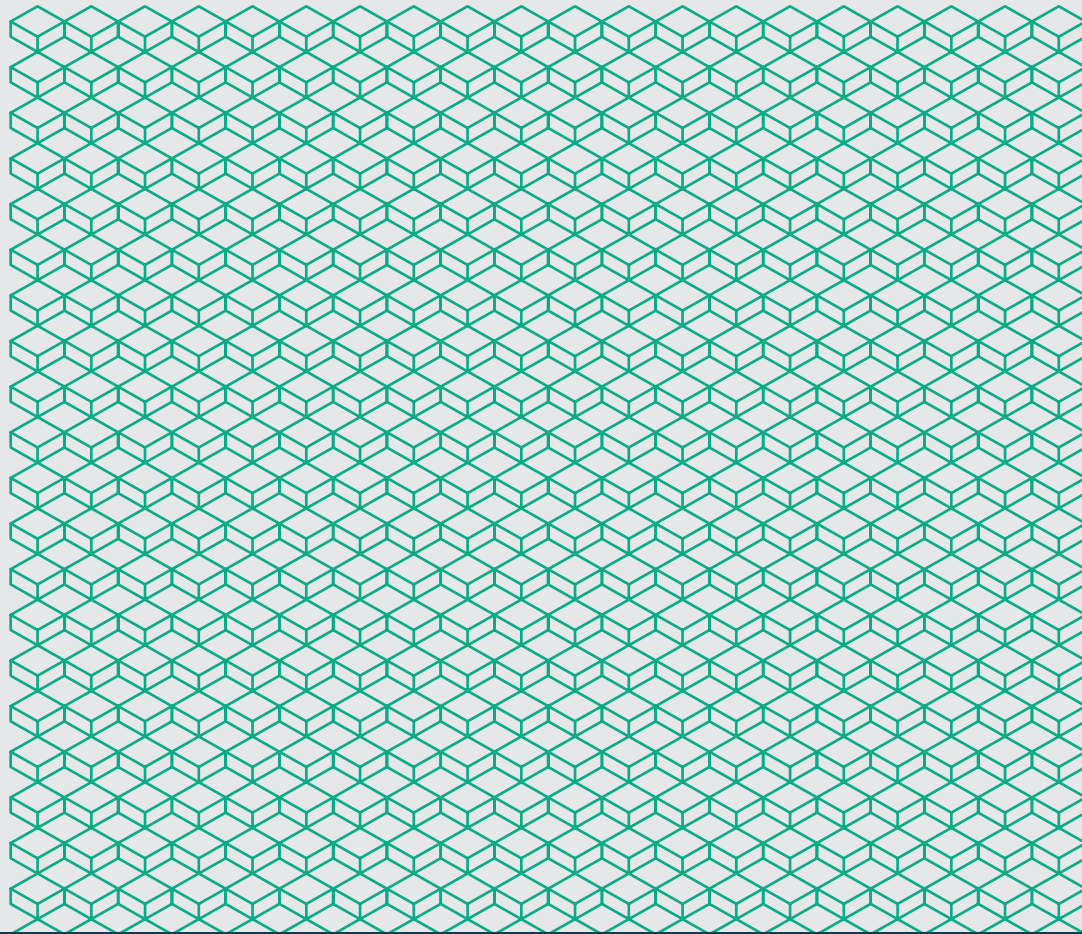




LADIG CONSULTING



ENTREPRENEUR ECOSYSTEM

ASSESSMENT & INITIATIVES

KOSCIUSKO ECONOMIC DEVELOPMENT CORPORATION

MARCH 2019



INTRODUCE A NEW ERA OF BUSINESS DEVELOPMENT

In January 2019, Kosciusko Economic Development Corporation (KEDCo) embarked on a two-month long study into the state of the entrepreneur ecosystem in Kosciusko County, Indiana through regional economic development consulting firm Ladig Consulting.

After interviews with various stakeholders, support organizations, entrepreneurs, business owners, and community leaders, this assessment of assets and needs was developed. Additionally, suggested initiatives and interventions to needs are addressed.

KEDCo has identified key initiatives to launch and scale more agribusiness and orthopedic startups, as well as creating wrap-around services for all entrepreneurs and small businesses in the county. To this end, the ecosystem was assessed from the perspective of both an ecosystem to support existing small businesses as well as to early-stage and startup high-growth ventures.

KEY TAKEAWAYS

1

DEVELOP THE HIVEMIND AROUND ENTREPRENEURSHIP AND INNOVATION

Injecting components of the entrepreneur journey into the community – in existing business, social, educational, faith-based settings – “normalizes” entrepreneurship and an entrepreneur mindset. It also puts the concepts, challenges, and successes of entrepreneurship into the community lexicon. This increases innovation and attainability of entrepreneurship, both to individual entrepreneurs but also with local organizations, nonprofits, and other support systems.

2

SURPASS A “WAY WE’VE ALWAYS DONE IT” MINDSET WITHIN LEGACY INDUSTRIES

Long-term successful businesses and industries can fall into a place where regular R&D becomes confused for innovation. This can not only stifle talent within a company or industry but can limit a cluster industry from growth and competitiveness. By fostering true innovation, businesses can attract and retain talent while increasing competitiveness and long-term sustainability.

3

CONNECT ALL PLAYERS THAT LIVE, WORK, AND PLAY IN THE ENTREPRENEUR SPACE

No business has ever launched and succeeded on the back of a single individual. An ecosystem that is ready to cultivate new and existing business growth requires active buy-in and ownership of success from all community players (e.g., businesses, government entities, financial institutions, education institutions, nonprofit and social organizations). By developing intentional multiple-mission-supporting collaborations and activities, community players and the ecosystem can create win-win partnerships.

4

BRING DOWN TANGIBLE BARRIERS TO IDEATE, LAUNCH, AND SCALE

An entrepreneur ecosystem’s borders don’t stop at county lines, but rather the network can be as local as a city block, through a township, a county, region, state, and beyond. Success involves finding solutions for anything from housing shortages for the talent pool, to developing business-culture and work-life balance solutions, to accessing the right capital and strategic debt for growth. By engaging with entrepreneurs and small business and listening to their needs, tangible, high-impact solutions can be developed.

ECOSYSTEM FOCUS: SCALE UP

Dr. Daniel Isenberg’s approach focuses on growing existing businesses. A scale up approach to economic growth centers on supports for existing businesses of all ages and sectors in a community, striving for new revenue growth of 20% annually. This community-involved approach is holistic, leveraging players in the ecosystem with a direct or indirect stake in the success and growth of that economy.

Focus Area	Subset	KC Asset(s)	KC Need(s)
Policy	Policy	<ul style="list-style-type: none"> •IEDC •Local government •Indiana Certified Tech Park 	<ul style="list-style-type: none"> •Revisit the comprehensive plan for agribusiness initiatives
	Government	<ul style="list-style-type: none"> •KEDCo RLF •Grace Business Plan Challenge •AcceLINK •Indiana Certified Tech Park 	<ul style="list-style-type: none"> •Interaction with elected official (state/local) re: entrepreneur climate. Potential luncheon.
Finance	Financial Capital	<ul style="list-style-type: none"> •AcceLINK •KEDCo RLF •VisionTech •NE Indiana •Brightpoint SBA •Local banks •M25 •Heartland Ventures •Tech Park status 	<ul style="list-style-type: none"> •Short term lines of credit for vetted businesses and a microgrant fund
Culture	Success Stories	<ul style="list-style-type: none"> •Ortha big players •"Ortha Capital of the World" •Agribusiness •Family foundations 	<ul style="list-style-type: none"> •Storytelling campaign
	Societal Norms	<ul style="list-style-type: none"> •Low business risk tolerance •Low support of failure •Innovation limited to R&D efforts 	<ul style="list-style-type: none"> •Storytelling campaign •Events featuring entrepreneurs •Meetups •Education around innovation
Supports	Non- Government Institutions	<ul style="list-style-type: none"> •Chamber of Commerce •Latino Business Council •Young adult professionals •Dual credit entrepreneurship class •Grace Business Plan Competition •Intercession •ISBDC •SCORE 	<ul style="list-style-type: none"> •Diverse meetup opportunities •More content & networking •High school involvement •Ecosystem software
	Support Professions	Unknown	<ul style="list-style-type: none"> •Business development approach to educating & connecting with entrepreneurs, and mentorship
	Infrastructure	•AcceLINK	<ul style="list-style-type: none"> •KEDCo "Hub" agribusiness incubator •Increased support of AcceLINK
Human Capital	Educational Institutions	<ul style="list-style-type: none"> •Grace College •Kaughman Fastfirac annual training •Ivy Tech 	<ul style="list-style-type: none"> •Increase education opportunities •Specific effort towards inclusivity
	Labor	<ul style="list-style-type: none"> •Ivy Tech graduates •Legacy serial entrepreneurs 	<ul style="list-style-type: none"> •Corporate incubator/accelerator models
Markets	Networks	<ul style="list-style-type: none"> •Intercession •Women in Business at Grace •KEDCo Executive Roundtable •Latino Business Council •CoCs groups 	<ul style="list-style-type: none"> •Connect with existing NIEI networking opportunities •Weave entrepreneurship into existing networking events
	Early Customers	Unknown	<ul style="list-style-type: none"> •Support from KEDCo/CoCs

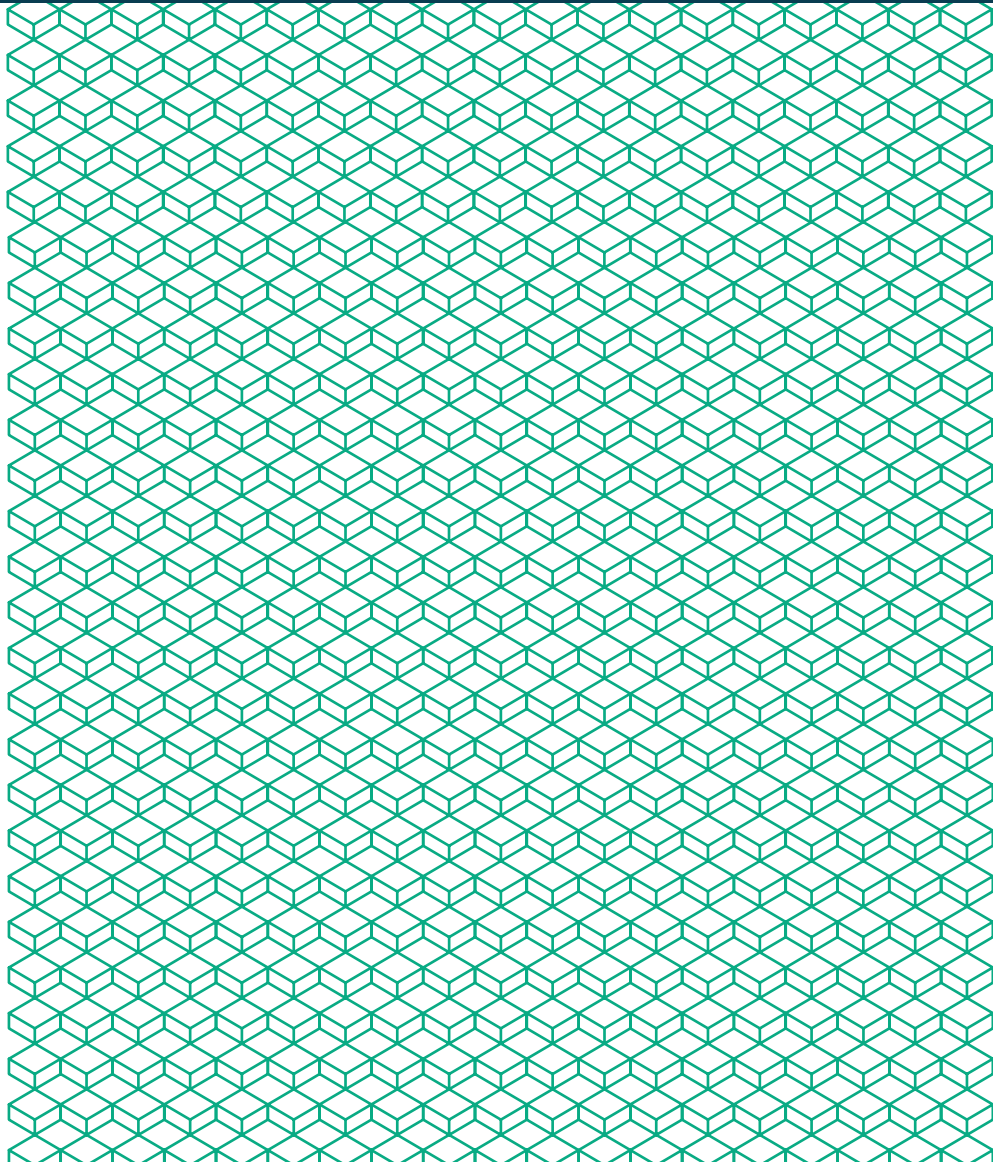
ECOSYSTEM FOCUS: START UP

Brad Feld, of global accelerator Techstars, assesses based on a startup approach. This entails creating supports and structures needed for early-stage, high-growth, typically tech or tech-adjacent, ventures to launch and scale quickly. The ventures are typically driven to fast revenue generation or exit.

Focus Area	Subset	KC Asset(s)	KC Need(s)
Institutional Support	Higher Education	•Grace College •Ivy Tech	•Research institution connection •Tech transfer
	Local Infrastructure	•AcceLINX •KEDCo entrepreneur initiatives	•Commuter rail
	Local/State Government	•IEDC •ISBDC •Indiana Certified Tech Park	•Interaction with elected official (state/local) re: entrepreneur climate. Potential luncheon •Revisit the Comprehensive Plan for agribusiness initiatives
	Local Corporations	•Corporations in Ortho & Agribusiness •Corporations in other areas	•Mentor prospects in corps •Intrapreneur Development •Corporation mini-accelerator
Density	Founders, Mentors, Mature Startups	•Young Adult Professionals •AcceLINX events •Collectives via the county chambers	•KEDCo Hub •Diverse meetup opportunities •Increase marketing/communication of existing events/groups (university, SEOs, etc.)
	Spaces & Events	•KEDCo monthly Entrepreneur Meetup •KEDCo monthly Executive Roundtable •Farnsworth Fund regional coffee meetups •Grace College business plan competition	•KEDCo Hub •Diverse meetup opportunities •Increase marketing/communication of existing events/groups (university, SEOs, etc.)
Talent	Talent Activation, Training, New Founders	•Grace College business plan competition •Grace College Fast Trac annual training •ISBDC South Bend/Kosciusko connections •Ivy Tech	•Develop intrapreneurs •Activate higher ed opportunities
	Recruitability	•Talent attracted, but difficult to retain	•GoL/GoP efforts
	Skilled Growth Employees	•Ivy Tech	•Identify & cultivate skills
Capital	Angel Investors, Angel Groups, Super Angels, Venture Capital	•VisionTech •AcceLINX •Heartland Ventures •M25 •Elevate NE Indiana (Includes Fortitude Fund)	•Get on the map with existing VC/Angels
	Accelerator Programs	•AcceLINX •Future opportunities via Electric Works	•Agribusiness accelerator
	Grants	•Fortitude Fund •Brightpoint Bright Launch	•Microgrant program (\$10-\$25k milestone based, ex: Spark in Ann Arbor)
Culture	Connectedness, Network Size, Viscosity	Unknown	•KEDCo Hub •Increase Fortitude Fund & Brightpoint activity in KC •Activate ISBDC South Bend & KC connection
	Leader Diversity, Inclusion, Quantity/Quality of Community Leaders	•Enclosed communities •Outsiders feel unwelcomed	•Intentional efforts to engage diverse resources and communities (women, minorities, immigrants, age, ability, etc.) •Increase activity with Intercession
	Community Storytelling	•Limited beyond legacy stories	•Storytelling campaign



PROPOSED INITIATIVES



The Hub



FOCUS AREAS: Culture, Supports, Density, Markets

KEDCo will create a physical space that will be a one-stop for entrepreneurship and small business in Kosciusko County (KC). This space will be a place where any stage entrepreneur (idea, early, revenue, growth, exit) can go to receive information, resources, connections, and support for whatever the need or next step is for their venture. This will be done through individual coaching and support, educational programming around business and innovation, access to partner organizations and local and regional entrepreneur support organizations (ESOs). The Hub will be revenue generating by providing coworking space including hot desks, offices, conference space, and will lease to mission-specific groups/businesses.

KEDCo County Economic Development Corporation	Warsaw Chamber Chamber of Commerce	Kosciusko Chamber Chamber of Commerce	Syracuse/Wawasee Chamber Chamber of Commerce
Northeast Indiana Innovation Center (NIIC) Regional Incubator	Women's Entrepreneur Opportunity Center (WEOC) SBA Affinity Incubator	Indiana Small Business Development Corporation (ISBDC) State Economic Development Corp	SCORE Mentorship and Education Support Organization
Fortitude Fund Microgranting and Mentorship Organization	Elevate Northeast Indiana State Venture Capital (matching up to \$150k)	Vision Tech Venture Capital	Heartland Ventures Venture Capital
Brightpoint SBA Microlender	Grace College Business School Annual pitch competition, Community business planning education	Ivy Tech Community College	AcceLINX Musculoskeletal Health Business Accelerator



Innovation Workshops

FOCUS AREAS: Culture, Human Capital, Talent, Institutional Support

Civic Hackathons – To bring community supports together and to foster innovation and entrepreneurship, KEDCo will host a series of civic hackathons. In these, a partner community or social organization will help distill an actionable problem in the community. Various content experts and entrepreneurs/innovators will work together for a few hours on a solution. The solution could be a program idea, tech solution, business concept, or beyond that addresses that issue in the community. The community/social organizations may then continue to work with that team on a solution. KEDCo can help with continued supports and connections to additional resources.

Industry Intrapreneur Innovation (i3) Workshops – Internal entrepreneurs (“intrapreneurs”) from existing businesses/industries will work in innovation workshops to develop new concepts, ideas, technologies, and solutions around industry pain points. Due to the highly regulated and intellectual property concerns of local industries, KEDCo will work with experts to create legal products for i3 Workshops that will protect industries and their team members during innovation workshops.

Meetups



FOCUS AREAS: Culture, Supports, Density

KEDCo will identify 2-3 entrepreneurs to work together to manage a series of entrepreneur and innovation focused meetups. Various meetups may be focused on specific industries, demographics, career- or business-stage, etc. KEDCo will sponsor and support the meetups, but they will be curated and lead by local entrepreneurs to ensure the topics and areas of focus are for founders.

Storytelling



FOCUS AREAS: Culture

KEDCo will embark on a storytelling campaign to push stories of entrepreneurs and innovation out to local, regional, and statewide media platforms. This will be done through digital and print media. This helps not only garner attention of the businesses and innovation that are currently stemming from our connected to KC, but it also spotlights the culture within the county, fosters a sense of community around entrepreneur/innovation and highlights the “pathway” to some who might otherwise feel like business ownership is unattainable.



Asset Map

FOCUS AREAS: Policy, Supports, Institutional Support

In Spring 2019, KEDCo completed work on an Entrepreneur Ecosystem Asset Map. This will look at existing structures and support around entrepreneurship from both the startup (high-growth) perspective and the scale-up (industry-agnostic, all stages) perspective. Upon presentation and publication of this report, the Entrepreneurship Committee through KEDCo will develop a Needs Assessment. Once needs for the ecosystem are identified, work will be done with existing local ESOs to determine which gaps can be filled, within the missions/resources of existing ESOs. Any needs that are unable to be met in collaboration with ESOs, will then be addressed via KEDCo.



Nutshell CRM

FOCUS AREAS: Supports, Markets, Institutional Support

Working with local and regional ESOs, KEDCo will begin capturing entrepreneurs being served in a CRM called Nutshell. This will allow to track the venture, its history, founder demographics, size, and revenue. It will also track the ESOs and other organizations (financial, realtor, government, etc.) working with a particular business/entrepreneur. This will give statistics on, not only number and growth of ventures, but also the amount of resources and supports needed to impact the businesses. All of this will, over time and through collaboration with other support organizations, create data to define the ecosystem, its strength, effectiveness, and areas of opportunity.

Navigator

FOCUS AREAS: Supports, Markets, Finance, Institutional Support, Capital

Create position responsible for being a 1:1 coach and resource-connector for Kosciusko entrepreneurs. This position will meet with entrepreneurs regularly and take request for assistance. They will have their finger on the pulse of all innovation and entrepreneur activities in KC, northern Indiana, and the state. They will be able to assist entrepreneurs on finding capital, spaces, partnerships, mentors, education, and accelerator programs and other ad hoc and ongoing needs.

Build KC

FOCUS AREAS: Culture, Human Capital, Institutional Support, Talent

KEDCo will work with Summit City Entrepreneur & Enterprise District (SEED) to bring their “Build” program to KC. This program is aimed at teaching foundational business skills to anyone in an idea- or early-stage venture. The program was created to transform communities through entrepreneurship and is industry- and business-agnostic. It can serve any early-stage entrepreneur but is specifically focused on growing women and minority entrepreneurship. KC will run their first Build program in 2019 and work with SEED to continue offerings in the county.



co.Starters

FOCUS AREAS: Culture, Human Capital, Talent

KEDCo will offer co.Starters programs aimed at general entrepreneurship and industry-specific targeted groups. These will run based on need with goals of one general cohort, one food and beverage focused cohort, one agribusiness cohort, and one ortho cohort. (Cohorts may be offered with surrounding counties/communities based on need.)



Revolving Loan Fund

FOCUS AREAS: Finance & Capital

Update revolving loan fund to better support a variety of entrepreneur at idea, early, and growth stages.

Redesign the KEDCo Revolving Loan Program to encourage the launch of high-growth potential businesses in Kosciusko County. This will include guidelines for RLF program to support pre-startup and early-stage companies with multiple loan opportunities based on client needs. KEDCo will apply to two USDA programs (listed below) for funding to expand the program.

USDA Programs:

Rural Development Business Grant (RDBG)

\$10,000 to \$500,000

Used for: Capitalization of revolving loan funds; Leadership and entrepreneur training; Rural business incubator

Rural Economic Development Loan & Grant Program

Up to \$300,000 in grants (20% match required)

Used for: Revolving Loan Fund



The more KEDCo can cultivate, serve, and steward our constituents, the stronger the area's economy becomes, especially with its ideas, talent, and capital.

As stated in the Strategic Launch



FINAL THOUGHTS

KEDCo announced a new Strategic Launch in April 2019 to redefine KEDCo's focus and strategy moving forward. As a proactive economic development corporation, KEDCo is planning for all economic situations – specifically for an economic downturn, where history shows us entrepreneurship increases. By having in place the structures, programs, and systems to support entrepreneurship, Kosciusko County will be ahead of peer communities that rest on recent economic strength.



Ladig Consulting, LLC is a consulting firm out of Fort Wayne, IN specializing in services in economic development, entrepreneur services, and nonprofit management. For more information visit, www.LadigConsulting.com.

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