

SMALL STARTUP CITIES



How to Build a Thriving Startup
Ecosystem in a Small City

DOMINIQUE HALABY

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Ecosystem in a Small City*

Dominique Halaby

CITY CAMPUS PRESS

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For information, please email info@SmallStartupCities.com.

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*To Maggie, Austin, Cameron, Isabella, Angelica and all those
that dream of making their city a better place to call home.*

*And to Stephen Waldron whose editorial skills greatly
contributed to the completion of this book.*

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A NOTE FROM THE AUTHOR

I didn't write this book because I believe small cities are behind. I wrote it because I know they're ready to build a community where entrepreneurs and innovators can thrive.

Over the past two decades, I've had the privilege of working with cities that rarely make national headlines but quietly carry the weight of America's economic future. Places where leaders wear multiple hats, where universities are deeply embedded in their communities, and where innovation isn't a buzzword; it's a necessity.

I've watched small cities reinvent themselves after the loss of an anchor employer. I've seen entrepreneurs launch companies not because it was trendy but because it was personal. I've worked alongside mayors, university presidents, economic developers, faculty, and founders who were tired of being told that innovation only happens somewhere else.

This book is for them.

It's for the city manager who knows their community has potential but needs a clearer roadmap.

It's for the university leader who wants to move beyond theory and into action.

It's for the economic developer who understands that recruiting alone won't secure the future.

And it's for the entrepreneur who chose to build in their community.

You won't find magic pills or silver bullets in these pages. What you will find are frameworks, lessons, and real-world examples drawn from places that decided to stop waiting for permission and start taking risks. This book highlights their stories: what works, what doesn't, and what I wish more communities understood before launching their first incubator, accelerator, or innovation initiative.

Most importantly, this book challenges a narrative that has gone unexamined for too long: that scale determines relevance. In my experience, proximity beats scale. Trust beats capital. And communities that align their assets, their people, institutions, and place can outperform far larger competitors.

You don't need to become the next Silicon Valley.

You don't need to chase every trend.

You don't need to outspend anyone.

But you do need clarity, commitment, and the courage to build something that fits your city.

Writing this book, just like building an ecosystem, was not a solo journey. I would like to thank the amazing people that I've had the privilege of working with all these years. These individuals are too numerous to list, but their stories and lessons learned are embedded in the pages of this book. I truly appreciate your commitment and dedication to growing your community.

For everyone else, I hope that this book will give you the confidence to start or the conviction to continue. That you find the resources and energy to show the world what we already know. Small cities don't need saving. They need believing in.

—Dominique Halaby

PREFACE

It was a really busy day. I was one of the finalists for a position in economic development at a Southern university located in a small rural community. After a series of interviews, I was asked to make a public presentation to a group of stakeholders in a newly renovated building that would serve as my unit's base of operations. At the time, the renovations weren't quite complete. The space that would later serve as offices was still barren. No walls. No doors. Only an open space, brimming with possibilities.

For my presentation, folding office chairs were brought in to give the space the illusion of a classroom. At the back of the space was an assortment of snacks and Southern-style sweet tea. Slowly, people began to trickle in. Then, as if they had been waiting around the corner, the rest arrived. All at once. Professors and prominent members of the community came to listen to my presentation but also to quiz me as to what I had in mind for the facility.

This gave me a chance to chat with a few community leaders before diving into my presentation. As I spoke about the importance of business research and gave examples of economic development projects that I led, I couldn't help but be caught up in what appeared to be an odd mix of enthusiasm and confusion. Toward the end of my presentation, I pivoted to asking them questions about their vision for the community.

There was a clear sense that the people in the room wanted to see the community grow. But there was an equal lack of alignment as to what that meant and how it would be achieved. They knew entrepreneurship was a key to helping residents capitalize on economic opportunities and to helping create new job opportunities for the city's youth. They felt so strongly in that purpose that the downtown development association had bought the foreclosed building that we were standing in and committed to renovating it to help build an entrepreneurship hub for the university. But they didn't really know how to do it.

They spoke of bringing entrepreneurship classes to the new facility. Of constructing offices to accommodate a business research unit. And of establishing a satellite of the university bookstore. While the plan was unclear, the passion for the community and the desire to build something with impact were.

Following the exchange of numerous platitudes and engaging chats, I went back to my hotel and called my wife.

Her first question was, "How did it go?"

I can still recall telling her, "I'm not sure."

"What do you mean?" she said.

"I'm not sure what to make of it. They want me to be in charge of this thing called the City Campus, but it's neither a city nor much of a campus."

Now keep in mind, I was born in New York City and grew up in Houston. To me, the name "City Campus" was more an oxymoron than a true identifier of the space. It was really only part of a small building in a town of 30,000.

I couldn't tell if the term "City Campus" was meant to be the actual name of the structure or whether it was only a placeholder until a more accurate one could be determined.

"But what about the community?" she asked. "Does it seem like a place that we could call home?"

The city itself was charming. While there were a lot of empty buildings downtown and little foot traffic to speak of, the possibilities were evident. And the "City Campus" was less than a mile from the main one.

And within an hour's drive, you had a major airport, a growing seaport, and access to one of the most historic cities in the South. The people were friendly. The traffic was nonexistent. And having the university as a community anchor exuded the sense of civic pride typically only found in a college town.

As I began to describe the community to her, I started to believe in its potential. I even started to see things in the facility and connect the dots between the stakeholders' desires for entrepreneurial growth and regional assets in a way that got me excited. The more we spoke, the more I became convinced that—"Yes. We could call this place home."

Before finally agreeing to relocate, we made two more visits to the community. We even brought our kids to see how they would react. Each time, I saw something new. A new opportunity that could be exploited but wasn't. A new chance to make a difference in my would-be home.

By the time I committed to relocate, I had already identified partners to engage with and funding opportunities to help build something special.

While I've been active in many communities, I primarily draw from my experience in Georgia for several reasons. First, there was my lack of familiarity with the area before I arrived. You don't need to be viewed as an insider to have an impact on your community. Your community is your home whether you've lived there your entire life or just arrived. You don't have to have generational ties to an area to institute change. You just have to have passion and a playbook.

Second, I want to dispel the belief that density is a prerequisite for entrepreneurial growth. While it no doubt helps, it isn't mandatory. Sure, it's much easier to identify 100 passionate and talented innovators in a city of 5 million than one with 5,000. But innovators and entrepreneurs are everywhere. You simply have to find the right reason and the right place for them to gather and connect. Trust me. They are there.

Third, I chose this experience to dispel the notion that change requires a top-down approach to leadership. In my first 10 years since we unpacked the boxes and began to call the community home, I went through three mayoral changes, four city managers, and five university presidents. While strong and consistent leadership at the community or institutional level is good, when it comes to building a startup ecosystem, that leadership can come from all areas of the community.

If you are passionate about making a difference in the area you call home, I'm here to tell you to look in the mirror. Start making the contacts and committing the energy to make it happen.

Finally, as our efforts grew from a single building to an award-winning entrepreneur support organization with six buildings spread across four different cities, I began to receive inquiries about how to replicate our success in other markets. Each time,

people brought great energy to the conversation and believed that if we could achieve success, then why couldn't they? And they were right to think that. All they needed to know was how we did it.

But it wasn't just about growing an ecosystem. It was also about maintaining what we've built.

People change jobs. They relocate. And every time, a certain amount of institutional knowledge is lost. And when a new person comes in, there is a degree of re-education required. This change in personnel, especially early in the development of an ecosystem, leaves open the possibility that everything could fall apart. That means that a change in an ecosystem leader could mean that the effort to create something special would sometimes be starting from zero—if at all.

This means that every time someone new joins the ecosystem, a lot of energy and time is spent educating them, getting them to speak the same language, and making sure they are buying into a shared vision. In a mature ecosystem, there are plenty of places for someone new to fit in. To find their people. And to find their place.

But in a new ecosystem where things aren't yet defined, this can be distracting and stall momentum. It can be frustrating to the new person who doesn't feel that their ideas are being valued and to the people with historical knowledge who feel as though these new ideas have already been tried.

One thing I've learned is that it is great to have passionate people, but when one person's passion starts to infringe on another person's, conflict that may not be easily resolved can arise.

So I wrote this book as a way to tell not just our story and outline the steps to building a startup ecosystem but also to help you communicate what needs to happen and why.

Not everyone, not even the most visionary leader, is great at communicating that vision in a way that allows everyone to see themselves in it. This book is intended to help bridge that gap. It will help you craft your ecosystem story and communicate it in a way that aligns multiple stakeholders.

Ask any choir director, and they'll tell you that it's a lot easier to get everyone singing the same song if you give them the sheet music. Now, go out and gather your founders, funders, and supporters.

Treat this book as your city's sheet music. It's time to start harmonizing so you can go sing something special. Something that only your city can sing.

INTRODUCTION: SMALL DOESN'T MEAN STAGNANT

"I believe in America, as long as we're celebrating the next generation of entrepreneurs, how we're doing it everywhere, not just in a few places."

- Steve Case, *Rise of the Rest*

When most people talk about startup ecosystems, their minds jump to the usual suspects—Silicon Valley, the Research Triangle, and Kendall Square. And why not? These ecosystems are located near major urban areas that play host to some of the best-endowed research institutions on the planet. Institutions where millions of dollars of cutting-edge research is conducted every day. They're near major cities that feature companies with billion-dollar valuations, consistently launch unicorn startups, and have a steady stream of demo days, pitch competitions, and venture capital firms competing for the next big exit. At the end of the day, these are the ecosystems that dominate headlines and

shape our views on what innovation and entrepreneurship ought to look like.

But what about the rest of the country? What about the cities with populations under 200,000 and without globally recognized universities? What about the towns struggling to create communities where ideas can flourish, innovative businesses can launch, and creative individuals want to call home? The places where you are just as likely to encounter the mayor at the grocery store as you are at an official ribbon-cutting event. The places where, on certain weekends, downtowns not only turn into farmers' markets but also into gathering places where neighbors unite and support local businesses. The places where congestion means coping with the occasional tractor on a two-lane road. These are the places where community means more than just a place you hang your hat; it's where you hang your heart.

These are the cities that have too often been left out of the innovation narrative. Not because they lack talent or ideas, but because they've been implicitly (and sometimes explicitly) told that real innovation only happens in areas with soaring rents and sprawling tech campuses. And that if you're not in one of these tech hubs, you're behind.

But that's a myth. And it's one we need to dismantle.

This book is for the cities between the coasts. For the communities that still believe in the power of reinvention. For the local leaders, educators, entrepreneurs, and risk-takers who see promise in old buildings, potential in underutilized assets, and talent in people who never saw themselves as startup founders.

It's for the places where startup ecosystems don't just need to be built—they can be built. Not in spite of being small, but because

of it. The very fact that these cities are smaller, less resourced, and hungrier is the very reason they are primed for innovation.

Think for a moment. If I gave you unlimited resources and dropped you off halfway around the world and told you to return in a week, how much innovation would you use? Once you determined where you were, you would simply buy a ride to the nearest airport and purchase an airline ticket. You would probably take in a few sights along the way and spend money on things you didn't need to accomplish the task.

But imagine if I gave you only \$100. You would barter and hustle. You would convince others to help you on your journey and tap into every resource you could imagine to accomplish your task. That hunger, that spirit—that's the driver of true innovation. That is what small communities need to tap into. Stop worrying about the lack of resources and start identifying where you are. Tap into your resources, sell your story, and convince others to join you on your journey.

The Narrative is Changing

For far too long, the story of innovation has been told through a narrow, coastal lens. It's a narrative that suggested if you wanted to be part of the startup world and to really be taken seriously, you had to leave your hometown behind. You had to chase opportunity to the Bay Area, to Boston, to Brooklyn. You had to uproot your life, conform to a culture you didn't create, and play by rules you didn't write.

From Statesboro, Georgia, to St. George, Utah, and from Greenville, South Carolina, to Green Bay, Wisconsin, small and mid-sized cities across America are rediscovering what they've always had: resilience, resourcefulness, and a deep-rooted sense

of community. These are places with histories of entrepreneurship. Places where small businesses once lined every main street and local ingenuity powered local economies. They may not have been called “startups” back then, but make no mistake, the spirit was the same.

Today, these cities are reclaiming that legacy. They’re leaning into what makes them unique rather than trying to imitate Silicon Valley. They’re showing that proximity breeds trust, that authenticity can outperform polish, and that real community—the kind built on shared values and generational ties—is not a limitation. It’s a competitive advantage.

And perhaps most importantly, these communities are proving that you don’t need a unicorn to build an ecosystem. You don’t need billion-dollar valuations to validate your efforts or attract outside attention. You just need passionate, committed people. You need a shared vision that aligns institutions, investors, and innovators. And you need patience. The kind of patience that manifests a long-term commitment that refuses to be derailed by quarterly metrics or the lack of headlines.

This new wave of startup cities isn’t waiting for permission. They’re building on their own terms. And they’re rewriting the playbook as they go.

Why I Wrote This Book

I’ve spent the better part of my career working at the crossroads of economic development, higher education, and innovation, especially in the kinds of communities that rarely make the cover of business magazines. These are cities that may not have Fortune 500 headquarters or sprawling innovation districts, but they have

something far more important: grit, ingenuity, and people who care deeply about the places they call home.

Typically, I would plug in to the community, help identify gaps in the ecosystem, and work to build a coalition to help channel the local energy to something greater than the individual parts. Something more. Something special.

Each time I did that in one community, I would get questions from others. And I kept hearing the same set of questions:

- “How do we get something started here?”
- “What does a real startup ecosystem even look like in a city like ours?”
- “Can we really do this without outside capital or a flashy tech sector?”

And the answer to all of those questions is a resounding yes.

Yes, you can start something where you are.

Yes, you can build a startup ecosystem that supports local founders and fosters innovation.

And yes, you can do it without waiting on permission from a renowned investor or a national foundation.

The thing to keep in mind is that you can't just copy and paste what worked in Palo Alto or Boston and expect it to thrive in your community. While your efforts to build an ecosystem may be new, your city isn't a blank canvas. It's a living, breathing place that has its own history, culture, values, and challenges. That's not a problem to work around. That's the foundation to build on.

True startup ecosystems are not imported; they're grown. They take root in what already exists. This ecosystem is built by people who believe in possibilities, institutions willing to collaborate, local stories that shape identity, and a collective willingness to engage in the hard, slow, often unglamorous work of building trust and momentum.

This book is a blueprint for that kind of work. It's not a "one-size-fits-all" model. It's a guide to help communities discover their own way forward. A way that's authentic, sustainable, and deeply aligned with who they are and who they aspire to become.

What You'll Learn

This isn't a theoretical text or a high-level policy brief. It's a hands-on, practical guide written for the people who are doing the work—or who want to. It's for economic developers trying to spark momentum in overlooked regions. It's for educators who are shaping the next generation of innovators. It's for civic leaders navigating public–private partnerships. It's for nonprofit professionals bridging gaps and building trust. For founders and funders. And yes, it's for everyday residents who may not hold an official title but care deeply about seeing their hometown thrive.

Because building a startup ecosystem isn't about waiting for the right consultant or capital infusion to arrive. It's about getting started—thoughtfully, strategically, and with a clear sense of purpose.

In the pages ahead, we'll break it down step-by-step. We'll talk about:

- What a startup ecosystem actually is and, just as importantly, what it's not.

- How to identify the right stakeholders and bring them to the table, even when they've never worked together before.
- What infrastructure and resources truly matter, so you can focus your energy where it counts.
- How to support founders in meaningful ways that go beyond pitch nights and one-off events.
- What it takes to attract funding, tell your city's story with authenticity, and build something that lasts.
- Why inclusion isn't just a buzzword or something to ignore. It's a foundational strategy. Because if the same few voices always lead the charge, you'll keep getting the same limited results.
- And what to measure and, just as critically, what to ignore.

Each chapter is designed to be actionable. You'll find real-world examples from communities that look more like yours than like San Jose or Seattle. You'll get checklists you can use right away, along with insights and lessons pulled from lived experience—not just theory.

This book isn't about admiring the idea of innovation. It's about building it, block by block, in the places that need it most.

Things to Remember

First, it's important to clarify that in this book, the term *startup* encompasses more than just technology. It doesn't mean apps, algorithms, or billion-dollar valuations. It doesn't require a hoodie, a pitch deck, or a venture capitalist on speed dial.

A startup, as we define it here, is any new venture that solves a problem, creates value, and has the potential to grow—period. That might be a mobile food truck serving underserved neighborhoods. It could also be a digital marketplace that connects local farmers to a national audience. Or a community health solution developed by a health professional who sees gaps in the system that no one else is addressing.

Broadly speaking, innovation isn't limited to new cutting-edge products or technology. It lives wherever people see a need and work to meet it with creativity, courage, and action.

And being an entrepreneur isn't just limited to young people. Yes, there are 22-year-old founders building ambitious ideas from dorm rooms and coffee shops, but there are also side-hustling parents launching ventures between school drop-offs. There are immigrants leveraging their global experience to build businesses rooted in local opportunity. There are veterans who've led teams in complex environments and are now applying that same discipline to solve civilian problems. There are retirees who've spent decades mastering their craft and are finally launching the business they never had time to pursue.

Age, background, education level: none of these are barriers in a truly inclusive startup ecosystem. If you're building something new that matters, whether it's high-growth, high-tech, or high-impact, you're part of the story. And your city's ecosystem should recognize, support, and celebrate that.

That's the kind of entrepreneurship this book is about. Broad. Bold. Grounded in reality. And open to everyone willing to take that first courageous step.

You Don't Have to Wait

You don't need a seven-figure grant to get started. You don't need a gleaming, state-of-the-art incubator with designer furniture and a rooftop event space. And you certainly don't need a celebrity founder to give your city permission to dream big. What you do need is something much more powerful and far more attainable.

One of my all-time favorite quotes is attributed to the renowned anthropologist Margaret Mead: "Never doubt that a small group of thoughtful, committed individuals can change the world. In fact, it's the only thing that ever has." All you need to get your ecosystem off the ground is a small group of people who believe. People who see not just what their community is today, but what it could become. People who are willing to roll up their sleeves, take risks, and invest in a vision that might not yet exist on paper but lives vividly in their minds and hearts.

People who believe:

- That their city has the right AND the responsibility to create its own future, on its own terms.
- That talent is everywhere, even if opportunity isn't yet. And that with the right support, everyday people can do extraordinary things.
- That entrepreneurship isn't just about scaling fast or making headlines: it's a tool for equity, for ownership, for lifting people up and building wealth that stays rooted in the community.
- And that a startup ecosystem should reflect the heart, soul, and character of the place it serves. Not try to imitate a city it will never be.

If you see yourself in that vision. If you've ever looked around your community and thought, "We can do more. We can do better. And we don't have to wait for someone else to do it for us," then you're exactly where you need to be.

This book was written for you.

Let's get to work. Let's build.