you think you're gonna be your own boss and this is such an appealing thing.

[00:24:41] It's oh gosh, I can live on my own schedule. I can move to Hawaii, whatever I can do. And the fact is the more successful you become as an entrepreneur, the more bosses you accrue . So in the beginning, all your customers are your boss for sure. Sure. Your investors are absolutely your boss.

[00:24:56] Your team is your boss. It's in, in a startup environment. You don't have the same incentives to give employees that you might, if you're a corporate executive. So at the end of the day, you are the only one who is not the boss. So that's one example. The other is that's great. You're gonna get rich and there are plenty of statistics around how many startups fail, but how slow the path to wealth accrual is and he went through a variety of other things. And at the end, what he said was look, I've just explained to all of you, why you absolutely should not do this. You should not launch these companies. But if you cannot imagine any other way to go, if the problem you care about solving is so important to you, you cannot give up and I can't convince you to not do it.

[00:25:41] You might as well go big. I love that. You might as well think how many people can I solve this for? How big can my vision be? Because when you go big, you can surround yourself with better investors with better co-founders with better employees because your vision really matters. And so was he really all about driving home to the vision?

[00:26:04] **Andy Murray:** Was he basically. First find a problem we're solving that you're really passionate about then think about, should I do it as an entrepreneur or not? Yes, that's versus starting, I wanna be an entrepreneur just to be an entrepreneur.

[00:26:16] Sarah Goforth: A hundred percent. And he was also saying don't be weded to your, your business idea.

[00:26:22] Don't be weded to your product idea, be weded to the problem. And I just deeply passionately believe that is what drives entrepreneurship. All the successful entrepreneurs I know are wedded to the problem. And we have a workshop. In fact, it's called start with the problem that we need. I love that anytime that we can, because the vast majority of new businesses fail because they build something for they build something nobody wants or for a market need.

[00:26:43] That's not really strong. And they don't adapt because they the founders love the product so much. But if you love the problem,

[00:26:49] Andy Murray: Fall in love with the problem more than the product. Exactly. I love that advice. That was his message. As a quick aside, I saw Matt Waller had done a LinkedIn post, an ad on, there was a video thing and I hadn't seen it before.

[00:26:59] So I clicked on it to go and looked at the sales page. And it, there was nothing more funny than watching this explainer video of this woman explaining the platform. And every time the brand name came up, she said, it's great. It's just so lovely that you can't not smile. You smile, smiled all the way through it because she said Mhmm all the time and it's just really fun. So I hope that does well. It's and I think

probably having fun is a bit of his spirit too. Right? Absolutely. You've gotta have fun doing this work.

[00:27:24] People that have a burning problem they wanna solve, and there may be just coming out of college. When's the right time to start the entrepreneurial journey because it is it better to get 5 or 10 years of experience at another startup or a company? Can you be prepared to be successful right outta college, into an entrepreneurship program?

[00:27:45] **Sarah Goforth:** I get that question a lot and there's data around it. There have been studies that have been done. I've read a lot of these studies. I follow the literature in this space and there's some evidence that if you start a company later in life, so at the time of life that I'm at 45 mid-career you have a higher chance of success. And I think that some of the reasons for that are that.

[00:28:06] That point have work experience behind you. You may have deeper access to industry needs because you've worked in the private sector. Maybe you are more structured in your time and you, I, who knows , there are reasons for that. But my answer to the question is always, there's never just like Phil said, there's never a good time to start a business.

[00:28:23] It's always full of risk. It's always fraught with challenges but there's also never a bad time and there are ways to be engaged in the entrepreneurial life without taking a huge leap and leaving your full-time job or, turning your back on the other opportunities available to you. So if you have a curiosity about it, my advice is jump in now.

[00:28:42] Jump in while you're a student start a small business experiment with what works for you. Take an internship or a job inside a startup learn what that life is like. We have a program for undergraduates called the venture internship program and it's, it sounds simple. And honestly, it is simple.

[00:28:57] It is a grant funded program that allows us to pay for the students to work in a startup. Normally they don't have those opportunities because most brand new startups can't afford to hire. Or even take the time to navigate the HR process, to find them. So it wouldn't happen if we weren't orchestrating it.

[00:29:13] But what we orchestrate is we just put them together and we have a little bit of coaching and training and we do some workshops and the supervisors and the students come to those. But for the most part, it is the supervisor inside a company that may just have one or two employees is so happy to have the talent.

[00:29:27] And the student gets this experience. It's almost like being a co-founder. I get to wear all the hats. I get to be in the strategy discussions. I might help invent a new product. I'm doing something really important because they don't have anybody else to do it. There is no better way to learn than becoming involved.

[00:29:44] And so that will show you if you're a student if you're as an undergraduate or fresh out of college, whether that is the right lifestyle for you. You'll learn a lot about that. And it will also surround you with a community of people who have lived the entrepreneurial life and have had failures behind them and can give you advice in coaching and Northwest Arkansas has such a rich, interconnected, energetic, entrepreneurial community. Just be part of it. You don't have to be a founder to be part of that community. So my advice is don't wait .

[00:30:15] Andy Murray: I love it. I didn't start my journey in an entrepreneurship until I was 35, but I had 10 years of Proctor and Gamble and big company. And for me personally, it was helpful to have that experience, but also then a bit more terrifying because there was more at risk and. You're making big decisions. So like you said, there's probably gonna be terror involved at any stage involved at any stage, but the, when you develop the confidence to do it's so empowering.

[00:30:38] Sarah Goforth: Oh, it's nothing like it. So for me, I. I started my career as I said before in science communications. And I was a journalist, I was working for newspapers, but this was 21 years ago. And the internet was new and I was very new into my career post grad school when the science sections of the newspapers were just killed, left and

[00:30:58] so the market was flooded with science journalists and no jobs. And so I had to start a consultancy when I was 25, 26, cause I couldn't find a job. And I didn't have any business skills I had to learn as I went. But when I realized that, oh my gosh, I could make a great living. And that if I could learn new skills, learn how to communicate through digital mechanisms, learn how to do podcasts and audio slideshow were a big thing at the time code websites, all of that.

[00:31:21] Then I had a skill set that helped organizations solve problems and. I built a business out of that. And Matt. If I hadn't lost my job when I was 25 and had to do that, I think my career would've been very different and less exciting.

[00:31:34] Andy Murray: Great story. Great journey that you've been on to do that. And I'm so cool. It's so cool that you're in this market doing this work, something that you're very skilled at, you bring a tremendous amount of knowledge. Where do you and if you look back I came here in 91 and there was no entrepreneurial culture. And it was

very different. And I just in the last five years, it seems like a lot has changed, but you're really plugged into what's happening in Northwest Arkansas.

[00:31:58] Where do you think it's gonna go in the next three to four years? I What's happening in this space?

[00:32:02] **Sarah Goforth:** It is so fast moving. I don't know if anyone could really capture it. I think we are very fast on our way to being nationally known as an entrepreneurial destination and mecca, and if you had, if anybody had said that five years ago, you would've been laughed out of the room.

[00:32:19] Even though we had pockets of real strength at that time and even 10 years ago because there has been, there's a snowball effect happening and it's not an accident. There are a lot of people here who have been working to build this for a long time and there have been major investments made with Dean Waller and the Walton college, the Walton family foundation, the Northwest Arkansas council, Startup Junkie, lots of organizations have been really doing the hard gritty work of building this ecosystem, but something has caught off.

[00:32:47] And I, from my perspective, it happened during COVID. So the COVID year, I almost hate to say this cuz it was such a terrible year for all the obvious reasons and it had a terrible impact on the

business community. However, it also had an incredible galvanizing impact on the entrepreneurial community.

[00:33:05] Both the ecosystem of support organizations. We started getting together every week. We had task forces to help small businesses stay afloat, stay alive. Students all of a sudden couldn't go to campus were lacking in community and a feeling of purposelessness was pervasive in the student community and so they were flocking to us because we created these innovation scholars and entrepreneurial communities that all lived virtually.

[00:33:30] But all of a sudden we could, we had the time of students that were hard to get before. So PhD students that normally were in the lab all the times couldn't get into their labs. They were looking for something to do. So everywhere I looked, and even though, yeah, I was sitting in my bedroom at my desk all day long.

[00:33:45] I felt so engaged and connected into this community that year, a year and a half that we were working in that way. And when we came back, it didn't go away. It just kept snowballing. Metrics wise, there were a larger number of companies formed in that year than the past five years combined, but also ecosystem wise, it was almost like a rainforest effect where it had been, just a tiny little plot of land and all of a sudden it was, new communities of innovation around Fem-Tech and Med-Tech, and data analytics, and even there was like this little

cluster of entrepreneurs working in civil engineering that started getting together.

[00:34:25] It was just, a blossoming. And so I think, you share with me your questions and I, one of the questions you were gonna ask me and you probably may be still getting to it is around we might be entering into a recession yesterday, just, if we hit that sort of bear market metric, and it's a it's a scary time for our nation's economy. But startups in a way are immune to recessions. If you look at the data, actually their effect on net job creation is stable. No matter whether we're in a recession or not. And in our region, because we have such a strong financing and entrepreneurial support ecosystem, I anticipate that the recession will really make our entrepreneurial community skyrocket.

[00:35:06] Andy Murray: I think so, too, unless you're in a late stage funding rounds where that might be a challenge, but early seed stage, angel stage, seemed to be immune at this point. Yes. I'd love to go back to the What's happening in the community, because you look at, we may be getting a tailwind.

[00:35:20] If you follow what's happened in Miami. You follow what's happened in Austin. This, these centers are really emerging. Miami's incredible of how much talent they're pulling into Miami from Silicon valley. For many different reasons. But it takes a partnership with the

university environment, plus the community government all working together.

[00:35:39] And it sounds like those things are happening here. Oh, no question. And do you think we can be of Miami, in a way?

[00:35:45] Sarah Goforth: Yes, no question. I always resist a little bit comparing ourselves to other markets because we're so unique. No one else has fortune one. No one else has the Ozarks. We're just, we're a unique bird.

[00:35:55] We're gonna be a unique entrepreneurial ecosystem, but in terms of scale and visibility and the magnet effect for talent from other regions, yes, we have the opportunity to be an Austin and Miami. One little microcosm of that would be, we have this network that's called the ESO monthly, it's a boring name, but it's a network of entrepreneurship support organizations.

[00:36:13] And we started it probably four years ago and we held this meeting in this room and it was literally just like me and Jeff Amerine, the CEO of Startup Junkie, and Jordan Carlisle, and that was it, maybe one or two other people. And we held it every month for the purposes of collaborating and trying to build our entrepreneurial community.

[00:36:33] We kept going and it was a trickle of people. It was 5- 10 people maybe by 2020. And then when COVID hit this meeting became a weekly meeting and more people started being attracted to it. It became a statewide network. And now we regularly in this monthly meeting and it is all people who exist to support entrepreneurs and entrepreneurial growth in this state. It's a network of 75 people from across the state. Typically at least 60 people are on the call. We have this call tomorrow morning, if you wanna hop on. Wow. We always kick it off by hearing from a local entrepreneur. We have now an ESO summit that we have every year. We have venture capital groups from the coasts come and share with us how they wanna be plugged into Arkansas. They see what's happening here. They wanna come here. They wanna start angel funds here. And this, it really has felt like this inflection point hit overnight, but it is. Very palpable in those meetings, the scale and the gravity, the center of gravity that we now have that attracts people from other markets here.

[00:37:29] **Andy Murray:** What you've said, that's really shocked me in this discussion is that my impression has been that the entrepreneur activity in this market is around retailing and logistics because of the the larger many reasons. And there's a lot there. But you said so many other areas that would never have crossed my mind. That we were starting to incubate real entrepreneurship in ver a wide range of disciplines. How do you explain that?

[00:37:52] Sarah Goforth: It comes, it typically comes from a passionate person, so in the case of med tech, for example, we have phenomenal healthcare institutions in our state, but there have been a handful of people who have made a very deep investment in building a life science innovation ecosystem here.

[00:38:10] And so Barry Brady, who's the chief operating officer of Arkansas Children's Research Institute. Just one of many, analogously size organizations. He said, I am going to create the most innovative pediatric environment in the country and he lobbied for the money. He got investment. He surrounded himself with the best expertise in the state for building internal culture builders, incubation programs, technology transfer systems. He has a pediatric innovation summit. That's happening this Friday. He has built a cluster of pediatric innovation and we now can, I could name 15 products, a dozen or so companies that have spent out of that in the last two years. Jeff Stinson who's the founder of Health Tech Arkansas is another big player in that space. He and I have been working to create a bio design program, which is modeled after a program at Stanford of the same name that engages engineers and entrepreneurs and clinicians together. And for all of us, it is, a handful of people who passionately care about problems in healthcare and want to be a place that solves them.

[00:39:10] And I would say the same thing in Fem Tech so there's a woman named April Roy who's the founder of a great company called FemPack. She and a handful of other women founders who are working in this space to solve women's healthcare issues, have galvanized a movement and attracted investors and grant funders, and she's I think pitching, when is Walmart's open call, is that. A couple weeks, couple. Yeah, a couple weeks. She's pitching at that in a couple of weeks. Yeah, it's incredible. But for this to be known as a place where those types of businesses can succeed is exciting. And honestly, it's a handful of people getting together and making it happen.

[00:39:46] Andy Murray: How do you how would you suggest someone that's hearing this that has real passion get plugged in because the traffic control required to pull this together is immense. There's so many opportunities and doors to enter. Is there a traffic control function that's is that allows these connections to happen?

[00:40:03] Sarah Goforth: We talk about this a lot inside this ESO network because there's no unfortunately, it would be really hard to create a map. A it's not linear, there's no linear like you, here's where you enter the maze and here's where you exit the maze as a successful founder. It doesn't work that way.

[00:40:19] But the good news is we are all connected to each other. So if you hit any one of us, we can talk to you and help you find the opportunity that's right for you. So if you're a student, it's definitely OEI I think. We are, we don't control all of the programs. We don't run all of the programs that are relevant for student entrepreneurs, but we know about pretty much all of them.

[00:40:38] And so we can guide you, coach you, we have mentors, we have experiential programs, we have internships, we have fellowships, we have degree for all of that. But if you're not a student at the U of A or a faculty member at the U of A, Startup Junkie is a great place to start. The Arkansas Small Business and Technology Development Center is a great place to start, but I think the best place to start is showing up for an event and just meeting people.

[00:40:59] So up for, pitch competition, there's a great event called 1 million cups in Bentonville that happens every month. You have coffee, you hear from an entrepreneur, is plugin meet people. That's the best way to start .

[00:41:09] Andy Murray: I really think. And I'm thinking about the vision and strategy work at Walton college, and somehow this four year process to get to this point is informed by people that are also shaping what's happening in Northwest Arkansas. And it's that it's like

the U of A this isn't come to you from grassroots only things are just evolving in the market and you just happen to catch it from the bottom.

[00:41:33] This is a, how do we communicate the without it sounding like these, the movers and shakers have decided that this is what we're gonna do. Right, and it's important. And but there's been real intentionality between what Stewart, the Walton family, and others, Endeavor, that have, but the U of A's right there. In a big role versus following along and picking up what's happening.

[00:41:54] Sarah Goforth: Yes, it is right there and it, universities don't exist or they shouldn't exist in a vacuum they're embedded in communities and are important economic drivers in the communities.

[00:42:07] So we have an obligation as a university to be in touch with the needs and the opportunities to build the economy and the jobs of the future in Northwest Arkansas. Also our students and faculty are better off for that engagement because when we have industry input into the design of a new program, like the masters of science and product innovation, when we have startups who are hiring our students they will be better equipped for the workforce that they are entering and faculty too, when they research is directed at the emerging needs, that industry has, they are more likely to get funding for their research and their research is more likely to be

[00:42:44] commercialized and actually enter the market and have an impact. Then if they were siloed in a, an academic department with access to only their academic peers and for better, for worse, some universities work that way, but more and more, the U of A is a porous organization that is embedded within and, can't be disconnected from its community.

[00:43:06] Andy Murray: The program that you've described for the master of science and product innovation sounds over equipped for the current environment as is. And what I mean by that is this really feels like you've built something that I don't wanna say is future-proof cuz nothing really is Futureproof but this is a three to five year build out that is, is really equipped to take this region to the next level, than just serve the current needs of what's happening today.

[00:43:34] Sarah Goforth: It thank you for saying that it is intended to be, and it's intended to be agile in itself in design, in the case that the coursework that is the required coursework that will include things like product design and customer research and product innovation, that's set and established and taught by experts. But half of the students experience is this practicum and new practicums can come into the mix at any time. There are frameworks around how intensive they need to be and what students need to experience. They need to be part of a team has to be interdisciplinary, et cetera, but let's say, an

emerging need in our ecosystem, which I anticipate this would be for students to be engaged in the development of advanced mobility projects and innovations. We can design a practicum around that and launch it without going through a big, long approval process because the MSPI is a container. Got it. For new types of practicum experience. So I would anticipate over the next five years we'll give birth to 10 or 15 new practicums based on the needs as they emerge.

[00:44:33] **Andy Murray:** Got it. That's really smart was that some did that come from some of the benchmarking at Stanford and other places that are, have really created great partnerships with their community in the entrepreneurial space?

[00:44:43] **Sarah Goforth:** When we look at other universities that have strong entrepreneurial outcomes. Yes. They're always embedded in their ecosystems, but make no mistake this is a unique program of our own design. I don't know of anything that exists that's quite like it.

[00:44:56] **Andy Murray:** If you cast your eye forward into the future would love to see how many patents come out of this, some new metrics we typically don't look at as much. Is that on your mind?

[00:45:04] **Sarah Goforth:** I look at those metrics all the time actually, and yeah, it is on my mind. The U of A has, and I take no credit for

this, this is my colleague David Hinton at the office of technology ventures. It's made a very ambitious attempt to drive invention disclosures, drive patents, and drive the usefulness of our patents over time.

[00:45:20] And we know without a shadow of a doubt that the more deeply our research is informed and our product development is informed by the needs of industry. The more likely we are to have patents that are actually licensed, that actually go somewhere. So the design of this program is absolutely intended to, to do that.

[00:45:37] **Andy Murray:** And boy, thank you for your time. This has been rich and really excited for the entrepreneur community that you're here, leading this, and congratulations on getting this going.

[00:45:46] **Sarah Goforth:** Thank you so much, it takes a village. This has been a wonderful conversation and I, again, really appreciate what you're doing and the voice that you're bringing to the leadership dialogue in the college.

[00:45:56] **Andy Murray:** Thank you.

[00:45:59] I really enjoyed my conversation with Sarah. My favorite part was the advice she shared around falling in love with a problem you feel passionate about solving, and if becoming an entrepreneur is

the best way to solve that problem, then go for it. Regardless of where you are in your career journey.

[00:46:16] Sarah's passion for sharing her wisdom and experience in this space is really contagious. So a big thank you, Sarah, for your time and investment into the startup community. That's it for this episode of it's a customer's world. If you found this helpful and entertaining, I would be so grateful. If you could share our show with your friends and I'd be super happy if you subscribe.

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