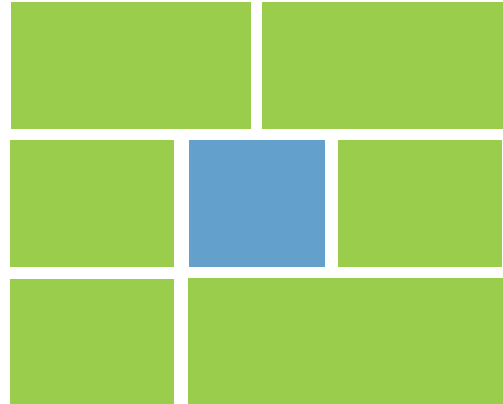
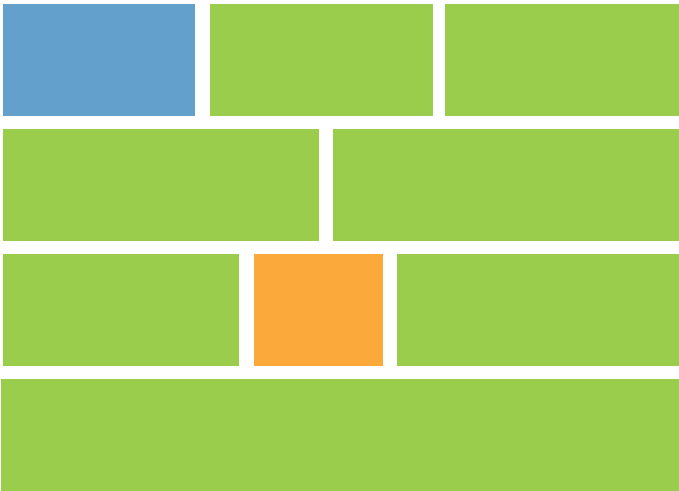


MAY 1, 2024



PLANNING FOR INNOVATION

SOUTHERN MISSOURI TECH ENTREPRENEUR PLANNING STUDY

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Introduction

ENTREPRENEURSHIP IN MISSOURI

Missouri has had a long and storied history of businesses with humble beginnings scaling their ideas to become globally recognized leaders in their respective industries, hoisting the economic vitality of the state along the way. Today, the state's entrepreneurial spirit has never been stronger, and Missourians are increasingly embarking on high-growth business endeavors within the tech industry. Tech firm establishments have risen exponentially since 2018, weathering the economic downturn of the COVID-19 pandemic (Technology 2030). With statewide efforts to support high-growth, tech sector startups underway, Southern Missouri must look inward at its region to determine its ability to take advantage of this windfall opportunity.

Impacts of Entrepreneurship

Despite representing a small portion of the country's jobs, startups produce an exceptional impact on job creation (Haltiwanger, Jarmin, and Miranda 2013). It can be said that new businesses, with their rapid growth rates, are able to drive employment when larger, more established firms take a slower approach to building their workforce. Even more, the increased competition within the job market spurred by startups contributes to local productivity and income growth (Alon et al. 2018). As for startups and small businesses established by members of the community, local entrepreneurship promotes resiliency. One study found that locally owned firms (especially business headquarters) preserve the employment stability of their community more than non-locally owned firms during economic shocks (Kolko and Neumark 2010).

Pound for pound, high-growth, tech businesses produce greater outcomes for economic growth and resiliency. Despite representing only 5.6% of the state's labor market in 2022, the technology sector contributed approximately \$38 billion to the state's production, nearly 10% of the year's total gross state product (GSP) (Technology 2030). In return for this production, tech workers collectively earned \$18.6 billion or 9.7% of all earnings in the state. Investments in tech startups stand to produce a considerable return for the economic development of communities across the state.

UNDERSTANDING HIGH-GROWTH STARTUPS

High-growth, tech-based startups are unlike commonly understood small businesses. Traditional small businesses tend to be locally serving operations, like food service or retail operations, that strive to meet the demands of their community's market. These businesses operate under reliable revenue streams and produce slow but steady growth. High-growth, tech companies focus on serving a wider market outside of the community and consist of traded-sector industries- those which sell their goods or services in national or international markets. The level of competition for these businesses is much greater as well as their risk of failure. But with this risk comes the potential for rapid growth in production, wealth creation, and income generation.

Small businesses share many of the underlying needs as high-growth companies; both require a sound business concept, funding streams for operations, workforce training, adequate marketing, and proper navigation of the business regulatory procedure. In this way, support programs and services designed for high-growth entrepreneurs can also serve useful to small-business owners. What high-growth companies regularly need, and that small businesses need less so, is assistance with production scaling, research and development, and attainment of non-traditional funding, especially angel investment and venture capital. In essence, high-growth businesses need ample help in quickly expanding their business to successfully compete with national and global firms and capitalize on market conditions.

STARTUP COMMUNITIES

The conditions and attitudes of the region determine the likelihood of startup formation as well as their long-term success and growth. Regions that can leverage their economic and demographic conditions and foster a culture conducive to innovation and entrepreneurship end up creating successful startup communities. Boulder, Boston, and Silicon Valley are notable examples of regions home to flourishing startup communities. Each of these cities have shared economic and social characteristics that are favorable to the establishment of new firms:

- **Agglomeration:** Economic agglomeration is the local concentration of suppliers, customers, educated workers, innovators, and investors. Generally, urban areas provide greater agglomeration given their increased population, density, and greater investment in infrastructure (Duranton and Puga 2014). A lack of agglomeration economies, like in many rural areas, results in higher transportation costs, lower labor productivity, poor matching between buyers and sellers as well as firms and workers, and a slower diffusion of technology and information.
- **Human Capital:** The stock of knowledge, skills, and other personal characteristics embodied in people that helps them to be productive (OECD). Typically, it is measured in terms of education such as degree level attainment. The presence of human capital, or lack thereof, is a key determinant in a range of economic indicators, notably wage growth (Glaeser and Mare 2001), employment (Winters 2013), productivity (Lucas 1988), and new firm creation (Acs and Armington 2004).
- **Social Capital:** Defined as the networks of relationships between businesses, organizations, and individuals in the community, social capital is measured by the presence and quality of regional and local organizations established to keep stakeholders connected to one another. For entrepreneurs, growing social capital can provide greater access to capital (Seghers, Manigart, and Vanacker 2012), increase private investment (Bottazzi, Da Rin, and Hellmann 2016), and raise the odds of business success (Besser and Miller 2013). For investors, greater social capital lowers the risk of defaults on loans (Feigenberg, Field, and Pande 2013).
- **Fiscal Policy:** Governing bodies can influence the likelihood of startup generation and attraction through local, county, and state policies and incentives; these typically take the form of either tax and cash business incentives or public service policies. It has been found that, in rural areas, public

service and local development policies have a greater benefit-to-cost ratio than business tax and cash incentives in their creation of jobs (Bartik 2020).

- **Natural Amenities:** The landscape and surrounding environment of a region plays a small role in the viability of startups. Natural amenities can attract workers and customers (Deller et al. 2001). Workers attracted by the amenities are more likely to be educated, increasing the region's concentration of human capital (Whisler et al. 2008).

Special attention should be paid to these conditions and circumstances when developing plans, programs, and policies promoting local innovation and entrepreneurship. Author and entrepreneur Brad Feld highlights a set of principles to which effective startup communities adhere that ensure the optimal environment for innovation and entrepreneurship (Feld 2012):

- **Inclusivity:** Having more people engaged in the startup community is a net positive for the entrepreneurial environment under any circumstances. Places should invite and welcome entrepreneurs from a wide variety of backgrounds and experiences.
- **Openness:** A culture of open information exchange and labor mobility across industries and companies enhances the community's ability to adapt and respond to changing markets economic condition. This is especially useful in tech where constant innovation leads to rapid advancements across multiple sectors.
- **Leadership:** Communities must be led by those that best understand the plight and tribulations of launching and growing high-growth startups; they must be entrepreneurs. Moreover, leaders must be actively involved with the community and willing to put its long-term health ahead of their own self-interests. Leadership in startup communities should also look less like a hierarchy and more like a loose network across multiple sectors and regions.
- **Commitment:** Creation of a sustainable and sufficient startup community takes concerted effort over a long period of time. Community leaders should anticipate at least a 20-year endeavor towards developing their startup ecosystem, encountering multiple economic cycles, booms, and busts. After such time, the community's slow and steady progress can be appropriately recognized and measured.
- **Engagement:** Startup communities must frequently host activities that engage the entire entrepreneurial ecosystem. Such activities include hackathons, accelerators, workshops, meetups, and clubs where connections and innovation can be fostered and encouraged.

REGIONAL NODES PROGRAM

The Missouri Technology Corporation (MTC) is a public-private partnership created by the Missouri General Assembly to promote entrepreneurship and foster the growth of new and emerging high-tech companies. MTC focuses on the life sciences and technology industries, which build on Missouri's rich history in agriculture.

MTC offers a variety of grant programs that support Missouri's entrepreneurial ecosystem. One such program is the Regional Node Planning and Implementation Grant which seeks to create regional "nodes" that enable communities to combine resources for innovation and entrepreneurship through coordinated partnerships with local organizations. Ideally, nodes should provide entrepreneurs with a point of access to the resources needed to grow their business and connect with the region's network of innovators and business leaders. To achieve this, grant awardees are given funding to:

- Collaboratively develop a plan that clearly articulates the role of each partner organization in the regional node.
- Show how the plan will eliminate regional silos.
- Develop an inclusive environment where collective efforts surpass individual capabilities.

- Identify methods of fostering collaboration, innovation, and growth within the entrepreneurial ecosystem.

In October of 2023, the Springfield Business Development Corporation (SBDC) and Springfield Area Chamber of Commerce were awarded MTC's Regional Node Planning Grant. The total amount awarded to SBDC, the Springfield Chamber, and their planning partners was \$50,000. Planning efforts conducted using this grant award served to prepare the region for the implementation portion of the Regional Node Program, wherein MTC will award grant funding for participants to assemble and operate the aforementioned "nodes." MTC describes the vision for such award funds as such:

Regional Node Funds [are] intended to incentivize more of Missouri's communities to successfully coalesce their assets to best support innovation and entrepreneurship through strategic, coordinated partnerships among entrepreneurial service organizations. Funds for regional nodes will need to support traded-sector businesses. However, regions will be able to use the funds to support their entrepreneurs, regardless of sector. – Catalyzing Innovation, p. 48

Catalyzing Innovation

In February 2022, the Missouri Technology Corporation (MTC) released *Catalyzing Innovation: Strategies for Missouri to Drive Innovation and Entrepreneurship*, a statewide study and strategic plan produced in collaboration with Missouri Department of Economic Development (DED) and TEconomy Partners, LLC. The document is part of MTC's ongoing strategic initiative to form a new framework for encouraging inclusive, entrepreneurial-led economic growth across Missouri. In the plan, MTC and TEconomy recommend that the state – along with partners from the private sector, academic institutions, and regional economic development organizations – adheres to a set of five strategies and an adjoining 16 actions to drive innovation and entrepreneurship.

Strategy	Targeted Actions to Pursue
STRATEGY 1: FUND Deploy greater levels of investment capital to help meet the demands of the growing entrepreneurial base.	Action 1. Catalyze additional investment capital funds across the capital stack.
	Action 2. Incentivize angel investments.
	Action 3. Evaluate the creation of Missouri Rural Vitality Funds to provide collateral for entrepreneurial loans.
STRATEGY 2: GROW & SCALE Increase access to quality entrepreneurial support services throughout Missouri to ensure companies are able to grow and scale.	Action 4. Develop a statewide Entrepreneurial Pathways Program.
	Action 5. Foster regional efforts to provide quality entrepreneurial support services to high-potential, high-growth traded sector startups.
	Action 6. Connect Missouri’s corporate partners and anchor institutions with startups, thereby creating a “stickiness” to Missouri for the entrepreneurial endeavor’s ultimate success.
STRATEGY 3: LAUNCH & CULTIVATE Take advantage of Missouri’s research strengths by converting the intellectual assets into market opportunities.	Action 7. Reenergize the Research Alliance of Missouri (RAM) as a mechanism for bringing together the major research institutions of the state to solve common innovation continuum challenges.
	Action 8. Leverage the federal I-Corps program and provide startup services statewide to encourage commercialization activity.
	Action 9. Provide comprehensive assistance for SBIR/STTR awards to further drive commercialization across the state, especially at Missouri’s research institutions.
STRATEGY 4: INSPIRE Encourage more Missourians to participate in innovation and entrepreneurship.	Action 10. Improve access to entrepreneurial programming for students in middle/high school and at community colleges and universities.
	Action 11. Fund an internship program that connects startups with talent.
	Action 12. Offer entrepreneurial education across Missouri through regional partnerships.
	Action 13. Enhance Missouri’s storytelling capacity to encourage more Missourians to be entrepreneurial.
STRATEGY 5: CONNECT Overcome physical and cultural barriers to better connect Missouri’s entrepreneurial ecosystems with each other and with the world.	Action 14. Realize One Missouri: Improve connectivity within and between regions.
	Action 15. Link Missouri’s innovation and entrepreneurial ecosystem to the world through an external marketing campaign.
	Action 16. Deploy broadband infrastructure across Missouri.

Source: TEconomy Partners, LLC.

Figure 1 Catalyzing Innovation Strategies & Actions

The report concludes that Missouri has an opportunity to leverage new support for innovation and high impact start-ups to attract further funding from federal agencies, private entities, and non-profit organizations. According to MTC, at least \$275 million in direct state funding over the next decade will be necessary to successfully implement the strategies proposed within *Catalyzing Innovation* and promote the desired risk capital and innovation ecosystem.

REGIONAL NODE LEADING ORGANIZATIONS

The Springfield Business Development Corporation and Springfield Area Chamber of Commerce lead the planning effort for the Regional Node Planning Grant Program along with a group of node members who represent entrepreneurship support and economic development organizations serving the businesses and residents of Southern Missouri. These node partners will become the leading organizations in the implementation of policy recommendations and programs produced during the Regional Node Planning process.

eFactory

As Missouri State University's Center for Business and Economic Development, efactory is also a technology-focused business incubator and entrepreneurial development center, serving as the front door to the university for startups, small businesses, innovators, and the region's largest employers.

Springfield Business Development Corporation

The Springfield Business Development Corporation (SBDC) is a public-private partnership that provides resources and guidance on economic development to businesses, organizations, and public entities in the Springfield area. It works closely with the Springfield Area Chamber of Commerce, a nonprofit organization offering workforce development services, business advocacy and marketing, and networking opportunities. Both organizations intend to operate as active node members in Southwest Missouri.

Southwest Missouri Council of Governments

The Southwest Missouri Council of Governments (SMCOG) is an association of local governments and stakeholders. It is the federally designated Economic Development District for the ten-county area of Southwest Missouri. SMCOG oversees the growth and development of the region and provides professional services and information to assist cities and counties with development issues.

Springfield Area Chamber of Commerce

The mission of the Springfield Area Chamber of Commerce is to serve as the principal advocate for business in partnership with the community; support and assist existing businesses; act as the primary catalyst in promoting the economic health of the Springfield area, stimulating jobs, and improving the quality of life.

The Small Business Development Center at Missouri State University

The Missouri SBDC at MSU is a leading resource for startup and growing businesses. The Missouri SBDC helps businesses grow through coaching, training, and technical assistance with a goal to accelerate Missouri's economy. Services include assistance with business planning, operational strategy, market research, financial projections and more. The Missouri SBDC at MSU offers one-on-one consulting and training to current and prospective business owners and serves as part of the efactory's business support programs. The program serves 15 counties throughout southwest Missouri, with offices located in Springfield, Forsyth and West Plains. The Missouri SBDC at MSU is part of a larger state and nationwide network of business resource programs, funded in part through the University of Missouri Extension and the U.S. Small Business Administration (SBA).

codefi

codefi wants to eliminate the skills and opportunity gaps preventing workers and entrepreneurs in rural regions from thriving in the digital economy. codefi's team consists of entrepreneurs who partner with private and public groups in rural communities to deploy an innovation ecosystem to educate and train digital workers and entrepreneurs, build and attract software-focused companies, and create community spaces to expand the digital economy. In strong digital economies, workers drive innovation and become entrepreneurs, creating local wealth, more economic diversity, and future-proof jobs and occupations.

Community Foundation of the Ozarks

The mission of the Community Foundation of the Ozarks is to enhance the quality of life in our region. The foundation pursues their mission through resource development, community grantmaking, collaboration and public leadership - connecting passion to purpose since 1973. Today, the CFO is governed by community volunteers and run by a professional staff that serves a network of donors, regional affiliate foundations, nonprofit partners and professional advisors through approximately 3,500 charitable funds. The CFO now has 54 regional affiliate foundations serving 62 counties south of the Missouri River.

Ozarks Small Business Incubator

The Ozarks Small Business Incubator aims to be a community of support for entrepreneurs and business owners at all stages in their business development. Their team of professionals, mentors, successful entrepreneurs, and board members surround emerging businesses with skills, experience, and networks to help start and accelerate their path to success. OzSBI supports entrepreneurs with an idea to those who want to take an existing business to the next level.

Joplin Area Chamber of Commerce

The Joplin Area Chamber of Commerce is a volunteer organization that has been promoting business interests in the Joplin area since 1917. Their mission is to improve the economic prosperity and quality of life in the Joplin region. The Joplin Area Chamber of Commerce serves a variety of business sectors, from small businesses to some of the area's largest employers.

Plan & Strategy Matrix

As part of the Regional Node Planning Grant, the planning staff at SMOG completed a comparative analysis of the region's comprehensive and strategic plans to assess their alignment with MTC's expectations of an optimal entrepreneurial support ecosystem. Regional planning commissions, municipal governments, and economic development organizations provided plans, strategies, and studies which were then compared to *Catalyzing Innovation's* "strategies" and "actions" to gauge their alignment.

PURPOSE OF REPORT

The purpose of this report is to assess Southern Missouri's capacity for innovation and produce recommendations for positioning the area as a successful regional node. By inventorying and analyzing the region's current economic development strategies, gaps in the region's innovation framework and entrepreneurial ecosystem can be identified and addressed. The identification of these gaps presents opportunities for adjustments in regional strategies and plans as well as delivery of new programs and services to address deficiencies. From this analysis, a path to building a cohesive framework for high-growth, tech entrepreneurship across the region has emerged. Recommendations and ideas presented in this report can be used to support future planning efforts including CEDS updates, economic development strategies, and comprehensive plans.

METHODOLOGY

Guiding criteria were established for the comparison between *Catalyzing Innovation* and the study area's planning documents. The audit was conducted only upon the *goals, objectives, and strategies* (alternative terms include *actions* and *recommendations*) of the document as well as the implementation steps of the strategies; details within the summary portions of the plans were considered for context but did not count towards the documents' ultimate intended outcomes. Given the level of specificity within MTC's strategies and actions, necessary liberties were taken to determine the applicability of the study documents' goals, objectives, and strategies, many of which are intentionally vague. Objectives and strategies were decided to be aligned with *Catalyzing Innovation's* actions if they:

- Explicitly mention activities or actions described in *Catalyzing Innovation*
- Demonstrated support for the activities of organizations and programs that operate activities or actions described in *Catalyzing Innovation*
- Identify activities or efforts that could logically lead to or incorporate activities or actions described in *Catalyzing Innovation*

Each criterion is subject to some discretion and the degree to which each plan's goals, objectives, and strategies align with MTC's strategies and targeted actions does vary. In many of the study documents, multiple strategies or objectives apply to a singular action within *Catalyzing Innovation*; the opposite also occurs, wherein a single strategy or objective from a study document can apply to multiple *Catalyzing Innovation* actions. When assessing the alignment of a strategy or objective from a plan or strategy, the implementation steps of said strategy or objective will be considered if the language of the strategy or objective is too broad to make a definitive determination.

STUDY AREA

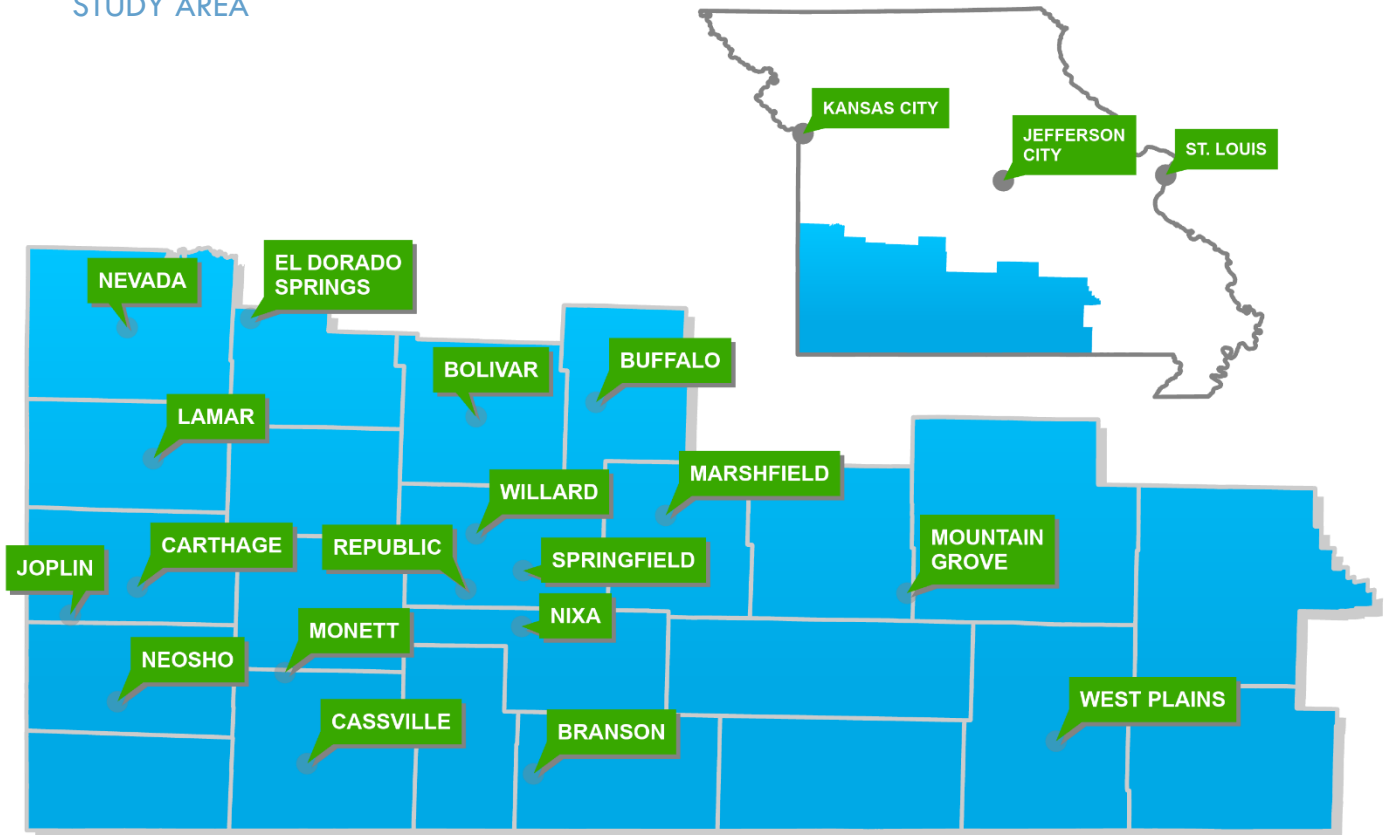


Figure 2 Analysis Study Area

The study area for the comparative analysis spans across Southern Missouri between the metro areas of West Plains in the eastern extent and Joplin in the west. Plans were gathered from municipalities, counties, and economic development districts associated with any of the following 23 counties:

- Barry
- Barton
- Cedar
- Christian
- Dade
- Dallas
- Douglas
- Greene
- Howell
- Jasper
- Lawrence
- McDonald
- Newton
- Oregon
- Ozark
- Polk
- Shannon
- Stone
- Taney
- Texas
- Vernon
- Webster
- Wright

Southern Missouri Innovation Profile

DEMOGRAPHICS

According to data from Lightcast, the 24-county study area for this report has a population of 1,045,293 as of 2024, representing 16.8% of Missouri's population. The most populous counties are Greene (296,875), Jasper (122,059), Christian (87,824), Newton (58,634), and Taney (55,854). Between 2018 and 2023, the population increased 3%, gaining approximately 30,000 residents; it is estimated that the region will grow another 2.6%, adding almost 27,000 residents, by 2028.

As of 2024, the study area has a labor force of 483,228 capable workers, of which about 20,000 (4.1%) are unemployed. The region's unemployment is reflective of the nation's level, also 4.1%, but remains slightly higher than the state at 3.8%.

Educational attainment within the study area is comparable to Missouri; 89% of the population 25 years of age and older have their high school diploma or equivalent certificate, just below the state level of 91%. Where the region begins to fall behind is in postsecondary education; 16% of adults in the study area have a bachelor's degree, 3% behind Missouri's at 19%. That disparity remains for those with a graduate degree; 9% in the study area and 12% in Missouri.

TECHNOLOGY SECTOR

The Missouri Chamber of Commerce and Industry specifies in their Technology 2030 report the industries and occupations considered to be within the "technology sector." These industry NAICS codes and occupation SOC codes were used to produce an overview of tech sector conditions in the study area with data from Lightcast. Such an overview provides insight into the status of tech innovation, granting a better understanding of the task of promoting and expanding tech entrepreneurship in the region.

Industry

In 2023, there were 15,731 tech sector jobs in the study area, representing 3.4% of the area's total job market. Businesses in the tech sector contributed \$3.1 billion towards the region's production, representing 7% of the study area's gross regional production. Despite representing only a small portion of the job market, these industries contribute significantly to the local economy.

Occupations

As of 2023, there were 18,424 tech sector jobs in the study area, representing 3.8% of the area's labor force. For an area of this size, the number of jobs in this sector is below the national average of 38,994. In the study area, the median salary for a tech sector job is \$69,228, higher than the region's overall median salary of \$37,853 but well below the national median salary for the tech sector, which is \$92,102.

CURRENT ASSETS

Universities and Colleges

There are seven four-year universities in the SOMO region that have the facilities and capability to offer bachelor's degrees and all but two (Cottey College and College of the Ozarks) offer graduate programs.

- Evangel University - Springfield
- Drury University - Springfield
- Southwest Baptist University - Bolivar
- Cottey College - Nevada
- College of the Ozarks - Hollister
- Missouri State University - Springfield
- Missouri Southern State University – Joplin

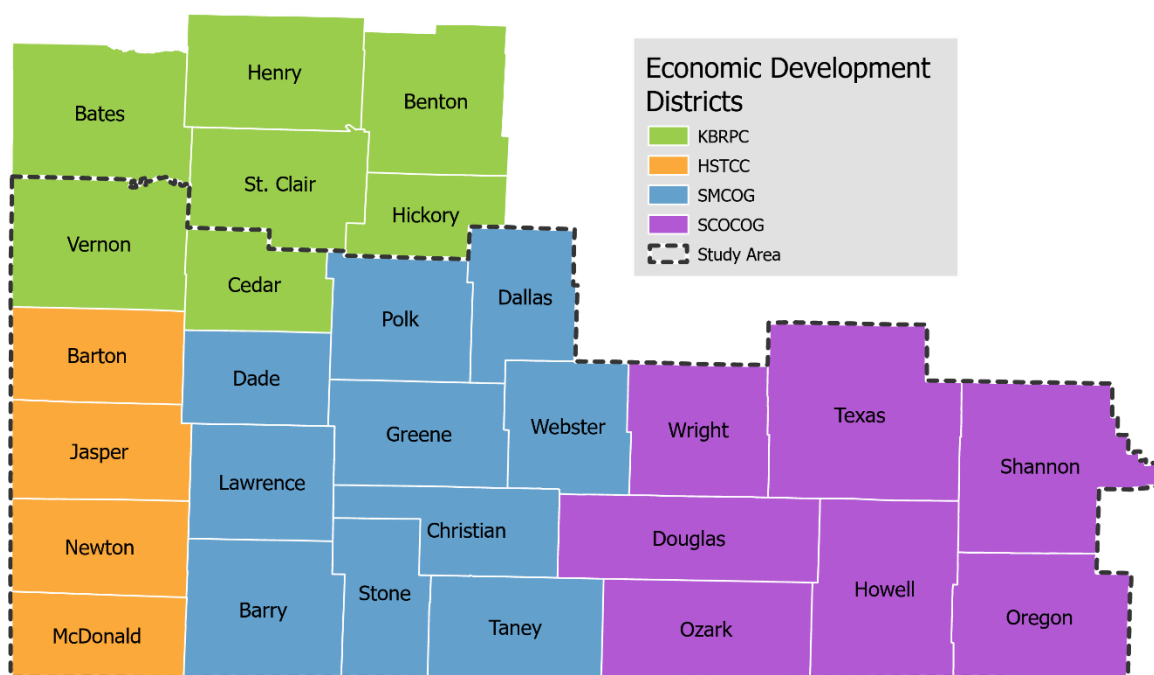
There are several two-year colleges and technical schools in the SOMO region that offer associate degrees as well as career training and trade certification programs. Notable examples include Crowder College in Neosho, Cox College in Springfield, and Ozark Technical Community College in Springfield.

Academic institutions are vital in the talent development pipeline and provide an important opportunity to introduce skilled, promising individuals to the local entrepreneurial network. Many regional node activities, therefore, will require ample coordination with local colleges and universities. Universities also host research centers that offer the services and facilities needed for the development and advancement of new technologies.

Economic Development Districts

Economic Development Districts (EDD) are multi-jurisdictional entities designated by the U.S. Economic Development Organization (EDA) to lead a locally based, regionally driven economic development planning process. The study area for this report is home to four separate EDDs, those being:

- Harry S Truman Coordinating Council (HSTCC)
- Kaysinger Basin Regional Planning Commission (KBRPC)
- South Central Ozarks Council of Governments (SCOCOG)
- Southwest Missouri Council of Governments (SMCOG)



Each of the region’s EDDs are administered through a Regional Planning Commission (RPC), a quasi-governmental organization responsible for coordinating the region’s community and economic development. These RPCs will be instrumental in providing administrative guidance during the formation of the regional nodes. They also host a swath of planning services that the newly formed nodes can utilize when drafting plans and strategies, applying for grants, and performing studies of the region. KBRPC is the only RPC for which all their counties are not represented in the study area; only Vernon and Cedar counties are included in the analysis. The analysis within this report does not include the comprehensive plans or economic studies for counties not represented, it does include plans applicable to the entire planning service area.

Economic Development Organizations

Southern Missouri has several non-profit Economic Development Organizations (EDO) that offer resources and services to local entrepreneurs and innovators. They operate entrepreneurship-focused programs that connect businesses and startups with capital and expert advice. Most EDOs tackle a variety of topics within the realm of economic development and can only dedicate a portion of their focus to entrepreneurs and companies within high growth, traded sectors. Their ability to connect public and private institutions with local businesses and community assets makes EDOs vital contributors to the region's social capital.

There are many organizations in the study area capable of delivering services and resources to budding entrepreneurs and start-ups. Notable examples of such EDOs include:

- Springfield Small Business Development Center
- Springfield Area Chamber of Commerce
- New Growth
- Taney County Partnership
- Show Me Christian County
- MOKAN Partnership

Effective communication and collaboration between local EDOs and regional node partners are crucial to the success of the node's formation and operation.

Incubators and Accelerators

Business incubators are designed to support the development and growth of startup companies, especially in the pre-seed and seed stages. They typically offer resources and support services such as professional mentor advisement, business planning guidance, access to facilities and workspace, networking, and funding assistance. Ultimately, incubators strive to help startups successfully launch and grow their company for the benefit of the local economy.

Accelerators also support local startups and entrepreneurs. However, unlike incubators, they devote their resources to growing businesses with established and proven products, seeking to accelerate their growth and scale their production to match the demands of a more competitive market. Accelerator programs offer intensive and targeted support services, mentorship, access to investors, supply chain and marketing education, and, sometimes, direct investment or other funding. The program seeks to accelerate the growth trajectory of the participating startup, culminating in further funding in later rounds of investment or strategic partnerships that will fuel further expansion.

Examples of incubators and accelerators in the Southern Missouri region include:

- Ozarks Small Business Incubator (OzSBI)
- efactory
- START HERE Business Accelerator Network
- Small Business Development Center (SBDC)

These programs and organizations are poised to become the foundation for entrepreneurial support within Southern Missouri's Regional Nodes, already offering many of MTC's recommended services and resources.

Strategy Matrix Results

Figure 3 represents the overall rates of alignment across all the collected plans, separated by their corresponding region and type of planning document. Overall alignment across all regions and plans in Southern Missouri is at 37%; this number, however, includes action items with which most, if not all, of the plans did not align. Of all the plans, none contained rhetoric within the goals and objectives which indicated alignment with Strategy 3 (Actions 7 through 8) of *Catalyzing Innovation*. When this strategy is removed from the alignment analysis, the overall alignment grows to 46%. Further analysis results sans

Average Plan Alignment by Region & Document Type				
Region	All Plans & Strategies	CEDS	Studies & Strategic Plans	Comprehensive Plans
SMCOG	36%	75%	39%	34%
HSTCC	34%	75%	-	21%
KBRPC	34%	44%	25%	-
SCOCOG	44%	56%	-	31%
Study Area	37%	63%	32%	29%

Figure 3 Alignment Results

Strategy 3 can be found in the appendix. Among the types of plans and strategies examined, greater alignment was found within the CEDS documents than among the economic studies, strategic plans, and comprehensive plans. Average alignment among the CEDS was greater than double the average alignment of the comprehensive plans. This would reasonably suggest that planning efforts relating to promoting entrepreneurship and innovation are more appropriately evaluated within the region’s economic strategy rather than on a local level. Comprehensive plans, as the name suggests, are written to encompass a wide range of topics relating to local community development. Part of the comprehensive planning process is enabling ordinary citizens to prioritize the issues facing their community; many communities may accordingly determine long-term adjustments to the entrepreneurial ecosystem are a low priority, especially when faced with more pressing and immediate issues.

Results Excluding Stone County Economic Development Study 2020				
Region	Overall Region	CEDS	Studies & Strategic Plans	Comprehensive Plans
SMCOG	37%	75%	46%	34%
HSTCC	34%	75%	-	21%
KBRPC	38%	44%	31%	-
SCOCOG	44%	56%	-	31%
Study Area	38%	63%	39%	29%

Figure 4 Alignment Results sans Stone County

Cause for the disparity in alignment between the CEDS, local economic development strategies, and economic studies is more ambiguous. Seven economic development studies and strategic plans were compared in the analysis; the small sample size was skewed by an outlier, the 2020 Stone County Economic Development Study, which exhibited alignment with none of MTC’s targeted actions. Figure 4 shows the results of the analysis when the 2020 Stone County Economic Development Study is excluded from the dataset.

The specific actions with which the region’s plans are most closely aligned is made clear in Figure 5. CEDS documents aligned closely with actions 1, 4, 5, 10, 15 and 16.

Planning for Innovation

Recommended Strategies to Drive Innovation and Entrepreneurship Across Missouri	Targeted Actions to Pursue	Overall Plan Alignment					Specific Document Alignment		
		Study Area	SMCOG	HSTCC	KBRPC	SCOCOG	CEDS	Economic Development Studies & Strategic Plans	Comprehensive Plans
Strategy 1: Fund - Deploy greater levels of investment capital to help meet the demands of the growing entrepreneurial base	Action 1: Catalyze additional investment capital funds across the capital stack	62%	57%	75%	50%	67%	100%	29%	67%
	Action 2: Incentivize angel investments	27%	32%	25%	50%	0%	75%	29%	25%
	Action 3: Evaluate the creation of Missouri Rural Vitality Funds to provide collateral for entrepreneurial loans	2%	7%	0%	0%	0%	0%	29%	0%
Strategy 2: Grow and Scale - Increase access to quality entrepreneurial support services throughout Missouri to ensure companies are able to grow and scale	Action 4: Development a statewide Entrepreneurial Pathways Program	76%	86%	50%	100%	67%	100%	86%	83%
	Action 5: Foster regional efforts to provide quality entrepreneurial support services to high-potential, high-growth traded sector startups	80%	79%	75%	100%	67%	100%	86%	79%
	Action 6: Connect Missouri's corporate partners and anchor institutions with startups, thereby creating a "stickiness" to Missouri for the entrepreneurial endeavor's ultimate success	19%	25%	50%	0%	0%	50%	14%	25%
Strategy 3: Launch and Cultivate - Take advantage of Missouri's research strengths by converting the intellectual assets into market opportunities	Action 7: Reenergize the Research Alliance of Missouri (RAM) as a mechanism for bringing together the major research institutions of the state to solve common innovation continuum challenges	0%	0%	0%	0%	0%	0%	0%	0%
	Action 8: Leverage the federal I-Corps program and provide startup services statewide to encourage commercialization activity	0%	0%	0%	0%	0%	0%	0%	0%
	Action 9: Provide comprehensive assistance for SBIR/STTR awards to further drive commercialization across the state, especially at Missouri's research institutions	0%	0%	0%	0%	0%	0%	0%	0%
Strategy 4: Inspire - Encourage more Missourians to participate in innovation and entrepreneurship	Action 10: Improve access to entrepreneurial programming for students in middle/high school and at community colleges and universities	40%	29%	50%	50%	33%	100%	14%	29%
	Action 11: Fund an internship program that connects startups with talent.	35%	32%	25%	50%	33%	75%	43%	25%
	Action 12: Offer entrepreneurial education across Missouri through regional partnerships.	36%	36%	25%	50%	33%	75%	57%	25%
	Action 13: Enhance Missouri's storytelling capacity to encourage more Missourians to be entrepreneurial.	37%	46%	50%	50%	0%	50%	86%	33%
Strategy 5: Connect - Overcome physical and cultural barriers to better connect Missouri's entrepreneurial ecosystems with each other and with the world	Action 14: Realize One Missouri: Improve connectivity within and between regions.	25%	43%	25%	0%	33%	75%	43%	33%
	Action 15: Link Missouri's innovation and entrepreneurial ecosystems to the world through an external marketing campaign.	62%	57%	75%	50%	67%	100%	57%	58%
	Action 16: Deploy broadband infrastructure across Missouri.	47%	46%	25%	50%	67%	100%	29%	46%

Figure 5 - Alignment Matrix Results

Catalyzing Innovation Strategy & Action Steps

PURPOSE AND OUTCOMES

This section provides an overview of MTC’s recommended strategies to drive innovation and entrepreneurship with an explanation of their application to Southern Missouri’s economic development planning efforts of the past, present, and future. Also provided are recommended steps for incorporating MTC’s actions into local economic development and planning activities with a guide to measuring their impact and progress over time.

Strategy 1: Fund

“Deploy greater levels of investment capital to help meet the demands of the growing entrepreneurial base.”

Startups undergo a rigorous and unpredictable funding process with many pitfalls for entrepreneurs to navigate. “Seed” and “pre-seed” funding is often used to cover initial expenses such as developing a proof of concept, establishing operations, and hiring personnel. Without sufficient funding, many startups struggle to execute their plans effectively or even get the business off the ground. During the “seed” phase of development, when most businesses are conducting product research and development and attempting market entry, startups often fail to materialize or gain traction due to a lack of funding. Figure 6 depicts the typical startup funding cycle demonstrating the funds available to the business across the various phases. The dip in funds between the initial capital contribution and the start of revenue generation, colloquially referred to as the “valley of death”, is the most challenging portion of a startup’s life cycle. Businesses frequently fail to navigate this phase of funding; those that do, however, are better positioned to attract funding in later funding stages.

Funding past the seed stage relies heavily on investment from venture capital firms, broken up into series (A, B, C, and D) based on the company’s stage of development. Ultimately, startups enter the exit phase, wherein they are looking for a return on their investment into the business or an opportunity to enter the mainstream market alongside fully realized enterprises. Startups seeking the former will opt for a merger

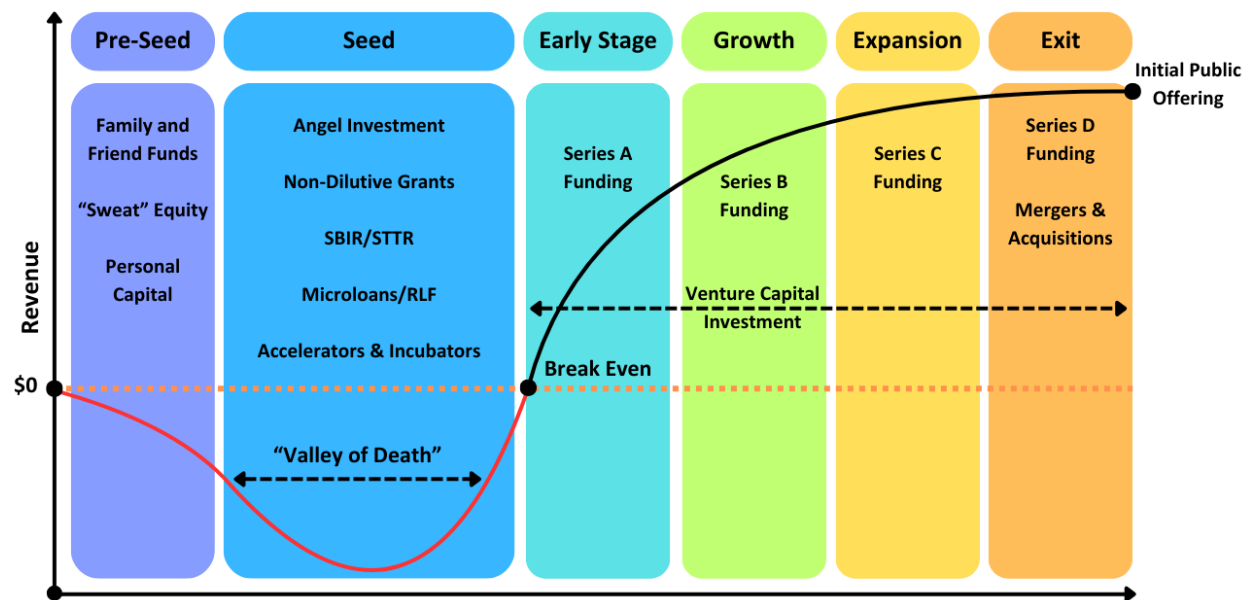


Figure 6 Startup Funding Lifecycle

with or acquisition by a larger company with the assets to purchase the company outright. Those aspiring for the latter will pursue an initial public offering (IPO) during which the startup will begin to offer shares of their company on a public stock exchange making them a publicly traded company.

Despite increased risk capital investment across Missouri, fewer of those investments are going towards early-stage businesses. To address this, MTC recommends at least \$150 million of state funds be invested in the risk capital ecosystem (through loans, grant programs, SBIR/STTR support, and innovative financing programs) over the course of the next decade. This amount, MTC posits, will be sufficient fuel for Missouri’s promising tech start-ups to grow and scale within their market and prevent companies from becoming “stranded on the runway” in the early stages of startup funding.

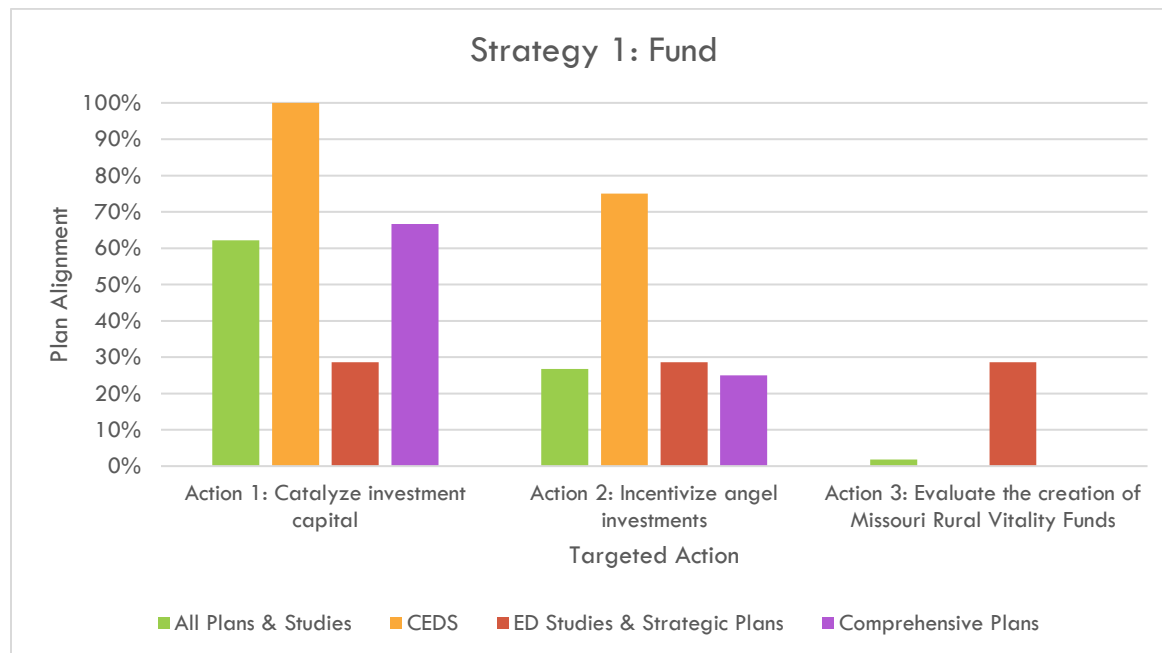


Figure 7 Strategy One Results

ACTION 1: CATALYZE ADDITIONAL INVESTMENT CAPITAL FUNDS ACROSS THE CAPITAL STACK.

Early funding is critical for the success of startups. A robust ecosystem of innovative startups is all but unattainable without the availability of seed-stage financing. Many states and regions have taken it upon themselves to increase the availability of early-stage capital through innovative financial strategies such as funding programs that make direct investments in startups, investing in private venture funds, and promoting investment through tax incentives. In addition to government entities, several foundations and universities across Missouri have created investment funds dedicated to providing early-stage capital to startups, many of which target underserved populations and communities for whom funding is difficult to obtain.

62% of the plans in this analysis had language aligning with this action. The need to fund local businesses is readily apparent but how these funds are disseminated are not made readily apparent in the planning narrative or goals, objectives, and strategies. Creating and administering funds dedicated to small businesses and startups (let alone those in high-growth sectors) can be difficult for rural areas. Cities and other municipalities in rural areas run on a lean budget, unable to pay for staffing dedicated to managing small business investment and loan programs.

Non-Profit, quasi-governmental organizations, like EDOs, can fill this gap in entrepreneurial support through their own dedicated staff who will take on the responsibility of applying for grants, seeking out developers, and operating community investment funds. However, given the dearth of economic agglomeration in such sparsely populated areas, the challenge of running such intensive operations often falls into the hands of a few, very dedicated organizations for a large geographic area.

Three entities operate a Small Business Association (SBA) backed Revolving Loan Fund (RLF) program or Microloan program:

- SMCOG – for its 10-county region and the four counties in HSTCC’s region
- New Growth – for the Kaysinger Basin Region
- OzSBI – for the SCOCOG region

Loan amounts range from \$500 to \$100,000 based on the region and rates vary by applicant.

Debt is relatively easy to come by, whereas equity is difficult to find for startups. Innovate SOMO operates an investment dedicated to supporting local startups and small businesses. Applicants can be for-profit and non-profit companies and the standard investment is \$30,000 for 8% equity in the company.

Non-dilutive grants are the most favorable sources of funding and the most difficult to obtain, especially in Southern Missouri. In the study area of this analysis, the only option to obtain non-dilutive grant funding is through SBIR/STTR programs which will be discussed in greater detail in Strategy 3: Launch and Cultivate. Startups from Southern Missouri seeking non-dilutive grants are likely to pursue one of three major pitch competitions in the state: Arch Grants in St. Louis, LaunchKC in Kansas City, or Codefi 1ST50K in Cape Girardeau. Awards for these competitions range from \$50,000 to \$75,000; recipients, however, are contractually obligated to establish their headquarters in the competition’s respective city for at least one year and, afterwards, must keep a portion of their operation within the city. These cities are at a distinct advantage with respect to attracting startups from surrounding areas, attracting talent that may otherwise establish firms in their home regions. Further methods of attracting, preserving, and growing talent are discussed in Strategy 4: Inspire.

Case Study: New Growth

New Growth is a rural community development corporation based in west central Missouri. According to their website, the organization’s mission is to “build local ownership and lasting livelihoods from deep rural roots.” Among the several programs that they operate is the New Growth Capital microloan program, which offers loans of up to \$50,000 to local startups and rural businesses unable to fund their operation through other means. This program was identified in 2017 through the planning process for Kaysinger Basin’s CEDS and the 2017 Stronger Economies Together (SET VI) initiative. The creation of the microloan fund was the first step in the process of forming a Community Development Financial Institutions (CDFI) Fund, which seeks to advance future community revitalization efforts. A CDFI Fund would enable the creation of a region-wide revolving loan fund (RLF), thus further expanding the region’s ability to grant local entrepreneurs and startups access to capital needed to launch and grow their operations.

From Kaysinger Basin’s 2017 CEDS Implementation Section:

Objective F: Develop a Community Development Financial Institution (CDFI)

	Action Steps	Partners	Timeline
F.1	Hold an initial meeting to discuss the viability of a regional revolving loan fund and make plans to explore existing models. Discuss potential financial partners.	Chris Thompson, KBRPC Executive Director, St. Clair County Economic Developer, West Central Community Development Corporation (WCCDC), Patty Cantrell, USDA (the “Conveners”)	June 2017

F.2	Convene Town Hall meetings in each county in Kaysinger Basin region to promote/discuss concept	Chris Thompson, KBRPC Executive Director, St. Clair County Economic Developer, West Central Community Development Corporation (WCCDC), Patty Cantrell, USDA (the “Conveners”)	July 2017- January 2018
F.3	Hold a formation meeting, and establish potential funding sources, the formation of a board, and legal objectives. Talk to CDFIs in order to determine next steps.	WCMCAA, KBRPC, 2-3 Lead Banks (Arvest, Hawthorn); USDA	March 2018
F.4	Hold partner meetings with area agencies, banks, and other applicable partners. Consider university partnership in order to create business coaching classes for clients.	Chris Thompson, KBRPC Executive Director, St. Clair County Economic Developer, West Central Community Development Corporation (WCCDC), Patty Cantrell, USDA (the “Conveners”) State Fair Community College, Missouri University Extension, Area Banks and/or Credit Unions;	June 2019

From this targeted implementation strategy came the advent of New Growth’s microlending program in 2020 and a grant award in 2022 towards the establishment of a CDFI Fund. Grant awardees West Central Community Development Corporation and New Growth expect full certification of their Emerging CDFI in 2025. After full certification is achieved, their region will have access to a host of federal funding programs that provide financing to local and small businesses.

ACTION 2: INCENTIVIZE ANGEL INVESTMENTS

Angel investment is a vital source of funding to bridge the gap between a startup’s initial capital (personal funds and funding from friends and family) and funding from formal venture-capital funds. In addition to providing financial assistance, angel investors often provide management advice and access to important contacts. Angel investment can be encouraged through financial incentives and exposure to potential startup investment opportunities.

The latter can be achieved though the formation of formal angel investor networks wherein members could coordinate, manage, and facilitate the distribution of funds to promising startup investments. Such networks could be offered funding through a 3:1 matching grant program to both cover operating expenses and de-risk investments. The SOMO region already has a plethora of economic development organizations with access to industry professionals, community leaders, and successful entrepreneurs. Such existing contacts could be leveraged to form angel networks with private, independent funds. Proper steps must be taken to clearly delineate the affiliation between such newly formed networks and their organizing entities to avoid conflicts of interest and preserve public trust.

A key financial incentive to promoting angel investment is the angel investment tax credit which Missouri has previously enacted but has since been struck from the legislature. A reinstatement of the tax credit is a high priority for MTC who plans to manage the credit’s administration in partnership with the Missouri Department of Economic Development. The policy would provide qualified investors with a tax credit equal to 25% of an investment in an eligible Missouri startup. Similar policies are present in other states where they have been proven to be an effective investment incentive. EDOs, chambers of commerce, and other entrepreneurial support organizations typically hold legislative agendas with specific policies for which they advocate on behalf of the area’s business community. Organizations contacted for this report voiced resounding support for the enactment of an angel investment tax credit or similar measure. Such support should be recognized by local EDOs and newly formed regional nodes within the priorities of their legislative agendas.

Case Study: Harry S. Truman Coordinating Council 2019 CEDS

HSTCC has identified a formal list of the region’s investors as a means of strategy implementation within its CEDS:

GOAL 1: Seek expansion of the Regional Economy as relating to workforce, industry specialization/ diversification, innovation, and entrepreneurship.

Objective 5: Entrepreneurship and Innovation

	Strategy	Action Items
1	Increase awareness of funding sources available to businesses	Work with the Small Business and Technology Development Center. Create a contact list of current investors in the region listing sector funding preferences.

One of the first steps in creating a formal network of angel investors is identifying businesses and individuals already heavily invested and involved in the region. These investors likely have strong ties to current community organizations and networks, granting them a familiarity with the regional business ecosystem. Such individuals should be tapped for assistance in forming an initial member body for the local angel network. Initial members may not be strictly interested in investment, but instead seeing the continued success of their community; these members will be instrumental in investor outreach and attraction. Ultimately, membership must grow to a critical mass to support startup funding efforts reliably and consistently within the region.

Case Study: Springfield Angel Network

In 2015, the Springfield Angel Network, a formally structured angel investor network, was disbanded. Its organizing entities, the Springfield Area Chamber of Commerce and MSU’s efactory, ended the seven-year-old program and diverted its resources to other programs offered by efactory. The role of the network has since been filled by efactory’s seed capital fund and their robust mentorship program; when combined, the two programs adequately match startups with investment opportunities while also providing comprehensive guidance.

ACTION 3: EVALUATE THE CREATION OF MISSOURI RURAL VITALITY FUNDS TO PROVIDE COLLATERAL FOR ENTREPRENEURIAL LOANS.

Rural Missourians face significant challenges in accessing and accruing capital for entrepreneurial efforts. This, compiled with a lack of personal assets that can act as collateral for bank loans, puts rural entrepreneurs at a distinct disadvantage to their more urban counterparts. A Rural Vitality Fund Program seeks to address this by enabling regular, everyday Missouri residents to offer their personal assets as collateral on behalf of entrepreneurs seeking bank loans.

The participating citizen would serve on a local board that would oversee their region’s program. They would be compensated for the risk of offering their assets by receiving tax credits and collecting a portion of the interest accrued from the bank’s loan to the entrepreneur. Banks involved in the program would be responsible for conducting due diligence on the loan application and marketing the program to the community.

TEconomy admits in the Catalyzing Innovation report that “the creation of Missouri Rural Vitality Funds is a ‘novel’ concept that... has not been implemented anywhere else in the United States” (p. 41). It is difficult to recommend any concrete action towards the implementation of such a program. Instead, it is recommended that regional nodes explore the viability, capabilities, and implications of a Rural Vitality Funds program through a feasibility study. The study would serve to determine the need for collateral funds in the region and gauge local lending institutions and private citizens’ interest in participating in the program.

Strategy 2: Grow & Scale

“Increase access to quality entrepreneurial support services throughout Missouri to ensure companies are able to grow and scale.”

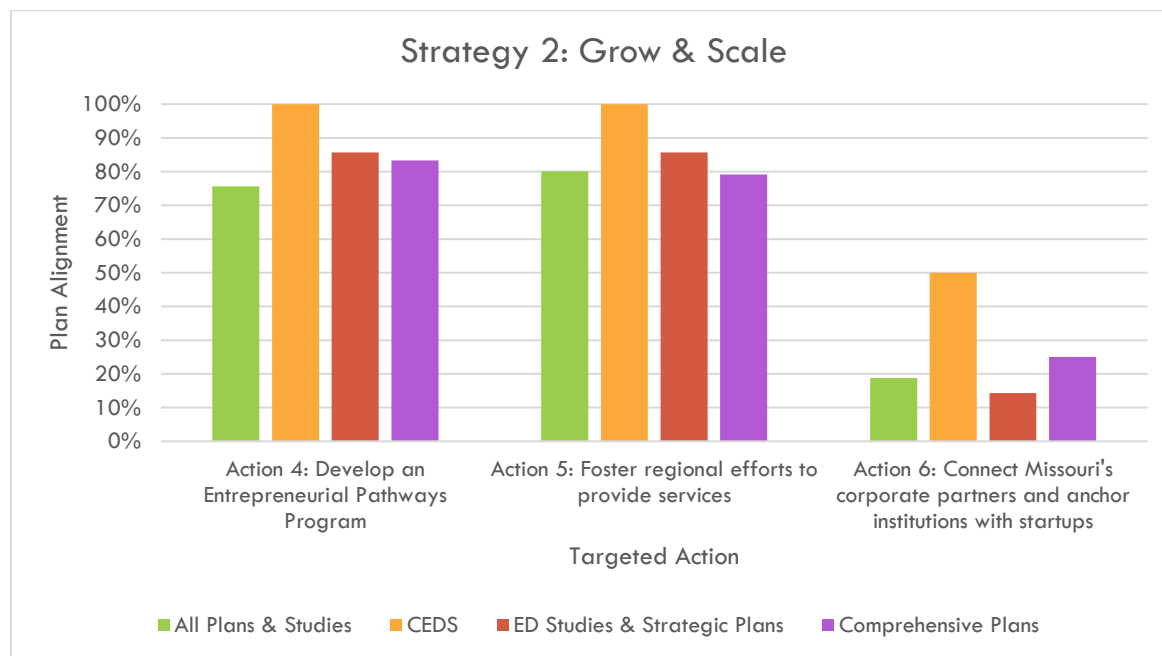


Figure 8 Strategy Two Results

Southern Missouri small businesses and startups have access to a wealth of social capital, a necessary component to constructing a sustainable startup community and entrepreneurial ecosystem. The region has an abundance of organizations delivering programmatic support services to entrepreneurs as well as networks to connect them with the appropriate resources. These efforts go a long way in stimulating entrepreneurial activity, but regional silos in support networks hinder the region’s ability to effectively serve its base of innovators. A cohesive and regionally cross-collaborative structure of value-added services can be achieved by establishing strong partnerships between local organizations focused on a myriad of business development subjects.

The establishment of Southern Missouri’s Regional Node should act as the nucleus for the region’s network of support programs and organizations. This hub shall be responsible for facilitating collaboration and providing, for any entrepreneur in the region, a pathway through the entrepreneurial ecosystem and across geographic boundaries. It shall also assess the need for relevant programs and activities, implementing as necessary through and alongside its partner organizations. Such programs and activities must include special consideration of groups regularly underrepresented in and underserved by the entrepreneur community; these include women, persons of color, veterans, immigrants, those in rural areas, and LGBTQIA+ individuals.

ACTION 4: DEVELOP A STATEWIDE ENTREPRENEURIAL PATHWAYS PROGRAM.

Entering the regional entrepreneurial ecosystem while navigating the challenges of establishing a startup can be prohibitively confusing and intimidating. A statewide Entrepreneurial Pathways Program can act as an entry point, guiding entrepreneurs to the resources needed to gain a foothold and launch their business. The state already has invested heavily in MOSourceLink, a database of information useful for new and experienced entrepreneurs, in addition to a team of staff dedicated to connecting businesses to the resources that fit their individual needs.

Southern Missouri already has several organizations established for the purpose of providing a comprehensive support network for local entrepreneurs and businesses at all stages of development. Public-private partnerships and EDOs like Springfield Region Economic Partnership (SREP), Ozark Small Business Incubator (OzSBI), and the MOKAN Partnership offer resources, assistance, and network access to emerging enterprises across their respective regions. A stronger connection between these organizations could better serve the entrepreneurial community, opening opportunities for greater regional collaboration and appropriate geographic business placement.

Case Study: SBDC at Missouri Southern State University

Missouri Small Business Development Centers (SBDC) are state administered programs that serve entrepreneurs at every stage of their business’ lifecycle. The SBDC at Missouri Southern State University (MSSU) is housed within the Robert W. Plaster College of Business and serves small businesses and startups from eight counties in Southwest Missouri. Their services include technical assistance with documentation for loan applications, developing business plans, and managing the backend of business software. Between October 2023 and March 2024, the center has assisted 180 small businesses, 129 of which are operated by individuals from underserved communities. The impressiveness of their results is compounded when considering that the program operates with only 1.8 full time employees. Capacity improvements through further funding and interorganizational talent share could lead to even more outsized results for the local entrepreneurial community.

Case Study: START HERE BAN

In their 2017-2022 CEDS, Kaysinger Basin identified the establishment of a business accelerator network to achieve a sufficient entry point and guide for entrepreneurs. The strategy materialized into the START Here Business Accelerator Network (BAN) in 2020, which continues to provide startups with training and technical assistance, access to capital, branding and marketing opportunities, and administrative service support. A clear process to its formal establishment is presented in the implementation portion of the CEDS:

Objective H: Establish a Business Accelerator Network

	Action Steps	Partners	Timeline
H.1	Hold a “first steps” meeting to determine how to create a business cooperative network in our region. List potential partners at this meeting as well as funding possibilities.	KBRPC executive director, WCMCAA, West Central Community Development Corporation Community Wealth Building Director; Sheridan Garman-Neeman, MU Extension; USDA; County Economic Developers, Chamber Directors	December 2017
H.2	Host seven county meetings (one meeting per county) in the seven-county region with potential county partners at the table where the plan for a cooperative is pitched/ discussed. Use a town hall format.	KBRPC Economic Developers; WCMCAA; Area Banks and/or Credit Unions (Arvest Bank, Hawthorn Bank etc.); MU Extension; Missouri Department of Economic Development; Chambers of Commerce; County ED departments and representatives; Representatives from existing businesses	Commence May 2018; One meeting per month per county (conclude by December 2018)
H.3	Form a steering committee to draft the purpose, mission, vision statements as well as create the legal entity/structure.	KBRPC Economic Developers, WCMCAA, West Central Community Development Corporation Community Wealth Building Director, Area Banks and/or Credit Unions (Arvest Bank, Hawthorn Bank etc.); MU Extension; Missouri Department of Economic	Steering committee will meet once per month from January 2019

		Development; Chambers of Commerce; County ED departments and representatives; Representatives from existing businesses	through June 2019
H.4	Recruit members; Schedule community gatherings to promote concept	Steering Committee	July 2019 through December 2019
H.5	Announce establishment of cooperative and members	Steering Committee	January 2020
H.6	Utilize the cooperative for value chain exploration to identify and build business support as well as scalable regional market opportunities in sectors such as agriculture, housing and tourism.	West Central Community Development Corporation Community Wealth Building Director, WCMCAA Food Systems Specialist	March 2020

With a clear and direct procedure of implementation, Kaysinger Basin was able to establish a program that aligns closely with MTC’s recommendations within Action 4: serve as an intake system for entrepreneurs to learn about and access the various resources within the region that are dedicated to assisting entrepreneurs.

ACTION 5: FOSTER REGIONAL EFFORTS TO PROVIDE QUALITY ENTREPRENEURIAL SUPPORT SERVICES TO HIGH-POTENTIAL, HIGH-GROWTH TRADED SECTOR STARTUPS.

Value-added programs should be established to work in tandem with the Entrepreneurial Pathways Program to assist growth-oriented entrepreneurs as they progress through the stages of developing a successful business. Startups should ideally have access to:

- Mentorship Network Programs – networks of sector-specific entrepreneurial mentors that would help inform the commercial assessment of early-stage innovations and guide its commercialization approach, including connecting it with markets, customers, investors, and management teams.
- Entrepreneurs-in-Residence Programs – teams of highly experienced entrepreneurs are assigned by an entrepreneurial assistance organization to advise startups in management, commercialization, reaching customer bases, and accessing new markets.
- Physical Hub Programs – a facility or facilities that can serve as a region’s entrepreneurial focal point and center for resources. Such facilities would offer training, investor connections, and specialized services and infrastructure (e.g., high-speed internet, wet & dry lab space).

Regional nodes should assess the presence of such programs in the service area and determine their current capacity and demand. It may be that sufficient mentorship, guidance, and facilities are already available and that access to such programs need only to be streamlined and facilitated by the administering regional node.

Case Study: Ozarks Small Business Incubator Mentor Program

In 2015, OzSBI’s mentorship program began in earnest after ten business professionals were certified as OzSBI mentors, substantially boosting their capacity to guide startups along their entrepreneurial journey. OzSBI’s staff has since mentored 143 startups and small businesses, directly assisting in the launch of 15 businesses.

Case Study: efactory and Missouri State University’s IDEA Commons

Missouri State University’s efactory is a startup incubator that provides a host of resources and services to local small businesses and entrepreneurs. Members of the incubator are matched with experienced business

operators through a mentorship program and a tech startup program led by Codefi as part of the Southern Missouri Innovation Network. Mentor advisement is readily available for members, virtually satisfying the need for an entrepreneur-in-residence program.

Missouri State University's efactory offers in-house business support with available workspaces for startup teams and individual entrepreneurs. The facility provides high-speed internet, conference call equipment, meeting spaces, wet and dry lab access, and other amenities that businesses at all stages need to succeed. At the time of writing, 41 businesses utilize the space and services offered by efactory, many locally based and within high growth, traded sectors.

The efactory is part of the IDEA Commons innovation district, a concept by Missouri State University as part of an initiative to encourage industrial development in Springfield through the creation of a state-of-the-art research center. When launched in 2008, the initiative's goals were to:

- Expand opportunities for business development and commercializing research
- Develop capacity for University partnerships with entrepreneurs
- Focus on domains where expertise exists and synergy can be exploited – namely innovation, design, entrepreneurship, and art.

Funding for efactory came from a \$2.75 million grant awarded by the EDA, a donation from the Robert W. Plaster Foundation, and direct investment by Missouri State University. Incubators like efactory play an important role in providing support services to high-growth startups. Regional hubs should place high priority on including steps for implementing similar initiatives in their region's strategies and plans.

ACTION 6: CONNECT MISSOURI'S CORPORATE PARTNERS AND ANCHOR INSTITUTIONS WITH STARTUPS, THEREBY CREATING A "STICKINESS" TO MISSOURI FOR THE ENTREPRENEURIAL ENDEAVOR'S ULTIMATE SUCCESS.

Unlike in vibrant tech entrepreneurship ecosystems like Boston or Silicon Valley, Missouri's established companies are reluctant to invest in small startups or utilize their services and products. If Missouri intends to succeed as a hub for tech-based innovation, greater collaboration between corporate partners, anchor institutions, and startups is required. From this relationship, startups gain access to potential first customers as well as a host of supporting services, funds, and business opportunities. Established businesses receive assistance from forward thinking innovators with a unique perspective to solving difficult business challenges, placing them in a more competitive position within their market. Missouri must provide Corporate Partnership Grants to the state's regional nodes and strategic partners, thereby producing a suite of programs and activities which encourage startup and corporate cross-pollination. Funds should be utilized to:

- Organize networking events with corporate partners.
- Attract corporate resources to regional mentorship networks.
- Develop programs that use corporate assistance to train startups in customer base acquisition and expansion.
- Educate entrepreneurs on garnering relationships with corporations (and vice-versa).
- Establish programs that provide promising startups with corporate exposure.

Kaysinger Basin coordinates the START HERE Business Accelerator Network with local partners in the region.

GOAL 2. Improve the economic vitality of the Kaysinger region through business retention and expansion, tourism, small business development, new agriculture opportunities, and workforce development.

Objective 2B. Continue cultivating the relationship with the START Here Business Accelerator Network (BAN) and referring customers to them for resources and assistance.

Action Steps	Partners/Stakeholders	Timeline
<ul style="list-style-type: none">Meet monthly with the START Here Business Accelerator Network to determine the needs of the businesses.	KBRPC, START Here BAN, economic developers	Ongoing
<ul style="list-style-type: none">Market the START Here BAN to businesses	KBRPC, START Here BAN, economic developers	Ongoing

Strategy 3: Launch & Cultivate

“Take advantage of Missouri’s research strengths by converting the intellectual assets into market opportunities.”

Southern Missouri is home to some of the state’s more prominent state universities, notably Missouri State University and Missouri Southern State University, and several private educational institutions. These institutions have taken to fostering in-depth research efforts, plying startups with the tools and services necessary to developing innovative products and services. While efforts have been underway in Southern Missouri’s research institutions for some time, further action is needed to fully actualize the region’s innovation and entrepreneurial potential. National and state programs, networks, and funding opportunities are available to support the expansion of Southern Missouri’s technology research and development capacities.

Least cognizant of these opportunities are regional EDDs and planning organizations, as evidenced by the gap in planning efforts to bring attention to such programs. Of the plans and strategies analyzed for this report, none contained language or intent sufficient for alignment with MTC’s targeted actions seven through nine of *Catalyzing Innovation*. This indicates an unawareness of the capability of, and opportunity presented by local research institutions or an unwillingness to inform the reader of such opportunities. The degree to which these programs are relevant to each plan’s readers varies, but they are worthy of further exploration and inclusion in region-based economic development strategies, like the CEDS or strategies adopted by newly formed Regional Nodes.

ACTION 7: REENERGIZE THE RESEARCH ALLIANCE OF MISSOURI (RAM) AS A MECHANISM FOR BRINGING TOGETHER THE MAJOR RESEARCH INSTITUTIONS OF THE STATE TO SOLVE COMMON INNOVATION CONTINUUM CHALLENGES.

The Research Alliance of Missouri (RAM) was a partnership between universities across the state dedicated to coordinating research activities and expanding industrial access to technologies developed by member institutions. Established in 2003, RAM has since seen a significant decline in activity, but efforts by MTC to revitalize the alliance are underway. Once reenergized, RAM would serve to eliminate regional silos by coordinating partnerships between institutions and companies, arranging shared-use facilities, forming sector-specific R&D groups, and assisting in competition for federal funding opportunities.

Case Study: Missouri State University

Missouri State University remains an active member in the alliance, attending the group’s quarterly meetings. However, more involvement on the part of the Alliance’s organizers is needed to induce further participation from members. MSU, MSSU, and Missouri S&T are all members of the alliance; revitalization of the group would strengthen their connection to the state’s research ecosystem.

ACTION 8: LEVERAGE THE FEDERAL I-CORPS PROGRAM AND PROVIDE STARTUP SERVICES STATEWIDE TO ENCOURAGE COMMERCIALIZATION ACTIVITY.

The Innovation Corps (I-Corps) program is a series of federally funded entities at universities across the U.S. that support businesses in transitioning their technology concepts into the marketplace. In 2021, Missouri University of Science and Technology (S&T) joined the I-Corps Great Lakes Hub, led by the University of Michigan. It is now an active conduit for the program’s presence in Missouri, partnering with entrepreneurial institutions and universities across the state. West Plains participated in the program in 2018 but Southern Missouri’s universities and entrepreneurial institutions have otherwise not utilized the resources offered by I-Corps at Missouri S&T. MTC is seeking to expand the scale of the program by collaborating with more regional entrepreneurial support organizations and universities.

A \$5 million injection to the state I-Corps program over the next decade is recommended by MTC. These funds would go towards supporting nondilutive grants to the program's successful startup teams to encourage participation. Companies that successfully navigate I-Corps and are adequately prepared to enter the market would be exceptional candidates for further funding and assistance from regional nodes as well as federal SBIR/STTR grants.

Southwest Missouri has an opportunity to leverage incoming funds from MTC to catalyze technology commercialization from successful I-Corps participating startups within its region. To do this, the region's universities and research institutions must strongly consider applying to become I-Corps sites. Sites provide infrastructure, advice, resources, networking opportunities, training, and modest funding to enable groups to transition their work into the marketplace or into becoming I-Corps Team applicants. I-Corps Sites also gain access to the program's network of mentors, researchers, entrepreneurs, and investors.

Missouri State University has a partnership with Missouri University of Science and Technology (S&T) through their Cooperative Engineering Program and has previously participated in the I-Corps program through Missouri S&T. This established relationship can be leveraged to hold future I-Corps activities and programs, if not in collaboration with MSU, then with other universities and colleges participating in the regional node.

ACTION 9: PROVIDE COMPREHENSIVE ASSISTANCE FOR SBIR/STTR AWARDS TO FURTHER DRIVE COMMERCIALIZATION ACROSS THE STATE, ESPECIALLY AT MISSOURI'S RESEARCH INSTITUTIONS.

Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) Programs are federal grant programs that fund R&D for technologies that government agencies have an interest in utilizing or seeing actualized. Missouri companies already receive a greater share of award funding from Health and Human Services (HHS), NASA, and USDA than most states. This suggests that SBIR/STTR awards play an important role in funding Missouri's entrepreneurial ecosystem, especially among the health and life sciences, agriculture, and aerospace industries. It is recommended that Missouri and its regional node partners provide researchers and entrepreneurs with technical assistance and funding through the grant application process.

MTC recommends that Missouri invest \$25 million over the next decade into SBIR/STTR matching programs aimed at commercializing Missouri research institutions. This funding would help applicants meet their grant match requirements, cover costs associated with the application, assess proposal feasibility, and pay for professional assistance with proposal preparation and submission. Funds from MTC can be utilized to expand current SBIR/STTR assistance programs and services.

Case Study: efactory SBIR/STTR Grant Assistance Program

The staff at efactory have assisted in only a handful of SBIR applications, none of which were successful. Federal funding opportunities for research like SBIR/STTR grants are exceptionally competitive; only 6% to 12% of all SBIR applications receive funding and this competition occurs at the national level. Most of the applicants that efactory and the Jordan Valley Innovation Center (JVIC) assist are already in pursuit of funding for research and development projects through other means (contracts with public and private entities), they then later choose to pursue SBIR grants. JVIC and efactory continue to offer SBIR/STTR assistance to businesses at all stages of development and intend to expand services if given the opportunity.

Strategy 4: Inspire

“Encourage more Missourians to participate in innovation and entrepreneurship.”

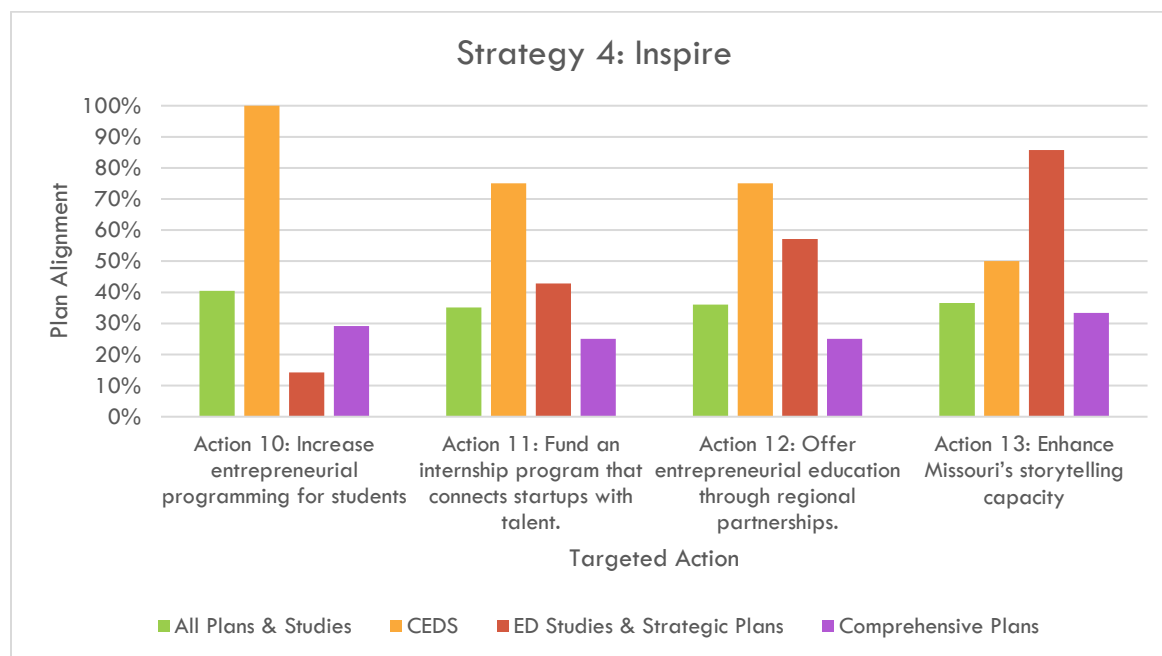


Figure 9 Strategy Four Results

As discussed previously in the section “Startup Communities,” regions with successful startup communities adhere to a set of principles that guide the actions of local leaders and support organizations. Two important principles are *engagement* and *inclusivity*. Engaging prospective and novice entrepreneurs cultivates a sense of involvement and belonging in the greater startup community, generating the confidence and motivation to pursue their business endeavors. Aspiring innovators should not be discouraged by their social or geographic backgrounds and engaging more entrepreneurs is good for the community’s health, full stop. For those reasons and more, regional nodes, planning entities, and EDOs must adhere to these principles when developing plans, strategies, and programs.

Future entrepreneurs can be integrated into the community at an early stage in their personal development, particularly through exposure to local leaders in business and innovation in secondary and postsecondary education. Ensuring that community members possess the skills and guidance needed to pursue a career in entrepreneurship and innovation should be a crucial objective for universities and colleges, EDOs, and newly established regional nodes. Nodes themselves will have the unique opportunity to act as a connector between school districts, startups, and institutions of higher education, particularly those with robust STEM programs and facilities.

The strategies and plans analyzed recognize the importance of engaging entrepreneurs and connecting the innovation ecosystem with the educational pipeline. Average alignment across all plans for Strategy 4 is 37% (75% for the region’s CEDS).

ACTION 10: IMPROVE ACCESS TO ENTREPRENEURIAL PROGRAMMING FOR STUDENTS IN MIDDLE/HIGH SCHOOL AND AT COMMUNITY COLLEGES AND UNIVERSITIES.

There are several ways to foster entrepreneurship at a young age. The education system is an indispensable partner in the process of training promising entrepreneurs to hone their talent and develop their ideas. From elementary to higher education, students should be given the opportunity to learn the

application of contemporary technology and explore the boundaries of their creativity, searching for innovative solutions to modern challenges. Through extracurricular programs that involve the guidance of professionals in the STEM fields, students can pursue ideas to their fullest potential and develop their entrepreneurial skills.

Missouri currently has some outstanding tech-based innovation educational programs offered by universities and community colleges. By following the examples set by these established programs, SOMO's learning institutions can develop new programming to introduce entrepreneurship to students in middle/high school, community colleges, and universities.

Case Study: GO CAPS

Centers for Advanced Professional Studies (CAPS) programs are nationally recognized high school programs that give students real world experience working with well-established businesses and experienced professionals. Students practice solving real world problems, utilizing industry standard tools, and working in a professional environment. The program accepts juniors and seniors from 24 high schools in the Ozarks.

Efforts to establish a CAPS program in the Ozarks were led by the Springfield Area Chamber of Commerce (SACC) in collaboration with local superintendents and business leaders, culminating in the launch of the Greater Ozarks (GO) CAPS program in Springfield and Monett for the 2015-16 school year. GO CAPS was later introduced to Lebanon (2017), Branson (2018), and West Plains (2018); however, the West Plains program was suspended in 2021 and has not since returned. The Springfield GO CAPS program is operated by Springfield Public Schools (SPS), which allows other districts to participate by paying for the seats of their students that enroll. While SPS covers operating costs for the program, SACC agrees to provide business connections and professional development support. Tri-Lakes GO CAPS in Branson and GO CAPS Lake Area in Lebanon are independent of Springfield's program.

ACTION 1 1: FUND AN INTERNSHIP PROGRAM THAT CONNECTS STARTUPS WITH TALENT.

Talent retention is a significant hurdle in the effort to develop a robust entrepreneurial ecosystem as out-migration of accomplished graduates threatens Missouri's capacity for innovation. A proven effective way to encourage retention is through internships and co-operative education (co-op) programs where personal relationships can be established between the student and the local business community. The arrangement benefits both students, who are given valuable experiential learning opportunities, and employers, who receive creative, enthusiastic, and open-minded workers. Early-stage companies, however, regularly lack the in-house human resource department staff to effectively manage such programs.

This challenge presents an opportunity to develop a regional or statewide internship and co-op programs that link students with startups in their field of study. Implementing such a program would require close collaboration between academic institutions, regional nodes, and the local entrepreneur community. The program would also need to offer matching grants to offset the labor cost of the students, which many startups would not be able to afford without assistance. If properly implemented, the co-op and internship programs would be able to deliver paid internships, reach students at all levels of post-secondary education, and provide opportunity to communities underserved by Missouri's innovation and entrepreneurial ecosystem.

ACTION 1 2: OFFER ENTREPRENEURIAL EDUCATION ACROSS MISSOURI THROUGH REGIONAL PARTNERSHIPS.

Individuals established in their careers are another vital component to the growth of Missouri's entrepreneurial ecosystem. Interest in professional entrepreneurship is at an all-time high but getting started down this path still proves challenging for many people. Educating prospective entrepreneurs

through introductory courses on running a “lean startup” would serve to responsibly introduce newcomers to the ecosystem and provide them with the tools needed to succeed in their chosen market.

The lessons offered by such courses should be widely recognized as valid and responsible business practices. Courses should also focus on accommodating the needs of busy individuals, reaching entrepreneurs from underserved communities, and tailoring their content to the market conditions and characteristics of the region.

If administered by regional nodes, such programs could seamlessly integrate support services already offered and point participants to further resources inside and outside their network. Southern Missouri has a strong network of organizations dedicated to entrepreneurship and business that should prove critical assets in offering entrepreneurial education.

Case Study: Ozark Small Business Incubator Workshops

The Ozark Small Business Incubator (OzSBI) hosts between 40 and 50 workshops and events annually, many of which are geared toward novice and aspiring entrepreneurs. “Smart Start: Developing a Successful Business” is a free monthly workshop that introduces attendees to the ecosystem and teaches crucial startup fundamentals like managing finances and writing a business plan. OzSBI provides technical assistance on day-to-day tools for operating a business through workshops on marketing, funding, and leadership development, as well as programs like QuickBooks and Excel.

Prospective and early-stage startups are invited to join LaunchU, OzSBI’s annual eight-week business development course. The award-winning curriculum provides in-depth lessons on setting business goals, pitching to investors, evaluating business feasibility, and more. Participants learn lessons from industry experts, including local business leaders, and are assigned a professional business mentor that will guide them through the startup process. Since its foundation in 2012, more than 900 people have attended OzSBI’s workshops and events.

ACTION 13: ENHANCE MISSOURI’S STORYTELLING CAPACITY TO ENCOURAGE MORE MISSOURIANS TO BE ENTREPRENEURIAL.

Many potential entrepreneurs feel that they are unable or unprepared to pursue their business ideas and enter the entrepreneurial ecosystem. To inspire these individuals, Missouri’s entrepreneurial community needs an outlet to highlight successful entrepreneurs from the region and share their pursuit of innovation despite the associated risks and hurdles. This can be accomplished through several means:

- Local, statewide, and national publications and media outlets can be tapped to promote entrepreneurial successes within the region.
- Startups and businesses within the regional node’s entrepreneurial network can be leveraged to highlight their success and the success of their peers in their marketing materials and campaigns.
- Regional nodes and their partners can host in-person events where the region’s startups and entrepreneurs can be recognized for their achievements, accolades, and progress as a business.

Case Study: Ozarks Small Business Incubator EPIC & Monthly Newsletter

Ozarks Small Business Incubator holds an annual event celebrating the Ozarks’ entrepreneurial and business community. EPIC features speakers from successful business backgrounds that offer rich and engaging lessons. The event also holds the Ozark Innovators Roundtable, a session where rising entrepreneurs from South Central Missouri are recognized for their outstanding accomplishments and business successes. OzSBI’s Business Women’s Expo similarly highlights female-led startups and small-businesses in the region.

Planning for Innovation

OzSBI retains an active media presence in their region, regularly publishing news updates on community events and making appearances in local media outlets. The organization also publishes a monthly newsletter where they highlight successful businesses and promote up-and-coming startups.

Strategy 5: Connect

“Overcome physical and cultural barriers to better connect Missouri’s entrepreneurial ecosystems with each other and with the world.”

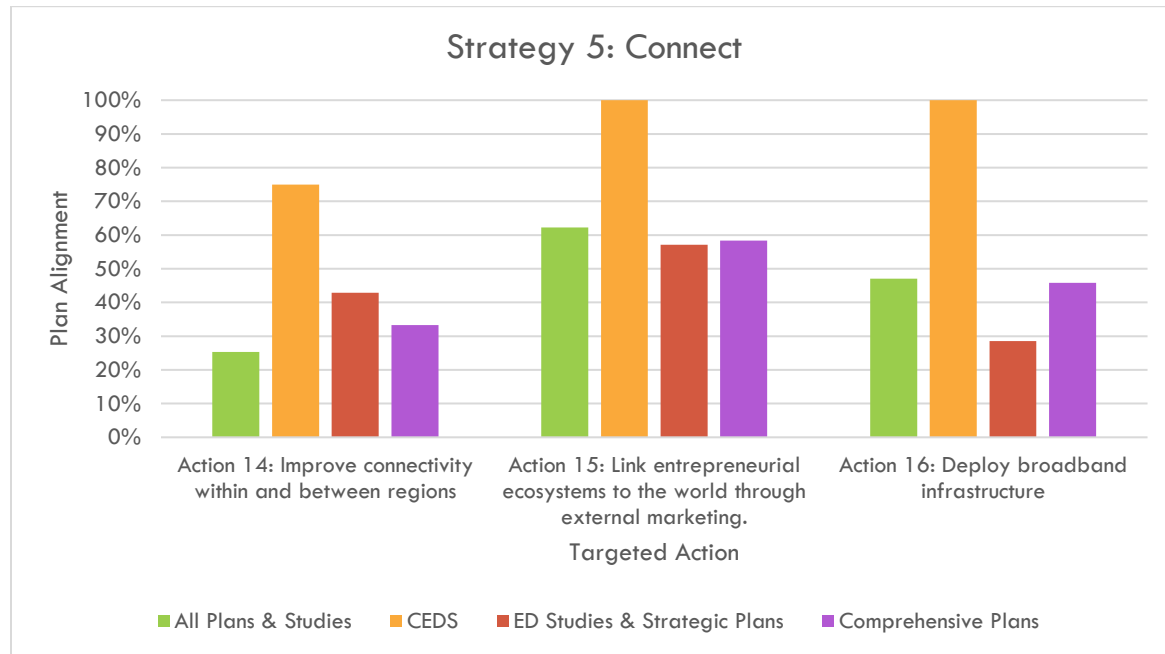


Figure 10 Strategy Five Results

ACTION 14: REALIZE ONE MISSOURI: IMPROVE CONNECTIVITY WITHIN AND BETWEEN REGIONS.

Networking is a very important method by which entrepreneurs grow the capacity and potential of their business. In most instances, networking does not occur naturally, instead it is spurred by formal networking organizations which states and regions build from the ground up. Such organizations seek to connect entrepreneurs with a variety of ecosystem partners including venture navigators, investors, and academic institutions. Building formal networking organizations is imperative to expanding and strengthening Southern Missouri’s entrepreneurial and innovation ecosystems, especially if it expects to compete with regions where there is already a thriving network of investors and innovators.

The networking organizations would foster connections between entrepreneurs and ecosystem partners through a variety of means:

- Conferences
- Technology showcases
- Pitch competitions
- Recognition events
- Training workshops
- Cross-regional mentorship programs

ACTION 15: LINK MISSOURI’S INNOVATION AND ENTREPRENEURIAL ECOSYSTEMS TO THE WORLD THROUGH AN EXTERNAL MARKETING CAMPAIGN.

Innovation and entrepreneurial ecosystems cannot survive in a bubble, they depend on connection national and global markets and ecosystems that provide access to, among many things, talent, supply chain

connections, and customer bases. Missouri and its regional nodes must form an external marketing campaign that communicates the region's assets and opportunities to domestic and international audiences. To achieve this, the campaign must follow a coordinated plan with deliberate guidelines. The campaign must maintain an active presence in major business and innovation publications through paid advertisements highlighting local business accomplishments, thus raising awareness of the region's entrepreneur support system. It must then seek to have its entrepreneurial success stories published in national publications; this will require an extensive public relations effort. Ultimately, the region should leverage its resources, connections, and newly gained reputation to host a national or international conference on entrepreneurship and innovation.

Case Study: HSTCC CEDS

Part of this effort is gauging the status and health of the local business climate. Results of the analysis could be broadcast to the business community at large, disseminating a report of conditions and assets that some startups and entrepreneurs may find favorable or advantageous. HSTCC alludes to this strategy in their 2019 CEDS:

Objective 6: Business Climate and Competitiveness

	Strategy	Action Items
1	Continually evaluate business climate and promote assets of the region	Use information from surveys to share among economic development professionals
2	Collect data and analyze trends of employers and business on a continual business	Create and distribute surveys and economic development professionals

ACTION 16: DEPLOY BROADBAND INFRASTRUCTURE ACROSS MISSOURI.

Broadband infrastructure is an essential component in the development of a strong technology focused entrepreneurial ecosystem. The proliferation of remote work and education during and after the COVID-19 pandemic has exacerbated the need for fast and reliable internet. According to American Community Survey Estimates from 2016 to 2021, 14.3% of households within the study area do not have internet service; most of this disparity is concentrated within rural areas and disadvantaged communities in urban areas.

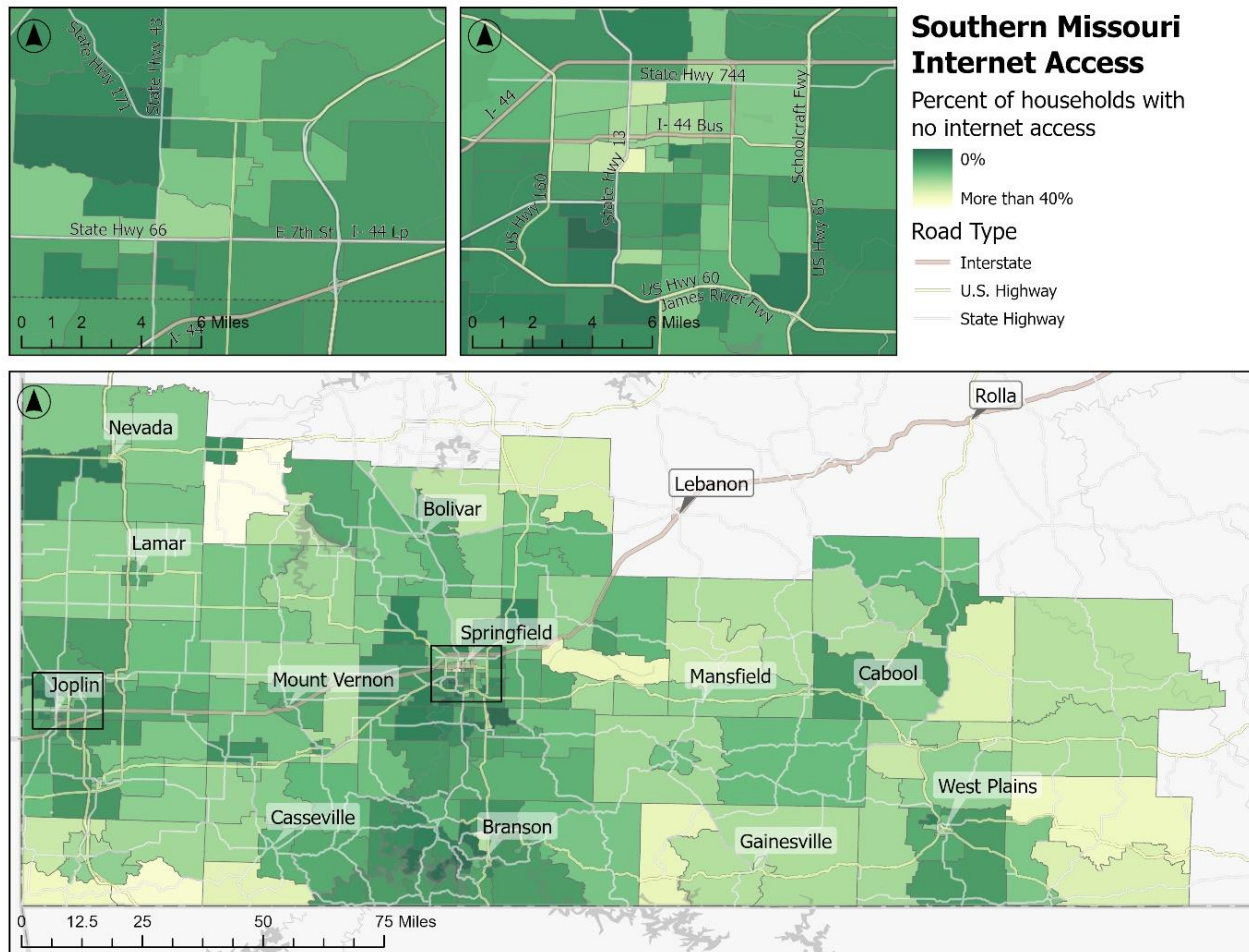


Figure 11 Study Area Broadband

All CEDS analyzed for this study included objectives and/or strategies expressing a plan to expand their respective region’s broadband capabilities.

Case Study: SMOG Broadband Expansion Efforts

SMCOG has been involved in several broadband-related projects in recent years. They helped facilitate local engagement through regional engagement meetings, follow-up stakeholder conversations, and the distribution of questionnaires to stakeholders for the Connecting All Missourians project conducted by the Office of Broadband Development. They partnered with MACOG on a cluster mapping project that studied broadband demand for businesses across the region. And they provided technical assistance for two successful grant applications aimed at bringing highspeed internet to East Lawrence County.

Findings and Conclusions

Throughout the assembly of this analysis and report, a handful of themes became apparent across not only the plans, but also the regions themselves. Through extensive research on the region's programs and organizations, as well as targeted interviews with economic developers and organization staff, a picture of Southern Missouri's entrepreneurial ecosystem developed. The conclusions made from the data and information gathered, however, represent only a portion of the region's whole story. More insight into the true condition of the local high-growth sector entrepreneur ecosystem is needed to come to a definite conclusion. That said, hopefully these findings will provide a platform for future studies and analyses of Southern Missouri's innovation economy.

Tech Sector Needs

The overarching finding across most of the plans included in the analysis is the scarcity of priority set on supporting small businesses and startups specifically within traded, tech industries. Great effort was made to promote small businesses across a range of traditional industries, especially those in the service and retail sectors. While these businesses are integral to the economic well-being of and quality-of-place in local communities, what helps support these industries does not necessarily equate to support for small businesses in traded sectors, especially high-growth oriented industries.

Where typical local small businesses can be sustained with a steady and modest revenue stream and perhaps a relatively small injection of starting capital, high-growth businesses are notoriously capital intensive; the funding needs of most tech startups are far above those of typical small businesses. The risk inherent in high-growth companies is also greater than that of the typical business. Since typical funding platforms in the region are geared toward low risk and relatively lean business operations, high-risk, high-potential startups are regularly excluded from such programs. Programs specific to high-potential startups are limited to larger, denser metro areas with greater agglomeration economies, putting them at a distinct competitive advantage in the innovation industry.

Inter-Regional Collaboration

In this report, several examples have been noted of ESOs participating in collaborative efforts to bolster entrepreneurial support alongside other organizations from their region. However, the area's efforts have shown to be fragmented across regional boundaries, making it difficult for a collaborative exchange of talent and services to occur. In some instances, such as those of the SBA Small Businesses Development Centers and EDA Economic Development Districts, services are contractually confined to a certain geographic area and cannot extend past the borders of the service area. While the host organization, typically at the state level, does provide a platform for connecting the regional chapters, resources are confined to their respective regions and, in many cases, not all regional chapters have equal or appropriate access to such resources.

In the case of non-profit and quasi-public organizations that operate outside the purview of government or funding stipulations, breakdowns in cross-regional partnerships occur because of resource scarcity, often in staff availability. In these cases, the influx of further funding, most feasibly through grant awards, is the most apparent remedy. Alternatively, as MTC's Regional Node Program suggests, the reorganization of administrative priorities through the assignment of a body responsible for overseeing high-growth entrepreneurial support across the entire region is a more apt solution. This is the path that MTC is advocating for through their Regional Node Program and one that may also address the need for greater agglomeration in funding.

Research Institution Synergy

As evidenced by the lack of alignment between the plans analyzed and Strategy 3 of *Catalyzing Innovation*, there exists a disconnect between planning entities and research institutions concerning their

efforts to provide entrepreneurial support, specifically within regional planning. While the priorities of such plans do not typically regard high-level entrepreneurial activities, like product development and commercialization strategy, as pertinent to the subjects at hand, the overall health of the region and its entrepreneurial ecosystem is affected by these efforts. The services offered at the region's educational institutions, namely Missouri State University, have hefty implications for the success of the region's startups and tech economy. As such, they deserve recognition in the region's economic plans and strategies, if not for their significance to the region's well-being, then for the dissemination of opportunities to prospective startups and innovators within and outside the region.

Glossary

Comprehensive Economic Development Strategy (CEDS) – a strategic economic development plan designed to promote and guide economic growth within the region and across multiple municipalities. The document serves as the foundation for establishing and executing regional economic objectives, investment priorities, and funding sources.

Comprehensive plan - An official guide for future growth, development, and land use activities within a city. The plan is made through a collaborative effort between the local government and its citizens, which includes research, analysis, and public input. A comprehensive plan is not a legally binding document, but a guide for governing bodies to be consistent during policy and planning decisions.

High-growth company – A company performing better, or expected to perform better, than its specific industry vertical or the market as a whole.

Innovation – the improvement of existing, or the creation of entirely new, products, processes, services, and businesses.

Regional silos – areas that retain information, resources, and activities, keeping them isolated from surrounding areas thereby hindering effective communication and coordination with outside regions and entities.

Small business – an independent business or firm with fewer than 500 employees.

Startup – a company in the first stages of operations. Founded by one or more entrepreneurs pursuing the development of a product or service for which they believe there is a demand. To be considered a startup, the business must:

- Have been established in the last 10 years.
- Have fewer than 50 employees at inception.
- Not have formed as a subsidiary or branch of a larger business or enterprise.

Traded sector – industries that sell their output in competition with businesses in other states or nations, as opposed to local industries that sell their output primarily to the local population.

Appendix

SOUTHWEST MISSOURI COUNCIL OF GOVERNMENTS CEDS – 2023

CI Action	Aligning Statements	Alignment Strength
Action 1	“Continue newsletter summarizing existing state and federal funding opportunities for municipalities” – QHE 1.1 “Connect business in region to MO Works” – IE 1.1 “Promote university and WDB services...” – IE 1.2 “Research grant opportunities/funding for relocation assistance and student loan repayment programs for regional businesses” – IE 3.2	Moderate
Action 3	N/A	No alignment
Action 2	“Encourage SREP membership and utilize services” – BE 2.1	Weak
Action 4	“Encourage SREP membership and utilize services” – BE 2.1 “Connect businesses in region to MO works” – IE 1.1 “Promote talent incentive funding and relocation cost recovery services for businesses in the region in coordination with the WDB” – IE 2.3	Strong
Action 5	“Encourage SREP membership and utilize services” – BE 2.1 “Market rural employers to Workforce Development Board Services” – IE 3.1	Moderate
Action 6	“Encourage SREP membership and utilize services” – BE 2.1 “Host a regional chamber training each year” – BE 3.3	Weak
Action 7	N/A	No alignment
Action 8	N/A	No alignment
Action 9	N/A	No alignment
Action 10	“Encourage and support enrollment in post-high school graduation into technical programs” – IE 2.1 “Develop entrepreneurship flyer for distribution to counselor’s office” – BE 3.2 “Present entrepreneurship seminar at high schools” – BE 3.3	Strong
Action 11	“Connect businesses in region to MO works” – IE 1.1 “Promote university and WDB services...” – IE 1.2	Moderate
Action 12	“Promote talent incentive funding and relocation cost recovery services for businesses in the region in coordination with the WDB” – IE 2.3 “Train communities in business attraction process” – BE 1.1 “Assist in developing site-readiness identification for communities” – BE 1.3 “Host a regional chamber training each year” – BE 3.1	Moderate
Action 13	“Encourage SREP membership and utilize services” – BE 2.1 “Present entrepreneurship seminar at high schools” – BE 3.3	Weak
Action 14	“Host a regional chamber training each year” – BE 1.1	Weak
Action 15	“Promote SREP marketing services to SMCOG members” – IE 2.2	Weak
Action 16	“Improve urban and rural access to faster internet/broadband speeds” – CB 2 “Identify possible ‘Connect America Funds’ projects and municipalities” – CB 2.1	Strong

HARRY S TRUMAN COORDINATING COUNCIL CEDS – 2019

CI Action	Aligning Statements	Alignment Strength
Action 1	“Increase awareness of funding sources available to businesses” – Goal 1 Objective 5.1 “Work with the Small Business and Technology Development Center” – Goal 1 Objective 5.1	Strong

	“Create a contact list of current investors in the region listing sector funding preferences” – Goal 1 Objective 5.1	
Action 2	“Create a contact list of current investors in the region listing sector funding preferences” – Goal 1 Objective 5.1 “Assist in matching entrepreneurs with successful industry mentors” – Goal 1 Objective 5.2	Strong
Action 3	N/A	No alignment
Action 4	“Improve coordination and communication between business, workforce, and education providers” – Goal 1 Objective 1.1 “Promote the Small Business and Technology Development Center.” Goal 1 Objective 5.2	Moderate
Action 5	“Assist in matching entrepreneurs with successful industry mentors” – Goal 1 Objective 5.2 “Continue to support various trade organizations and economic development organizations” – Goal 1 Objective 8.2 “Build partnerships and programs that aid business expansion.” – Goal 1 Objective 8.2	Moderate
Action 6	“Create a contact list of current investors in the region listing sector funding preferences” – Goal 1 Objective 5.1 “Assist in matching entrepreneurs with successful industry mentors” – Goal 1 Objective 5.2	Moderate
Action 7	N/A	No alignment
Action 8	N/A	No alignment
Action 9	N/A	No alignment
Action 10	“Encourage and support enrollment in post-secondary graduation into technical programs” – Goal 1 Objective 4.1	Moderate
Action 11	“Align educational pathways with regional economic development” – Goal 1 Objective 2.1 “Expose students to manufacturing sites where STEM and on the job training and apprenticeships are place where employers are actively recruiting for employees” – Goal 1 Objective 2.1	Strong
Action 12	“Explore and educate eligible parties regarding possible funding sources for entrepreneurial and innovative services” – Goal 1 Objective 5.3 “Create methods to support the regional sharing of resources, expertise, and knowledge” – Goal 1 Objective 7.3 “Continue to support various trade organizations and economic development organizations” – Goal 1 Objective 8.2	Moderate
Action 13	“Promote regional identity that embodies the spirit of its residents and businesses both internally and externally” – Goal 2 Objective 1.1 “Market the region and its amenities, services, and benefits to create a source of pride in the region” – Goal 2 Objective 2.1	Moderate
Action 14	“Create methods to support the regional sharing of resources, expertise, and knowledge” – Goal 1 Objective 7.3 “Partner on workshops and seminars as well as explore opportunities for funding” – Goal 1 Objective 7.3	Weak
Action 15	“Continually evaluate business climate and promote assets of the region” – Goal 1 Objective 6.1 “Expand on existing social media” – Goal 1 Objective 7.3 “Support transportation improvement to growing international ports” – Goal 1 Objective 8.1	Moderate
Action 16	“Develop advances in high-speed communications infrastructure to grow and sustain high-value business” – Goal 1 Objective 3.1	Strong

	“Identify gaps in broadband/high speed internet services and encourage expansion of service availability” – Goal 1 Objective 3.1	
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KASINGER BASIN CEDS - 2023/2024

CI Action	Explanation of Alignment	Alignment Strength
Action 1	<p>“Continue to promote and implement an effective Business Retention and Expansion Program” – Objective 2A</p> <p>“Meet with at least three businesses monthly to determine their needs.” – Objective 2A Action Step #3</p> <p>“Meet monthly with the START Here BAN (RLF) to determine needs of the businesses.” – Objective 2B Action Step #1</p> <p>“This program gives the counties and cities the ability to employ a full-time economic developer at a fraction of the cost.” – Objective 2G Strategy</p>	Moderate
Action 2	<p>“This cooperative provides training and technical assistance, access to capital...” – Objective 2B Body</p> <p>“The cooperative continues to assist in the development of a healthy entrepreneurial ecosystem in the Kaysinger region that supports small business development and rural innovation throughout the region” – Objective 2B Body</p>	Weak
Action 3	N/A	No alignment
Action 4	<p>“...[T]he START Here Business Accelerator Network was established along with New Growth Community Development, West Central Missouri Community Action Agency, Small Business Development Centers, the University of Missouri Extension, MOSourceLink, and Osage Valley Electric Cooperative.” Objective 2B Body</p>	Moderate
Action 5	<p>“The KBRPC economic development team will continue to promote the BRE work plan and adjust as needed.” – Objective 2A Action Step #1</p> <p>“Work with colleges, universities, job centers, and workforce development boards to determine available training programs.” – Objective 2D Action Step #3</p> <p>“Create a regional group of the economic developers in the region to determine larger-scale regional economic development needs and share resources.” – Objective 2G Action Step #3</p>	Moderate
Action 6	N/A	No Alignment
Action 7	N/A	No Alignment
Action 8	N/A	No Alignment
Action 9	N/A	No Alignment
Action 10	<p>“Work with colleges, universities, job centers, and workforce development boards to determine available training programs.” – Objective 2D Action Step #4</p> <p>*High schools are an identified partner.</p>	Weak

Action 11	“Continue to work with the colleges and tech schools in the region to match workforce needs with available [healthcare] training.” – Objective 2E Action Step #3	Weak
Action 12	N/A	No alignment
Action 13	N/A	No alignment
Action 14	N/A	No alignment
Action 15	“This cooperative provides training and technical assistance, access to capital, branding and marketing opportunities...” Objective 2B Body	Weak
Action 16	“Form a regional broadband coalition.” – Objective 1E Action Step #1 “Seek funding to improve access to broadband development within the region.” – Objective 1E Action Step #4	Strong

SOUTH CENTRAL OZARK COUNCIL OF GOVERNMENTS CEDS – 2019

CI Action	Explanation of Alignment	Alignment Strength
Action 1	“Support initiatives for existing industries and small businesses through the use of revolving loan funds, state incentive programs, and federal loan and guarantee programs.” – Goal 1 Objective 1.4 “Improve capital access throughout the Delta, especially in non-urban areas where it is lacking most.” – RDP III Goal 2	Moderate
Action 2	N/A	No Alignment
Action 3	N/A	No Alignment
Action 4	N/A	No Alignment
Action 5	“Promote regionally government programs, both state and federal, that stimulate economic growth and development.” – Goal 1 Objective 1.1 “Support the creation of business incubators to support entrepreneurs” – Goal 1 Objective 1.6 “Emphasize programs and investments to advance entrepreneurship and high-growth business development in Delta communities, ensuring the unique innovation assets found within the region’s urban areas are leveraged to benefit the entire region, including rural areas.” – RDP III Goal 3	
Action 6	N/A	No Alignment
Action 7	N/A	No Alignment
Action 8	N/A	No Alignment
Action 9	N/A	No Alignment
Action 10	“Assist local schools in obtaining funding for structural and technology upgrades in an effort to modernize their campuses.” – Goal 3 Objective 1.3 “Increase enrollment and graduation rates at area colleges, vocational and trade schools.” – Goal 4 Objective 1 “Enhance distance learning capabilities throughout the region.” – Goal 4 Objective 1.5 “Improve the workforce readiness of the region’s K-12 students and adult population by increasing the number of internships, apprenticeships, work co-op programs, and other initiatives, with a focus on soft skills and employability.” – RDP III Goal 1	
Action 11	“Support the expansion of vocational education and training programs consistent with existing and anticipated job opportunities in the region.” – Goal 4 Objective 1.3	Strong

	<p>“Build on the momentum of the Reimagining the Delta Workforce initiative to create a strong pipeline of skilled workers that will support and attract current and future employers in the Delta region.” – RDP III Goal 1</p> <p>“Improve the workforce readiness of the region’s K-12 students and adult population by increasing the number of internships, apprenticeships, work co-op programs, and other initiatives, with a focus on soft skills and employability.” – RDP III Goal 1</p>	
Action 12	<p>“Promote government programs, both state and federal, that assist in workforce development” – Goal 4 Objective 1.1</p> <p>“Promote the efforts of the WIB to ensure a skilled workforce comprised of local residents is available for employment opportunities” – Goal 4 Objective 1.1</p>	Weak
Action 13	N/A	No alignment
Action 14	“Support efforts to increase economic opportunity and market access through cooperative marketing of the region’s assets.” – Goal 3 Objective 1.2	Weak
Action 15	“Support efforts to increase economic opportunity and market access through cooperative marketing of the region’s assets.” – Goal 3 Objective 1.2	Moderate
Action 16	<p>“Support the expansion of broadband technology and infrastructure throughout the region.” – Goal 1 Objective 1.2</p> <p>“Expand and improve access to affordable digital infrastructure (e.g. broadband internet, cellular, and satellite access) across the region, especially in areas where it is currently deficient” – RDP III Goal 2</p>	Strong

Results Excluding Strategy 3				
Region	Overall Region	CEDS	Studies & Strategic Plans	Comprehensive Plans
SMCOG	44%	92%	47%	41%
HSTCC	42%	92%	-	26%
KBRPC	46%	54%	38%	-
SCOCO	54%	69%	-	38%
Study Area	47%	77%	43%	35%

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