2016 Will be the Year for Business Growth, Start-Ups and Entrepreneurship

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A New Year always brings with it the opportunity to wipe the slate clean, reflect back on the past year that was and look forward to the next. Looking back, there have been many seeds sown by the Business Law Section of the Connecticut Bar Association through its support and sheparding of cutting edge statutes such as META and the Social Benefit Corporation Act. Looking forward to the New Year, there are many new opportunities for Connecticut – particularly in the area of innovation, entrepreneurship and start-ups. Areas in which members of the Connecticut Bar can play a lead role to encourage innovation.

Connecticut has always been known for its famous and early innovators: Samuel Colt who mass produced firearms; Charles Goodyear who vulcanized rubber and William Middlebrook, who machine-produced paperclips. 2016 promises to be the year for the support and growth of business here in Connecticut especially for early stage companies throughout the Hartford region.

For example, Innovation Destination:Hartford (IDH) represents a coalition of entrepreneurs and service professionals dedicated to enhancing the Hartford region’s ability to support start-ups and second-stage entrepreneurs. IDH is supported by the Metro Hartford Alliance, the CT Technology Council and other technology groups. Check out the IDH website which provides a portal for innovators at www.innovationhartford.com. The goal is to create a virtual innovation community which will link disparate efforts into one unified, coordinated undertaking.

There is more happening in and around Hartford through incubator programs than ever before with the CCAT Incubator Program, education at the University of Hartford’s Entrepreneurial Center/Business Matchmaker Program, Central Connecticut and maker spaces and co-working spaces at MakeHartford and reSet. Add in the activity taking place in New London and New Haven with their incubator initiatives and there is reason to be excited about the possibilities for new business in Connecticut.

The State’s municipalities are also joining in on this movement because they recognize that by providing an environment that fosters the creation of business and that supports business growth and innovation, small businesses will flourish in their communities. Only by putting feet on our streets will town coffers grow. The
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Capital Region Council of Governments will be hosting a forum on entrepreneurship on January 29, 2016 at the Legislative Office Building. That should be worth checking out.

reSet, the social Benefit hub located on Park Road in Hartford, reports a booming business with 58 Social Benefit Corporations created in Connecticut in the last two years. Indications are that reSet is well-positioned to become the Social Enterprise Center for the State and with Innovate Hartford to be housed in reSet’s Parkville incubator there will be new energy and entrepreneurs young and old testing their new business initiatives. Connecticut is developing a reputation for entrepreneurship beyond its borders.

Connecticut has taken another step toward creating a business-friendly environment with the release this winter of a report by the Commission on Connecticut’s Leadership In Corporation and Business Law. This report focused on analyzing whether Connecticut could create a regulatory environment to challenge Delaware as the most “business friendly” State. The report makes many recommendations, the most significant of which are that the legislature: (1) continue to modify corporate statutes in line with the Model Business Corporation Act; (2) modify the limited liability statutes in line with the Revised Uniform Limited Liability Company Act; (3) update the State’s Nonstock Corporation Act; (4) adopt a rapid arbitration act similar to Delaware’s as a way to signal that the State is interested in developing an expedited process for resolving business disputes; (5) require all proposed legislation have a business impact fiscal note accompany its introduction so legislators can ascertain the impact a bill’s passage would have on the business climate before voting; and (6) align the State’s tax policies with those objectives set forth in Connecticut’s Strategic Plan of Economic Development. The Commission has concluded that Connecticut can only take advantage of the positive business developments if it can project a clear message that it is open for business, that it welcomes new businesses and that it will do what it can to support the growth of its existing business sector.

The State of Connecticut’s recently adopted Strategic Plan of Economic Development also recommends a continued focus on industry specific clusters such as healthcare and bioscience, financial services and insurance, and precision manufacturing. In this report the Governor and his Commissioners make it clear that these industries have been the back bone of our economy and that while we attempt to attract new businesses to Connecticut we need to nurture those industries that have been successful and that provide jobs for our existing workforce.

If these proposals are accompanied by greater investment in the technology and automation at the Connecticut Secretary of State’s Office, resulting in a more robust and responsive system for filings, the business community will respond positively.

As the New Year begins many are optimistic that as long as capital is available to entrepreneurs, with these stars aligning Connecticut is poised to brandish a reputation as a place for start-ups, early stage companies and sophisticated industry sectors to domicile and to grow in a manner that would make Messers Colt,
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Goodyear and Middlebrook proud.

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