Entrepreneurship in Rural America
Southeast Missouri State University
Institute for Regional Innovation & Entrepreneurship
Cape Girardeau, Missouri
September 23, 2014
09.15.14 Version
My Presentation

REAL 14 Conference
09.23.14

Part 1
Why Entrepreneurship Rural America

Part 2
Lessons from the Field

Part 3
Filling the Entrepreneurial Pipeline
Part 1

Why Entrepreneurship Rural America
Great Recession

The most significant economic event in our lifetime!

A new economic and social world will emerge from this recession.
Space exists in our economy and society for creativity and innovation that can lead to a new round of economic and social progress and prosperity.

The Long Depression of the 1870s and the Great Depression of the 1930s is evidence that this can be the case with the Great Recession.

This is called the Great Reset!
The Reset Process

Prosperity

Crisis
Unraveling

New Ventures

Opportunity
Space

New
Innovation
The Great Expansion

The 1990s were a remarkable period in American economic development history. During the 1990s, household net worth grew by a remarkable $22 trillion. No other decade since World War II posted such wealth creation in United States including the 1950s, 1960s and the 1970s.
Challenged 2000s

Largest Employers Shed 9.5 Million Jobs

99,000 Jobs Loss Per Month

Smallest Employers Created 8.8 Million Net New Jobs

92,000 Jobs Gained Per Month

Self-Employment Grew by 93%

3.3 Net Gain in Self-Employed Ventures
First Year of the Recovery

2009-2010

Largest Employers Shed Over 1 Million More Jobs or -113,000 per Month

Smallest Employers Created 6.8 Million Jobs or 569,000 Jobs per Month
IN JUST 1 year,
2.5 Million NEW
ENTREPRENEURIAL
startups!
Results in for 2009-2012

Self - Employment Dropped
↓ 146,241 or ↓ 2%

Stage 1 Ventures
(2-9) employees

↑ 2.6 million more businesses +21%
↑ 6 million more jobs +28%
↑ $371 billion more in Sales
Entrepreneur Opportunities

Defense Contractors
Government Contractors
Supply Chain Companies

Immigrant Talent
Graduate Students
Safe Harbor Immigrants

Under-Employed Talent
Un-hired Graduates
Displaced Talent

Business Failures
Retirees
Women
Southeast Missouri is Growing

1970-2012:
Population = +47%
Employment = +96%
Income = 187%

2000-2013:
Natural Change = +27,768
Domestic Migration = +15,730
International Migration = +3,172

These are good indicators!
SEMO’s Need for Development?


- Net Job of Lost 8,633 Jobs
- Restructuring Economy
- Stagnate Wages & Incomes
- Rising Working Poor

Structural:

- Labor Income – 74% to 60%
- Non-Labor Income – 26% to 40%

Economic Renewal Needed
SEMO’s Opportunity for Development!

1. Retirees?
2. Smart Manufacturing?
3. Experiential Recreation?
4. Boomer Tourism?
5. Retail/Service Capture?

Growing entrepreneurial talent can optimize both local and regional economies for optimal performance. Remember civic and social entrepreneurs.
Part 2

Lessons from the Field
The areas with “STARS” are locations where the Center has completed projects.
Sahuarita, Arizona

**Situation:**
South Tucson – Bedroom Community
Explosive Suburban Growth
Midland Crowd – IT & Aviation
Great Recession Slowdown
Desire for a Domestic Base Economy

**Response:**
Stay at Home Spouses
800 Educated Home-Based Workers
Cluster Spin-Off Opportunities
System Support & Coaching
Fond du Lac, Wisconsin

**Situation:**
Industrial Midwest Small City
Janesville, WI GM Lesson
Mercury Marine Scare
Threat to Supply Chain Companies
Defense Contractors

**Response:**
Focus on Defense & Supply Chain
Customized Entrepreneur Coaching
Use of Market Research
Wrap Around Services

*Finance – Facilities – Workforce, etc.*
Missoula, Montana

**Situation:**
Western Montana
Mountains & Drop Dead Beautiful
40 Years of Economic Boom
*New Residents, Housing & Commercial*
Great Recession – Boom Stops
Forestry Industry Collapses

**Response:**
Micro Clusters of E Talent
Technology Focused
*Pharma – IT – Green – Tourism*
Comprehensive E Coaching Support
Red Wood Coast, California

**Situation:**
Coastal Northern California
Rural & Very Isolated
Declining Natural Resource Economy
Historically at the Bottom in California
Largest Industry – Pot Production

**Response:**
Humboldt Area Foundation
$100 Million Endowment
Long-Term View & Commitment
Entrepreneur Focus
Now in the Top of California Counties
Research Coast, Florida

**Situation:**
Area North of Miami
Economic Gardening Focus
Stage 2 Growth Entrepreneurs
No Community Game Plan

**Outcomes:**
Challenged Finding Entrepreneurs
Limited Development Impact
Initiative Did Not Sustain
Entrepreneurial Kansas?
YES!

- More than a **decade of evolution** of entrepreneurial development in the state
- **Collaborative effort** – both in terms of policy and practice
- Powerful **public – private partnerships**
- Orchestrated and implemented by **social and civic entrepreneurs**
Kansas Entrepreneurship Milestones

- **2001**: Kansas Sirolli Initiative Begins 2001-2003
- **2004**: KS Economic Growth Act Passed
- **2005**: NetWork Kansas Formed
- **2006**: Steve Radley & Erik Pedersen Hired, StartUp Kansas Begins
- **2007**: E-Community Partnership Rolls Out 2007-Present
- **2011**: Economic Gardening
- **2013**: E-Community Partnership Moves to Metro

Center’s Kansas Engagement

- **2001**: Early Kansas Meetings with Wally Kearns, Patty Clark, Leon Atwell & John Cyr
- **2003**: Center Sirolli Evaluation Conducted 2003-2005
- **2003**: HTC Institutes Held 2003-2005
- **2008**: KS Farm Bureau Hometown Prosperity Initiative 2008-2009 Rawlins County Chatauqua County Onaga
- **2010**: KS Entrepreneurial Communities Initiative 2010-2011
- **2011**: E-Accelerator Launched 2011-Present
Entrepreneurial Milestones in Kansas

• **2004 Economic Growth Act** – public focus on and support for entrepreneurship

• **2005 NetWork Kansas** – hub of a resource collaborative; powered by SourceLink

• **2007-2010 “Ground Game”** – E-Community Partnership and HomeTown Prosperity/E Communities Initiative

• **2011 Accelerating Impact** – E-Accelerator, Economic Gardening...
Lessons from Kansas

• Importance of collaboration and connections
• Positive role for government action
• Community engagement and ownership
• Documenting success
• Long-term strategy – long-term commitment
• Power of social and civic entrepreneurs

“Build strong, meaningful partnerships with those that share your mission and empower them to help you deliver your products and services.”
Corey Mohn, Director of Statewide Programs, NetWork Kansas

“We didn’t want to be a state program; we wanted to get in the dirt.”
Steve Radley
President and CEO, NetWork Kansas

“This takes time and you need to keep working at it. You need to be persistent and have faith in the future.”
Jeff Hofaker, Phillips County Kansas
E-Community Partner
## ACHIEVING IMPACT

### 2007 to 2013 → 6 Years

<table>
<thead>
<tr>
<th>ACCESS</th>
<th>REACH</th>
<th>SERVING THE UNDER-SERVED</th>
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<tbody>
<tr>
<td>Resource Navigator – 74 → 179/month</td>
<td>44 E-Communities</td>
<td>86% Under 25,000 Population</td>
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<tr>
<td>Calls – 23 → 192/month</td>
<td>39 Counties – 37% of Geography</td>
<td>70% Under 10,000 Population</td>
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<tr>
<td>Active Contacts – 5 → 436/month</td>
<td>Now Metro: Kansas City &amp; Wichita</td>
<td>57% Under 5,000 Population</td>
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<td>Partners – 9 → 500+</td>
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<td>17% Under 1,000 Population</td>
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### DEVELOPMENT IMPACTS*

- Nearly 400 Deals
- $61 Million in Capital
- 1,060 Full-Time Jobs
- 865 Part-Time Jobs

### CONTINUOUS INNOVATION

- Economic Gardening
- Ice House
- Start Up Weekends
- Growing Your Business
- E-Accelerator

### COMMUNITY TURNAROUNDS

- Rawlins County
- Phillips County
- Hillsboro
- Sterling
- Among Others

* Through 1st Quarter 2014
Regional or Statewide Initiative

• **Infrastructure**
  - SourceLink Resource
  - Capital Access
  - Market Intelligence
  - Business Counseling, etc.

• **Community Engagement:**
  - Communities as Partners
  - Entrepreneur Engagement
Community Ground Game

- Community Coaching
- Community Ecosystem
- Business Coaching
- Portfolios
- Hard Referrals & Tracking
- Impact Documentation
  - Numbers
  - Stories
An Entrepreneurial Community

1. Entrepreneurs
2. Outreach
3. Business Coaching
4. Referral & Tracking
5. Ecosystem Development
Assessment is Key

1. Opportunity
2. Entrepreneurial Talent
3. Relevant Resources
4. Development Preferences
5. Stakeholders

Smart assessment can empower a community to craft a sound game plan and accelerate impact.
Conclusion
Imperial - Chase County
Like so many rural counties, Chase County experienced chronic and severe depopulation beginning with the Great Depression. This period preceded by the classic boom, bust and boom cycles.
There are relatively few rural counties in the entire Great Plains Region posting sustained positive population growth.
Russ & Allo Communications

Russ and his wife own the local twice weekly newspaper in Imperial. He a former high school class mate created Allo Communications. Today they are one of the breakout companies fueling Chase County’s revitalization. Allo Communications is competing head up with the likes of SPRINT and Century Link.

Russ and Allo are charitable and through gifts to the Chase County Community Foundation they are supporting workforce development and educational opportunities for youth.
Questions...
Questions & Discussion

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Keys to Economic Success

Local Responsibility
Smart Game Plan
Robust Investment
Entrepreneurial Development Systems
Sustained Effort
Growth Entrepreneurs
Attributes of an Entrepreneurial Community
Immigrants & New Residents
Real Regional Collaboration
Civic and Social Entrepreneurs
New Book

January 2014 Release

Contents...
Case for Entrepreneurs
Entrepreneurial Community
Action Framework
Working with Entrepreneurs
Guiding & Tracking Progress

Paper & E Book
E2 University Online

Rollout in 2014...

Resources:
• Guides
• Tools
• Protocols
• Training Webinars
• Exercises & Illustrations
• Videos, Stories & More
We have produced a new and improved web site with more free resources and better guidance to compensated resources. Give it a spin. Also... we have four electronic newsletters that are free. Sign up today and benefit from all the resources covered in our newsletters.
Beginning next summer and fall we will be offering community and professional webinars on working with entrepreneurs and community-based entrepreneur-focused development.
Questions...
Questions & Discussion

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