
Prepared For



Prepared By: Economic and Business Engagement Center at Southeast Missouri State University

Crystal Jones, PCED - Director

Jakob Pallesen, MBA – Small Business & Technology Development Center - Director

Kelli Behrle, Project Coordinator

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Felicity Ray
Matt Winters
Camille Donnell
Keona Fergueson
Nikki Harp
Jamie Lansford
Andrew Murphy
Samantha Rodgers
Ilene Ward
Mike Watkins

Judy Allen
Brian Asberry
Matt Bedell
Donald Black
Jordon Collins
John Fuller
Tami Hale
Karla Jaques
Cindy Jenks
Vince Lampe
Dan Lauder
Joe Loyd
Matt Michel
Jeff Shawan
Alice Shelton
Tammy Thurman

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STATE UNIVERSITY · 1873**

Economic and Business Engagement Center

920 Broadway
Cape Girardeau, MO 63701

Executive Summary

Economic development has undergone dramatic changes in the past decade because communities are increasingly realizing that entrepreneurship is a vital component of their overall economic development strategy. Entrepreneurship encourages the start-up of businesses and the support of those new businesses as they emerge. Furthermore, it requires a change in the culture of the community by developing an attitude of “growing our own,” rather than relying on outside companies or government to stimulate the local economy.

Recent research (e.g., Macke, Markley, & Fulwider, 2014) indicates entrepreneurship development requires a systems approach at the regional level. A systems approach is based on the idea that successful entrepreneurial development requires a set of supports for the prospective entrepreneur including training and mentoring, business counseling, access to capital, and networks to share information and ideas. In this report, we use the term “entrepreneurial ecosystem” to describe this set of supports.

The Economic and Business Engagement Center at Southeast Missouri State University with the support of the Economic Development Administration, a unit of the United States Department of Commerce, has undertaken a project to encourage entrepreneurial development. The Engagement Center is conducting a series of regional entrepreneurship assessments to help rural communities identify specific actions they can take to improve their entrepreneurial ecosystems.

The main goal of this regional entrepreneurship assessment and strategy report is to identify and analyze key factors related to fostering a strong entrepreneurial ecosystem in the Ozark Foothills Regional Planning Commission (OFRPC) region. The research is developed around the Delta Regional Authority’s Small Business and Entrepreneurship Policy Framework (Stapleton, 2012). According to this framework, entrepreneurial ecosystems are driven by five factors:

- Developing a pipeline of educated and skilled entrepreneurs
- Cultivating innovation and technology exchange
- Improving access to capital
- Promoting awareness and building networks
- Optimizing the regulatory environment

An examination of the OFRPC entrepreneurial ecosystem was conducted in partnership with USDA Rural Development, Stronger Economies Together (SET) by gathering information from multiple sources, including secondary data, such as; the U.S. Bureau of the Census, and primary data such as; an online survey of 50 stakeholders, including economic developers, business owners, and public officials, a focus group with key stakeholders, and personal interviews with a diverse group of entrepreneurs from the region.

Findings At-A-Glance

The OFRPC area has many assets to facilitate entrepreneurship. There has been a surge of investment in physical spaces that facilitate entrepreneurship, including Smart Space of Poplar Bluff, Ozark Vitality, and Ozark Foothills Development Association’s business incubator expansion. Furthermore, the region has strong economic development organizations, such as

the Small Business and Technology Development Center at Southeast Missouri State University, the Poplar Bluff Greater Area Chamber of Commerce, and a diverse economy with a focus on forest and wood products, manufacturing and production; a vibrant health care industry and an emerging information technology sector.

The next step for the region is to take a bottom-up and human resource-oriented approach to improving its entrepreneurial ecosystem. Specifically, the region should invest in improved networks and training for entrepreneurs. Motoyama and Wiens (2015) from the Kauffman Foundation contend the dense connections among entrepreneurs and organizations that support them are crucial for success. Local connections are important because entrepreneurs in the same business environment are the best sources of specific information and knowledge for those starting new businesses.

More specifically, the following priority actions to improve connections, networks, and training are recommended:

- Establish an Entrepreneur's Organization led by an entrepreneur.
- Organize a series of events to engage entrepreneurs in learning from each other, such as One Million Cups and Startup Weekend.
- Examine how best to catalyze interactions and mentorship within the newly expanded and developed space of the Ozark Foothills Development Association's Business Incubator and Smart Space of Poplar Bluff.
- Utilize a service such as SourceLink (joinsourcelink.com) that serves as a virtual connection among entrepreneurs and support organizations.
- Establish youth entrepreneurship programs in the schools.
- Expand training and business counseling and coordinate among the service providers.

The following section will provide more detail about findings regarding the economy of the region, its entrepreneurial performance, and the assets and opportunities for each driver.

Economic Profile

First, the economy of the region was profiled . The main findings are:

- The OFRPC region is located in southern Missouri, with two of its counties bordering the State of Arkansas. Two major highways run through the region; Highway 60 running east and west, and Highway 67 running north and south. In addition to a strong highway system, the region benefits from rail transportation from Union Pacific with spurs located in Poplar Bluff's Industrial Park, and Amtrak passenger rail service with a depot located in Poplar Bluff.
- Butler County (with the city of Poplar Bluff) is by far the most populated county in the region. The region has been gaining population since 2000, likely due to the growth of the region's population center, the city of Poplar Bluff. While the region as a whole has experienced a decline in annual net internal migration, Butler County has seen an increase in population moving into the county, a positive sign for the region as a whole.
- The region is strong in the manufacturing, healthcare, forest and wood products and agriculture industries with a strong location quotient in those industries. However, the region's economy is diverse, with four of the top nine regional industry clusters involved in

some type of manufacturing, large education and civic organization clusters, and some specialized clusters in power generation and communications equipment.

- The region benefits from long-term manufacturing employers, such as Briggs & Stratton Corporation, Gates Corporation, Windsor Foods, and Vitronic, who have been a stable employment base for decades and located throughout the region, not just in the city of Poplar Bluff.
- While large companies are obviously important to the regional economy, small establishments create the most jobs in the region. In fact, nearly 77% of the jobs in the region come from establishments with fewer than 99 employees. This demonstrates the long-term benefits of supporting entrepreneurship and its importance to a rural Missouri economy, such as the OFRPC region.
- Stakeholders from the region, including economic developers, business people, entrepreneurs, and public officials prioritized the most important assets needed in the region to expand or continue support for entrepreneurs. Three of the four assets are related to accessing needed capital: 1) Local banks create risk loan pool; 2) Progressive locally-owned banks; 3) Fund for gap financing; and 4) Business-friendly local governments. While this does not suggest the region does not have progressive, locally-owned banks or business-friendly governments, it does identify the need to continue improving and expanding in these areas.

Assets of the Entrepreneurial Ecosystem in the OFRPC Region

- There is significant entrepreneurial talent in the OFRPC region, including serial entrepreneurs, established business owners, and aspiring entrepreneurs.
- There are a number of organizations that provide training and business counseling to entrepreneurs, including the Small Business and Technology Development Center at Southeast Missouri State University and the Greater Poplar Bluff Area Chamber of Commerce. Three Rivers College also partners with local organizations to offer learning opportunities related to business development.
- There is a focus on workforce training led by Three Rivers College and the South Central Workforce Investment Board.
- An emerging core of organizations are dedicated to innovation and technology, including the newly expanded Ozark Foothills Development Association's business incubator, Smart Space of Poplar Bluff, and Ozark Vitality.
- The downtown revitalization effort in Poplar Bluff has led to increasing interest in entrepreneurship in the downtown area. A local coffee shop, brewery, and several restaurants are emerging in the downtown area, important quality of life improvements for the city's residents.
- Banks are generally considered community-oriented and willing to finance small businesses and entrepreneurs. There are also wealthy individuals interested in investing in promising new enterprises.
- The region has strong economic development organizations, including the Greater Poplar Bluff Area Chamber of Commerce and Ozark Foothills Regional Planning Commission. Other communities in the region have support organizations such as the Ripley County, Ellington, Van Buren and Piedmont Chambers of Commerce, and Ozark Vitality, a non-profit organization located in Ripley County.
- Ozark Vitality has led the development of an emerging arts and cultural scene, focused in the Ozarks area of the region. Recently, this organization led a feasibility study that

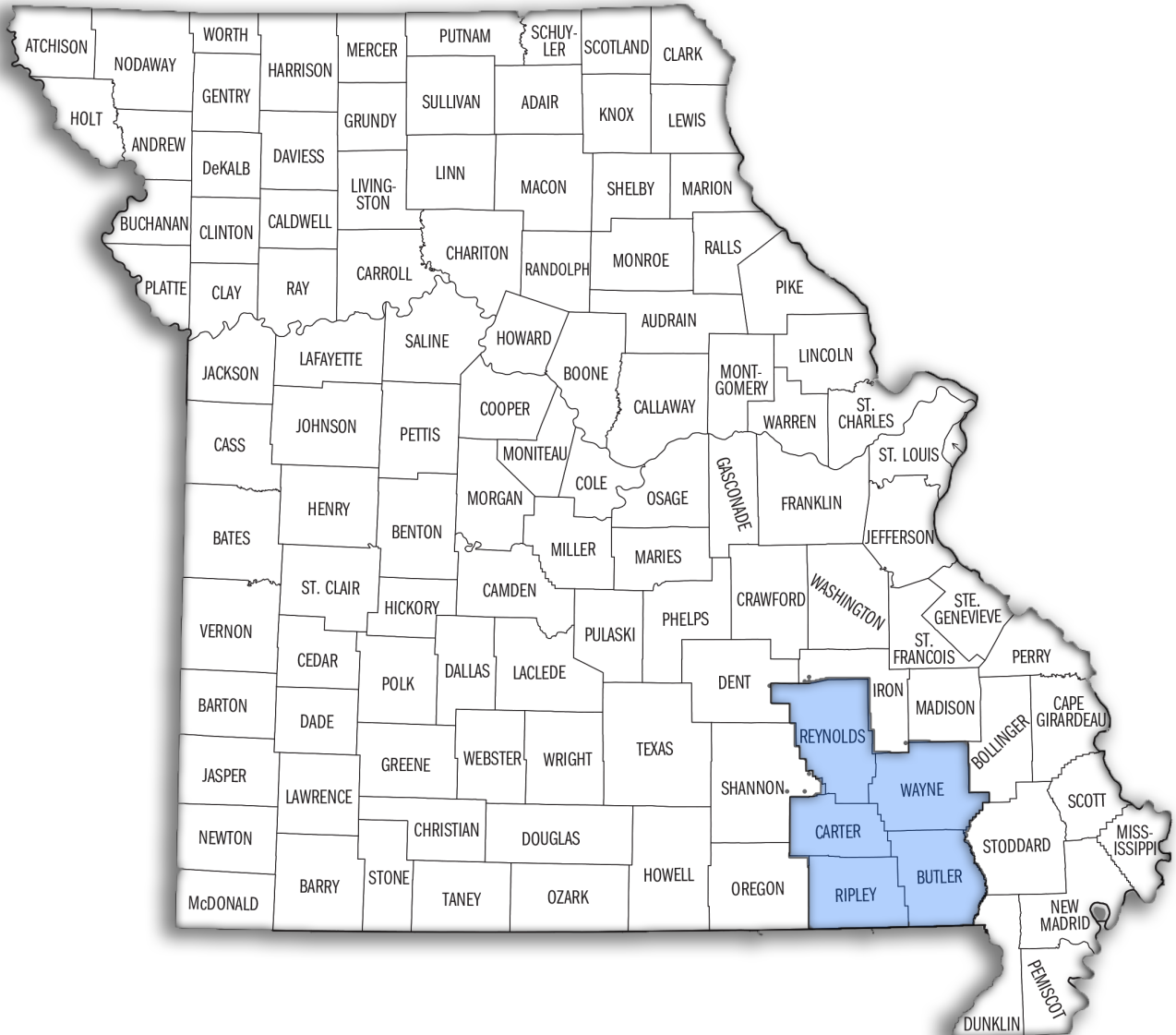
provided recommendations for growing and supporting an artisan entrepreneur cluster. While this project is in its infancy, the organization has brought significant focus to existing heritage art assets. Once this project is fully implemented, the region stands to benefit greatly from economic benefits such as increased tourism and sales of artisan products.

Opportunities for Improving the Entrepreneurial Ecosystem:

Here are the overall recommendations to improve the region's entrepreneurial ecosystem.

- Expand training and business counseling and coordinate among the service providers.
- Establish Youth Entrepreneurship programs in the schools.
- Expand the number and quality of IT professionals.
- Improve the broadband service through the region, particularly in more rural, remote areas.
- Increase opportunities for gap financing and microloans for startups.
- Develop a formal angel investor network.
- Establish an Entrepreneurs' Organization that is led by entrepreneurs themselves.

Regional Map



Part 1. Introduction & Overview

Economic development is a critical issue in Missouri. Many communities are seeking to improve their local economy by adding new jobs and increasing income. In the past, recruiting branch manufacturing plants or distribution centers from outside the community was the major economic development approach. The factories or warehouses brought jobs and good wages to residents. However, with changes in the global economy, recruitment alone is not sufficient to address the economic needs of most communities. One promising approach to economic development that complements recruitment is increasing business startups, or entrepreneurship. This can be done by improving the support system, such as training, business advising, access to capital, and networks that make it easier for entrepreneurs to succeed.

Analyzing the support system for entrepreneurs, also called the entrepreneurial ecosystem, is important for several reasons. Haltiwanger et al., 2013 states that, “For one, it has now become evident that young, small-growth firms are responsible for the vast majority of new jobs in the country.” Macke, Markley, and Fulwider, 2014 support that, “It is clear that the old economic development method of focusing solely on recruiting large firms is less likely to be effective in today’s economic environment. This is particularly true for rural economies.”

This study is focused on the geographical region of the Ozark Foothills Regional Planning Commission (OFRPC). The OFRPC region is comprised of five counties: Butler, Carter, Reynolds, Ripley, and Wayne in southeastern Missouri as shown in the map on page 8. This entrepreneurial assessment has two objectives:

- The first objective of this report is to provide a better understanding of the entrepreneurial ecosystem in the OFRPC region. This is achieved through a process of extensive information-gathering both from secondary data sources such as the U.S. Census Bureau, and from knowledgeable people within the region, such as entrepreneurs, bankers, and economic development professionals who have direct experience with the ecosystem.
- The second objective is to develop actionable recommendations based on the findings from the first objective. These recommendations will help guide the region’s efforts towards fostering long-term economic and entrepreneurial development initiatives. The report has five parts.

Part 1. Introduction and Overview, provides an overview of the report, including a description of methodology and a presentation of the five drivers of entrepreneurship which is the organizing basis for the assessment.

Part 2. Economic Profile of the Region. The demographic and economic conditions within the region are examined. What opportunities does the region offer for prospective and current entrepreneurs?

Part 3. Examining the Five Drivers of Entrepreneurship in the Region. In this crucial section, each driver is analyzed for its strengths and weaknesses in the region. For example, the analysis of the driver “Developing a Pipeline of Educated and Skilled Entrepreneurs” considers the need and availability of training programs to help entrepreneurs learn new skills so that they can be more competitive.

- Part 4. Summary and Recommendations.** The fourth section summarizes findings from the analysis and makes recommendations for improving the entrepreneurial ecosystem of the region.
- Part 5. Appendices.** The final section provides detailed data, sources, and cluster explanations for those who want to explore the data in more depth.

Methodology

This study uses both quantitative and qualitative information to assess the entrepreneurial ecosystem. The quantitative data includes times series data originating from Dun and Bradstreet records to better understand the sources of jobs in the region and how they change over time. Other data utilized include U.S. Government, especially Census data, to get a sense of the socio-economic situation in the region. Data from the Harvard Cluster project provides us to get a deep look at the industries that power the regional economy. For detailed explanations of each data source, see Appendix 1. Data trends are compared to a Missouri average and a “rural Missouri” average to provide a comparative view of the region’s position (see Appendix for details on the definition of “rural Missouri”).

However, stakeholders and most importantly entrepreneurs in the region have significant knowledge and direct experience with the ecosystem. So the analysis uses several approaches to gather qualitative information from key stakeholders including:

- Focus group consisting of staff from the OFRPC, city and county public officials, entrepreneurs, and economic developers
- Online survey of stakeholders in the region gathering their impressions of economic and entrepreneurial development. The results of the survey are reported at the end of Part 2.
- Personal interviews of selected entrepreneurs to learn their stories of growing a business in the region, challenges they face, and suggestions for improving the entrepreneurial ecosystem.

A caveat is in order. Every effort was made to ensure an accurate interpretation of the information gathered. However, a scientific sampling approach was not used and therefore there is no guarantee that the comments received from stakeholders are representative of all stakeholders within the region. Furthermore, it is possible that some comments from stakeholders were misconstrued. However, the interviewers relied on repeated confirmation of a comment or suggestion by multiple parties to ensure that the idea was widely held among stakeholders.

Policy Framework

The Small Business and Entrepreneurship Policy Framework (Stapleton, 2012) is a strategic development tool created by the Delta Regional Authority as a roadmap for creating and fostering entrepreneurial ecosystems in local communities. The five key drivers of the framework are; (1) Developing a Pipeline of Educated and Skilled Entrepreneurs; (2) Cultivating Innovation and Technology Exchange; (3) Improving Access to Capital; (4) Promoting Awareness and Building Networks; and (5) Optimizing the Regulatory Environment.

Using the framework as a strategic roadmap helps to keep the focus on relevant issues facing today's entrepreneurial ecosystems. The long-term goals are to help spur job growth through entrepreneurial activity, foster an innovative business environment, and create long-term regional competitive strengths. Each component of the framework provides insight into what is currently happening in the region as well as ideas for new initiatives that could help foster the entrepreneurial ecosystem.

Developing a Pipeline of Educated and Skilled Entrepreneurs

A high level focus on education and training for potential and existing entrepreneurs has been a proven way to advance the entrepreneurial ecosystem. The educational component should exist on all levels of formal and informal education from the elementary school classroom to college majors and minors, and from publicly available support programs to local networking groups. Providing resources for individuals to learn and apply the knowledge and skills necessary to succeed as an entrepreneur is a key component of creating an entrepreneurial ecosystem that can create new jobs, attract new industries, and spur economic growth.

Cultivating Innovation and Technology Exchange

To help foster an innovative economy a region must understand and invest in technological advances and opportunities. This can happen through collaboration among educational institutions, companies, public policy makers, and entrepreneurs. This exchange of new knowledge and ideas is a key factor in creating the optimal circumstances for economic growth among small- and medium-sized establishments. The entrepreneurial ecosystem benefits in many ways from a high level of technology exchange and innovation, among which is the ability to attract and grow new competitive industries that will meet future market demands.

Improving Access to Capital

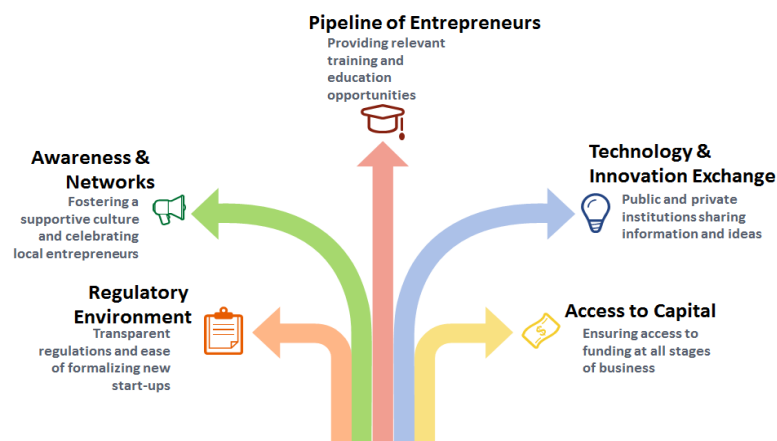
A region's ability to provide the needed funding for new ventures as well as growing companies is essential to a healthy entrepreneurial ecosystem. Access to traditional bank financing is just one way to help entrepreneurs develop and grow. Attracting investors, whether they are angel investors, venture capitalists, or larger companies looking for new ideas, is also an important factor in ensuring the right type of funding can be accessed by entrepreneurs. Additionally, rural regions can benefit greatly from establishing gap financing tools such as revolving loan funds, intermediary lending programs, micro-loans, etc.

Promoting Awareness and Building Networks

Promoting an entrepreneurial culture where entrepreneurs are valued and the community is willing to support local establishments is another key aspect of a successful entrepreneurial ecosystem. This may be achieved through developing local networking opportunities, creating mentorship programs, informing the public about the social and economic impact of entrepreneurship, and engaging entrepreneurs to address the region's greatest opportunities.

Optimizing the Regulatory Environment

Helping entrepreneurs navigate and succeed within legal boundaries is the final key driver of a strong entrepreneurial ecosystem. This means that entrepreneurs should have easy access to information and help with understanding regulations and policies that affect their businesses. It also means that public officials should investigate the potential barriers that exist for entrepreneurs to thrive. A dialogue must be cultivated where both entrepreneurs and policy makers can meet and understand each other's needs and wants.



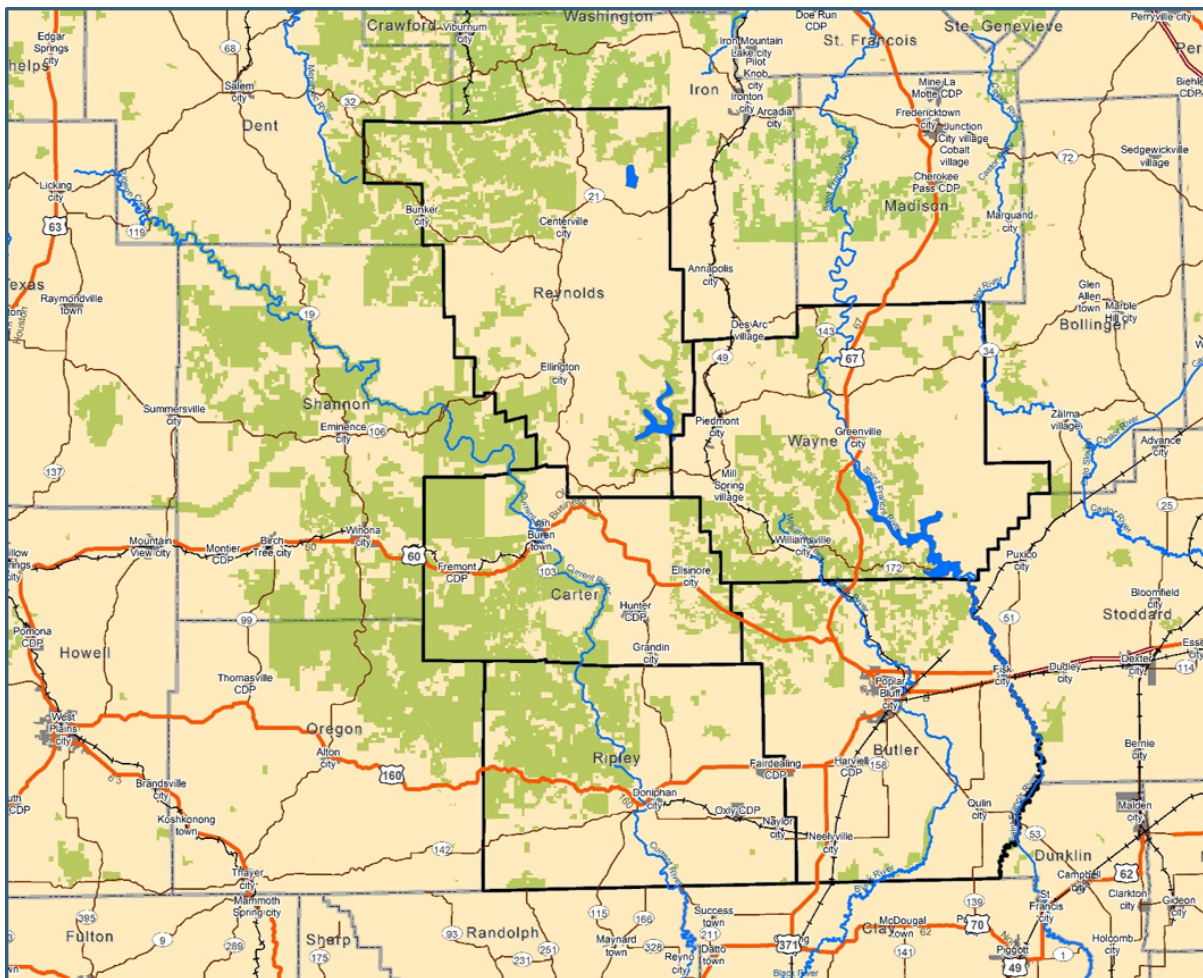
Source: Transforming Community Economies, Dr. James Stapleton (2012)

Part 2. Economic Profile of the Region

The OFRPC region consists of five counties—Butler, Carter, Wayne, Reynolds and Ripley located in the southeast corner of Missouri. The county of Butler comprises the Poplar Bluff Missouri Micropolitan Statistical Area with a total population of approximately 85,649 residents. However, the OFRPC region as a whole would be described rural as many areas of the region, particularly outside of Poplar Bluff, are sparsely populated and remote.

Location Overview

The OFRPC region has an advantageous location in that it is central to many major cities, including Springfield, Jonesboro, St. Louis, and Memphis, and the region is less than two hours from four states. The region contains two major highways, 60 and 67, and is a major retail, employment, and healthcare hub in the city of Poplar Bluff. Highway 67 is an important north-south corridor running through the region. Highway 60 runs east to west through Poplar Bluff into Springfield, Missouri to the west and connects to Interstate 57 to the east. Interstate 57 runs north into Chicago, Illinois, giving the region significant transportation advantages.



Transportation Connections

Poplar Bluff is the region's transportation hub, with a major Union Pacific rail hub, an Amtrak passenger train depot, an airport in 4 of the region's 5 counties, and major 4-lane highways including Highway 60 running east and west and Highway 67 running north and south. In 2016, U.S. Senator John Boozman from Arkansas introduced legislation that would extend Interstate 57 from Sikeston, MO to Little Rock, AR, passing through the OFRPC region. The economic development potential for this project could be historic for the region and will further establish the Poplar Bluff area as a regional transportation hub.

Poplar Bluff alone is home to more than 20 local trucking firms, including Gregory Logistics, Inc. which is headquartered in Poplar Bluff and serves all lower 48 states. The region is within an hour and a half drive to three Mississippi River ports, Pemiscot County Port, New Madrid County Port, and the Southeast Missouri Regional Port. In addition, the region is also well-served by railroads with major carriers including Union Pacific (UP). UP has a diversified commodity mix, including chemicals, coal, food and food products, forest products, grain and grain products, intermodal, metals and minerals, and automobiles and parts. Union Pacific Railroad serves the metropolitan areas of Kansas City, Jefferson City, St. Louis, Cape Girardeau, and Poplar Bluff. UP offers Total System Mileage of 32,000 covering 23 States in the western two-thirds of the U.S.

Poplar Bluff, Doniphan, Piedmont, and Van Buren all operate municipal airports, providing the region with services including cargo, corporate, military, agriculture, and general aviation. Poplar Bluff just completed a new hangar project at their airport, adding two, 4,200 square foot hangars with heat and restrooms. The Poplar Bluff airport averages 46 flights per day (airnav.com), and approximately 15,000 operations annually with a 5,000 foot runway. A goal of adding passenger service to the Poplar Bluff airport is in the city's plan, and would be a big economic development boost should that goal be achieved.

With its central location, effective truck and rail service and convenient regional airport, it is not surprising that the OFRPC region has emerged as a manufacturing and transportation center.

Quality of Life

The OFRPC region affords a high quality of life for its residents. The five-county area has many tourist destinations available, with opportunities to take in all of the natural beauty the area has to offer. The Current, St. Francis, and Black Rivers run through all five of the region's counties, and two large lakes, Clearwater Lake in Wayne County and Lake Wappapello that straddles both Wayne and Butler Counties, all offer tubing, canoeing, boating, hiking, fishing, and camping activities for tourists to enjoy. Five of the Missouri state parks in the OFRPC region alone reported 2,188,820 visitors in 2017. While great for the local economy, the natural resources available to the region's residents make the Ozark Foothills an attractive place to live, work, and raise a family.

In addition to the natural resources available, there is an established arts scene in the region with several organizations dedicated to preserving, educating, and connecting residents to arts and culture and enhancing the regional economy. Ozark Vitality is one such organization that was founded in 2016 as a 501(c)3 non-profit organization focused on creative placemaking. Their mission is to use art, culture, and creativity to spur economic growth in the eastern Ozarks of Missouri and Arkansas. Another local organization, the Margaret Harwell Art Museum in Poplar Bluff, provides art classes, exhibits, and a gallery. Operated by the city of Poplar Bluff, the museum opened in 1980 and has been overseen by a community advisory board since 1978.

Furthermore, residents who prefer a small-town, rural lifestyle can find it in many places within the OFRPC region while still having the opportunity to live close to a micropolitan area that provides many cultural and economic amenities. Larger cities, such as Cape Girardeau, MO and Jonesboro, AR, are within an hour and a half drive, yet residents can also enjoy the charm, safety, friendliness, and lower living cost of being in a small town. Metropolitan cities, such as St. Louis and Memphis, are only two and half hours from the region, affording more opportunities for residents to plan a day trip to larger areas and amenities only available in the metros.

2017 Flood

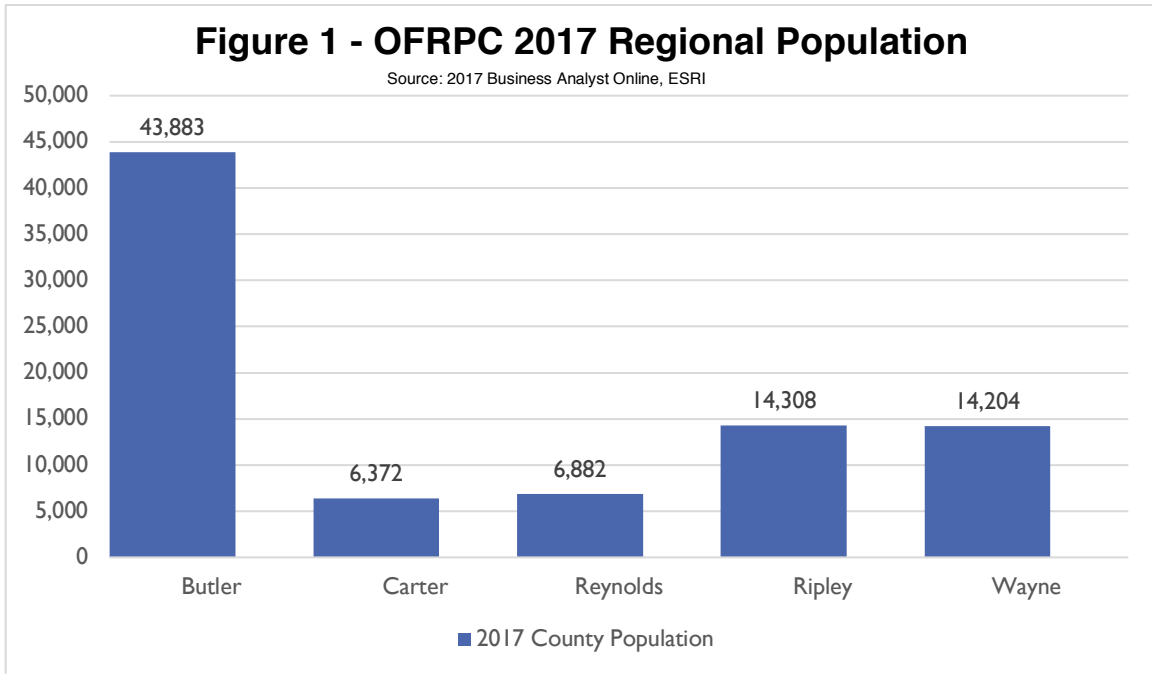
Although the region's rivers are a source of tourism, recreation, and enhanced quality of life opportunities for residents, they also can be challenging to the regional economy. In May 2017, a catastrophic flood impacted the region. The disaster, described as historic, was the most devastating flood ever recorded. The Current River rose over 30 feet in a span of 30 hours, and crested at 37.2 feet in the hardest hit area of the region, surpassing the previous record set in March 1904 of 29 feet.

Overall, the disaster caused an estimated \$15 million in damages with 70 businesses, approximately 250 homes, and all county offices in Carter County and many in Ripley County affected. In addition, nearly 50 water rescues were performed, all evidence of the disaster's impact. This does not even include the region's roads, bridges, levees, telecommunication networks including broadband, and other infrastructure that sustained damages and undoubtedly slowed the regional economy.

Recovery from the disaster is ongoing, but has been aided by many volunteers, cooperation of local organizations, and expertise from groups experienced in dealing with natural disasters including state and federal government offices. Organizations such as OFRPC, Ripley County Caring Communities, the local chambers of commerce, Ozark Vitality, and many others too numerous to mention were very effective in linking people who needed help with volunteers and other organizations to provide much needed assistance. Currently, two long-term recovery committees in Carter and Ripley Counties are continuing to provide long term support and identify unmet needs in these disaster-affected counties.

Demographic Profile

The demographic profile is an important element in the opportunities that are available to entrepreneurs. Often a business appeals to a certain sector of the population (for example, highly educated females with significant disposable income). The demographic profile provides an initial look into the types of businesses that are likely to be successful in the region.



As the above table indicates, Butler County with the city of Poplar Bluff has the largest population in the region with nearly three times as many people as the second-ranking county of Ripley. **Butler County** population has steadily increased since 2000 as shown in Figure 1. All other counties have also experienced a population increase. **Ripley County** has experienced a nearly 6% population increase since 2000. Doniphan in Ripley County is the second largest city in the region with 1,991 residents (2016). The population of **Wayne County** is just over 14,000 residents. Since 2000 the county has gained nearly 1,000 residents, with a population increase of 7.1%. The largest city in Wayne County is Piedmont with approximately 1,938 residents (2016). **Carter County** has the smallest population in the region with approximately 6,372 residents. Carter County has also experienced an increase in population since 2000, gaining about 7.2%. The county’s largest city is Van Buren with more than 800 residents. Finally, Reynolds County’s population is 6,882, and the largest city is Ellington with approximately 962 residents (2016).

New Residents Moving Into The Region

It is encouraging that the region is gaining population. However, Table 1 examines the number of people moving in and out of the region, as shown in the column labeled “Average Annual Net Internal Migration Rate.” The only county with positive net internal migration is Butler with a rate of 9.3%. Reynolds and Wayne Counties are the counties to watch with nearly 40% and 26%, respectively, negative net internal migration. This data suggests residents are leaving those counties, perhaps some moving into neighboring Butler County for job opportunities.

Table 1- OFRPC Population Trends

Source: U.S. Census Bureau, 2000, Business Analyst Online, ESRI, 2017, and statsamerica, 2000-2016

	2000	2017	Change	Percent Change	Average Annual Net Internal Migration Rate (per 10,000 residents)
OFRPC Region	80,265	85,649	5,384	6.7%	-3.8
Butler County	40,867	43,883	3,016	7.4%	9.3
Carter County	5,941	6,372	431	7.2%	-5.8
Reynolds County	6,689	6,882	193	7.2%	-39.8
Ripley County	13,509	14,308	799	5.9%	-4.4
Wayne County	13,259	14,204	945	7.1%	-25.8
Rural Missouri	1,478,083	1,578,079	99,996	6.8%	2.5
Missouri	5,595,211	6,191,231	596,020	10%	1.8

Table 2 provides the age distribution of the population in 2017. The OFRPC region has only a slightly less share of young adults (age 25 to 44) than rural Missouri as a whole, but is really keeping up with the rural Missouri average pretty well. This should be viewed as positive as the loss of young adults is a major concern for many rural Missouri communities. Yet, the OFRPC region is able to retain young adults. This has many positive ramifications for the region including the fact that there are more children in the school system. In fact, the OFRPC region has a percentage of children (age 0 to 14) that is only very slightly less than the average of rural Missouri. The region has a larger share of older adults (55 plus) than the both the rural Missouri and State of Missouri averages. Many communities in the region appeal to retirees, both from the small town quality of life aspect and natural resource opportunities. This could be an opportunity for entrepreneurs in the region to capitalize on the larger share of older adults with amenities and services that appeal to this market.

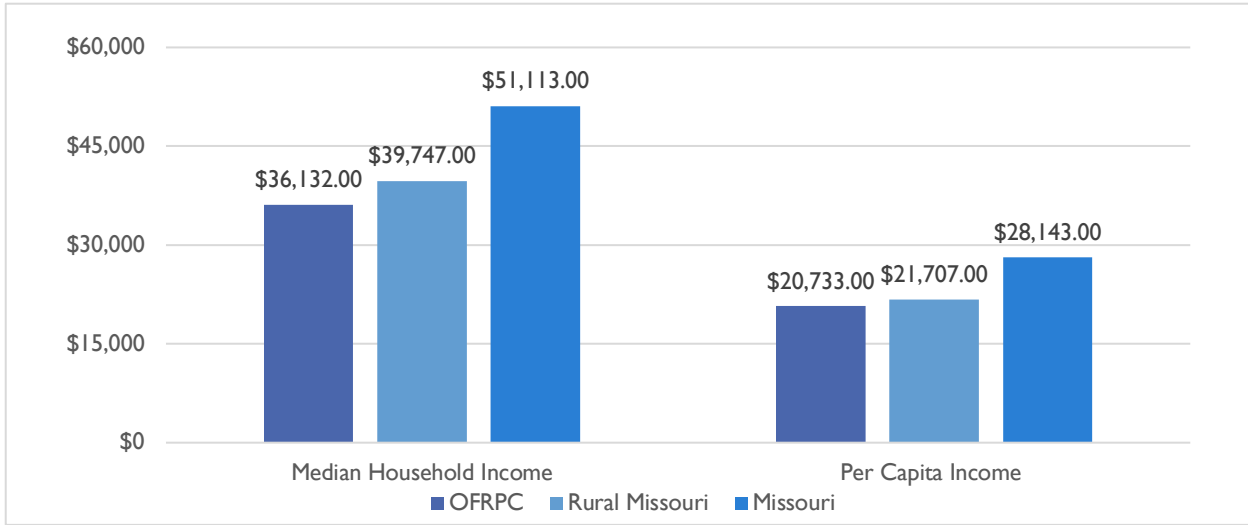
Table 2 - OFRPC Age Distribution of the Population

Source: Business Analyst Online, ESRI, 2017

	0 to 14	15 to 24	25 to 34	35 to 44	45 to 54	55 to 64	65+
OFRPC Region	17.6%	11.1%	11.5%	11.3%	12.9%	14.6%	21.0%
Rural Missouri	17.9%	13.0%	12.1%	11.1%	12.5%	13.9%	19.5%
Missouri	18.5%	13.2%	13.4%	12.1%	12.9%	13.4%	16.5%

Figure 2 - OFRPC Economic Perspective

Source: Business Analyst Online, ESRI



Income

Income is often used as a measure of the well-being of a region. The OFRPC region is lagging behind both rural Missouri and Missouri as a whole in this area. While a lower cost of living in the region when compared to St. Louis or Kansas City accounts for a portion of the difference in household incomes, the region should explore ways to increase average wages for the workforce through opportunities such as high-tech job growth. In order to accomplish the goal of increasing wages through tech jobs, there must be a focus on expanding training opportunities within the region to increase digital technology skills.

Education

Educational levels vary widely within the region, with the highest level found in Butler County and the lowest level in Reynolds County. Overall, the region exceeds the rural Missouri average in some college or associate degrees (29.5%), and is keeping pace with the Missouri average likely due to the location of Three Rivers College in the region. Bachelor's and master's degrees trail behind the Missouri averages although there are bachelor's and advanced degree options in the region through partnerships with Southeast Missouri State University, Central Methodist University, Hannibal-Lagrange University, and William Woods University. As with income levels, the region trails the rural and overall Missouri averages; however, Butler County is very close to the rural Missouri average in master's degrees (6.0% compared with 6.2%).

Table 3 - OFRPC Educational Attainment, percentage of persons age 25+

Source: ESRI 2016

	High school or GED	Some college or associate degree	Bachelor's degree	Master's or professional degree
OFRPC Region	37.1%	29.5%	8.3%	5.0%
Butler County	36.3%	30.5%	9.4%	6.0%
Carter County	31.1%	36.2%	7.6%	4.4%
Reynolds County	44.1%	24.8%	6.0%	2.6%
Ripley County	39.1%	27.6%	6.6%	5.1%
Wayne County	36.6%	28.2%	8.1%	3.3%
Rural Missouri	39.1%	28.5%	10.6%	6.2%
Missouri	30.7%	30.1%	17.4%	10.8%

Unemployment

Unemployment in the OFRPC region is comparable to the state average as indicated in Table 4. This reflects the strength of the local economy and is consistent with comments from stakeholders that there are jobs going unfilled in the region because of the lack of qualified workforce. The strong labor demand is certainly a positive for the region. Overall, fourth quarter average unemployment rates are significantly higher in Carter County than in the rest of the region. This is likely due to the historic 2017 flood that ravaged Carter County and from which the community has not yet recovered. Over 70 businesses were destroyed by floods with an estimated 200 jobs affected.

Table 4 - OFRPC Unemployment Rates

Source: Bureau of Labor Statistics

	Unemp. Rate Dec. 2015	Unemp. Rate Dec. 2016	Unemp. Rate Dec.2017	Ave. unemp. Rate, Oct-Dec. 2017
OFRPC	5.8%	5.5%	4.6%	3.4%
Butler County	5.3%	4.8%	4.2%	3.6%
Carter County	6.1%	5.6%	5.7%	4.8%
Reynolds County	6.0%	5.9%	3.7%	3.2%
Ripley County	6.7%	6.3%	4.9%	4.2%
Wayne County	5.1%	5.0%	4.7%	4.0%
Missouri	4.0%	3.9%	3.4%	3.0%

Dominant Industries in the OFRPC Region

Location quotients are a measure of the concentration of particular industries within the region. A location quotient greater than one indicates that the region has a higher concentration of that industry, such as manufacturing, than the nation as a whole. Table 5 highlights those industries in the OFRPC region with location quotients greater than one.

The results show that agriculture and forestry is important to the region with a location quotient of 2.18. The next strongest sectors are in health care, manufacturing and utilities. This supports earlier findings that the central geographical location of the region and its extensive transportation network are favorable for manufacturing and the logistics that inherently accompany this industry.

A large retail trade sector has emerged in the city of Poplar Bluff. Although the location quotient for this industry is not as high as those for agriculture, manufacturing and utilities, it has been growing over time. Retail trade is indicative of a strong regional hub in the city of Poplar Bluff. While strong retail drives economic activity to the city, the average annual wage earned by retail employees drive down median household incomes. An effort should be made to recruit high wage jobs to the region, along with amenities young adults enjoy like retail and restaurants. Finally, health care has become a large part of the regional economy with the top employer in the region being a health care company.

Table 5 - OFRPC Important Regional Industries	
Industry	Location Quotient
Agriculture, Forestry, Fishing and Hunting	2.18
Health Care and Social Assistance	1.55
Manufacturing	1.48
Utilities	1.38
Government	1.21
Retail Trade	1.20
Mining, Quarrying, and Oil and Gas Extraction	1.04

Industry Clusters

Industry clusters are groupings of firms in a particular industry that benefit from being close to one another. For example, companies in Silicon Valley benefit from having a labor pool of software engineers and tech entrepreneurs. This gives those tech companies a competitive advantage compared with tech firms from other regions. More explanation about clusters are provided in Part 3, under the “Cultivating Innovation and Technology Exchange” driver.

The data in Table 6 provides an overview of potential cluster industries rated by score. The score compares relative performance of the clusters to each other. Clusters ranked higher than 29 are above average for the region, while clusters ranked lower than 29 are below average. Top clusters must have a score of at least 41, while bottom clusters must have a score of 17 or less. These thresholds are determined by applying the average deviation (plus or minus 12) to the average cluster score 29.

Industry cluster performance score is ranked by using five key performance metrics and “weighting” each according to importance:

- Earnings (“important”) – how important is it that industries have high earnings per worker?
- Growth (“very important”) – How important is it that industries have high overall job growth?
- Regional Competitiveness (“very important”) – How important is it that regional job growth exceeds the national average job growth for an industry?
- Regional Specialization (“very important”) – How important is it that regional job concentration is higher than the national average job?
- GRP (“not important”) – How important is it that industries make a high contribution to overall gross regional product?

Manufacturing shows its strength as four of the nine clusters are manufacturers, including two of the top three. Chemical products have the highest score, followed by vulcanized and fired materials. However, the industries with the most jobs in the region include local community and civic organizations with more

than 2,700 jobs and local education with more than 2,200 jobs. The importance of the manufacturing industry is underscored by its more than 600 jobs in the top nine clusters.

The industries shown below indicate that OFRPC has a well-diversified economy with strong manufacturing and distribution industries, but also strong education, government, and even an emerging information technology sector with the communication equipment and services industry. This provides a strong foundation for future economic and entrepreneurial development. For example, a solid foundation of educational services is an important component of fostering a strong entrepreneurial ecosystem.

Table 6 - OFRPC Top Nine Regional Industry Clusters		
<small>Source: EMSI</small>		
Industry	Jobs	Score
Upstream Chemical Products – Manufacturing	94	89
Local Community and Civic Organizations	2,782	77
Vulcanized and Fired Materials – Manufacturing	348	58
Electric Power Generation and Transmission	77	53
Downstream Metal Products	246	50
Nonmetal Mining	68	49
Federal Government Services	1,259	43
Local Education and Training	2,260	40
Communications Equipment and Services	26	36

The major employers in the region reinforce the notion of health care as a major economic force in the region. In addition to hospitals and clinics, a leading employer is Briggs and Stratton Corporation, which is a strong manufacturing employer in the region. Briggs and Stratton manufactures lawn and garden motors and has been located in Poplar Bluff for nearly 30 years.

Table 7 - OFRPC Major Employers		
<small>Source: 2017 Greater Poplar Bluff Area Chamber of Commerce</small>		
Business Name	Number of Employees	City
Poplar Bluff Regional Medical Center	1,300	Poplar Bluff
Briggs & Stratton Corporation	1,050	Poplar Bluff
Poplar Bluff Schools	720	Poplar Bluff
V.A. Medical Center	580	Poplar Bluff
Gates Corporation	550	Poplar Bluff
Windsor Foods	220	Piedmont
Vitronic	200	Doniphan

Gates Corporation, located in Poplar Bluff is a leading manufacturer of rubber automotive hoses. Windsor Foods and Vitronic are important employers in the region’s smaller communities of Piedmont and Doniphan.

Small Firms Lead Growth

In spite of the presence of several large companies in the region that employ more than 500 employees, it is important to observe that most jobs in the region are created by small establishments, especially

those with 10-99 employees. In fact, establishments with 99 or fewer employees created more than 76% of the jobs in the region.

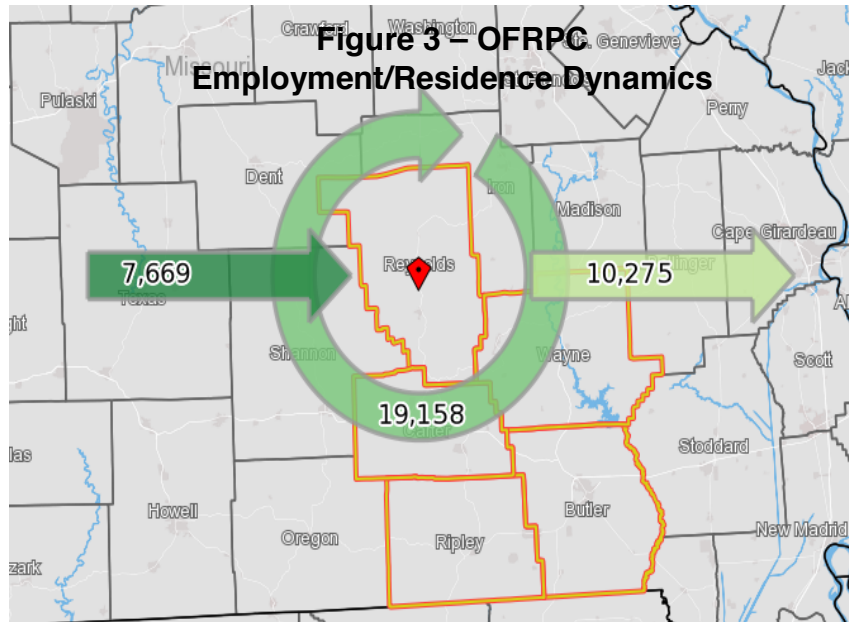
This is important as it demonstrates the importance of small establishments to the economic growth of the region. Entrepreneurship in the form of start-ups and innovation and expansion of existing small businesses is at the heart of a dynamic economy for the OFRPC region.

Table 8 - OFRPC Job Trends				
<small>Source: youreconomy.org, National Establishment Time Series 2006-2016</small>				
Establishment Size	2006	2016	2006-2016 Change	2006-2016 % Change
Total	35,809	40,856	5,047	14.1%
Self-employed	771	813	42	5.4%
2 to 9	9,236	12,062	3,366	30.6%
10 to 99	16,262	19,234	2,972	18.3%
100 to 499	5,840	4,812	-1,028	-17.6%
500+	3,700	3,935	235	6.4%

Commuting Patterns

It is not uncommon for people to live in one county or region and work in another (i.e. commuters). Analyzing the dynamics for how people behave in terms of residence and place of work can help identify if a region is attractive to live in, work in, or both. The data in Figure 3 breaks where down people live and work into three categories. The first is the number of people who work in the region, but live in a region located outside of the OFRPC region. The second is the number of individuals who live in the region, but are employed outside of the region. The third is the number of people who live and work in the same region.

The figure shows that more than 19,000 people live and work within the OFRPC region. They may commute from one county to another within the region, but do not leave the region for work. More than 7,600 people who live outside the region commute into the region for work. This is indicated by the incoming arrow on the diagram, although the arrow does not indicate the direction that in-commuters travel or their origin. Approximately 10,000 residents of the region commute outside the region for work. There is more workers commuting out of the region to work versus commuting in for work. The OFRPC region loses more out-commuters than it attracts in-commuters.



Source: U.S. Census Bureau

Stakeholders' Perspectives on the Regional Economy

In addition to quantitative data, it is also important to consider the perspective of stakeholders in the region, including public officials, economic developers, business owners, community leaders, and entrepreneurs. Although some elements of the regional economy can be expressed quantitatively (such as the increase in population), other elements, although not easily put into numbers, are very important for the economic growth of the region. Examples of the latter include the attitude of residents toward entrepreneurs and the support available to entrepreneurs starting a business.

In order to gather information from stakeholders, an online survey was administered to selected regional leaders with knowledge of the economy including an effort to obtain a geographical distribution throughout the region. The questions asked stakeholders to rate the region's performance in terms of educational institutions, businesses, and local government. Suggestions for improving the economy and entrepreneurial climate were also sought from stakeholders. The questionnaire, a complete list of responses, and other information about the survey is available in Appendix 2. The findings from that survey are presented throughout the report. In this section, we focus on what the stakeholders identify as the most important regional issues.

Stakeholders were asked an open-ended question to identify "the most important regional issue to improve the business climate." Answers were classified into the categories shown in the table below. Respondents were separated into two groups: 1) those who currently own a business, and 2) those who do not currently own a business.

The most frequently cited issue, especially among business owners, was the need for broadband particularly in the counties outside of Poplar Bluff. Sample comments include:

- "Infrastructure upgrades, especially high speed broadband to reach larger markets."

- “We have little to no access to broadband outside of Butler County. This hinders our businesses’ ability to market their goods and services outside of the region and even within the district. Greater access would allow businesses to reach out to more consumers and would then lead to greater prosperity and more opportunity.”

The second most frequent response related to business training and education. Sample comments included:

- “Education on how to start a business; knowing what licenses and other required filings are needed before opening the doors. A strategic business plan is also a needed document to ensure success.”
- “Access to assistance and education-based programs for typical business needs behind the scenes (business plan, accounting, insurance).”

Next, there was considerable interest in an improved workforce to attract new businesses. Sample comments included:

- “Education of individuals to be employable upon graduation. Many lack skills that employers require to hire them.”
- “Availability of persons with computer networking and IT web experience.”

Table 9 - OFRPC Region’s Current Performance	
<small>Source: Community Survey</small>	
	Weighted Average
The level of taxation on small businesses	2.21
State and local governmental regulations that support small businesses	2.00
The effectiveness of regional programs to train entrepreneurs	1.87
The effectiveness of regional programs to government-sponsored growth incentives (tax breaks, seed funding, etc.)	1.82
The effectiveness of regional programs to help start-up businesses	1.68

Table 9 identifies the OFRPC region’s current performance on each factor that show regional support for small businesses. Respondents were asked to rate each statement on a scale of 1 – 4, with 1 being Poor and 4 being Excellent. A majority of respondents indicate the level of taxation and state and local governmental regulations on small businesses are fair to good. The remaining performance factors received an average rating of poor to fair. These responses conclude there is work to be done in all of these areas in the region. While this survey doesn’t suggest local governments don’t support small businesses, this is merely the perceptions of the respondents to this survey.

Summary – Economic Profile of The Region

The OFRPC region has an advantageous location since it is central to major cities such as Springfield, St. Louis, Memphis, Jonesboro, and Cape Girardeau.

Poplar Bluff is the region's transportation hub with a major Union Pacific rail hub, an Amtrak passenger train depot, an airport in 4 of the region's 5 counties, and major 4-lane highways including Highway 60 running east and west and Highway 67 running north and south.

Butler County (with the city of Poplar Bluff) is by far the most populated county in the region. The OFRPC region has been gaining population since 2000. Perhaps most encouraging, there has been net migration into Butler County since 2000.

In terms of income and education, the OFRPC region exceeds the levels of the rural Missouri average in some college or associate degrees, but lags the state in advanced degrees. Per capita income lag slightly behind the rural Missouri average; however, residents enjoy a lower cost of living than other regions of Missouri, making up for some of the disparity.

The region is rich in the manufacturing, agriculture, forest and wood products, and healthcare with a heavy location quotient in those industries. Six of the seven top employers in the region are within the manufacturing and healthcare industries.

While the region has low unemployment and strong industry sectors, more people out-commute for work than in-commute. Out-commuters are likely finding higher wage employment outside of the region.

Large companies, such as Briggs and Stratton, are obviously important to the regional economy. However, 76% of jobs in the region are from firms with fewer than 99 employees, highlighting the importance of small business and entrepreneurship support. Stakeholder perceptions indicate the region could do more to provide support start up businesses. With the number of jobs provided by small establishments, certainly the region should consider how to leverage additional support in this employment category.

Stakeholders from the region, such as economic developers, business people, entrepreneurs, and public officials, provided suggestions on what would bolster the regional economy. Their top four suggestions: 1) improve broadband, 2) expand business training and education, and 3) improve and expand the workforce.

The Five Drivers of Entrepreneurship



Part 3. Examining the Five Drivers of Entrepreneurship

A. Developing a Pipeline of Educated and Skilled Entrepreneurs

In this part of the report, each of the five drivers of entrepreneurship, as presented in Part 1, Introduction and Overview, is examined for its current status in the region. Interest is in determining the assets that the region has that can be capitalized on for further entrepreneurial success. Furthermore, the gaps in the entrepreneurial support system are also important to identify since they may lead to specific actions that the region can take to improve its entrepreneurial ecosystem.

The idea of a “pipeline” is that there should be a range of training and business counseling opportunities to match the varying needs of entrepreneurs. For example, some entrepreneurs are at the beginning of the process and require training and assistance on accounting basics and how to obtain a business license. Other entrepreneurs are well-established, looking to grow their businesses, and require more specialized help, perhaps in digital marketing or exporting. Strengthening Our Local Communities (2012) report identifies several key elements of developing a pipeline.

Teach entrepreneurship in formal and informal education at all levels.

According to pages of the Strengthening Our Local Communities report, “perceptions and attitudes about entrepreneurship and other career fields start at a young age. Until recently, entrepreneurship education was not an explicit part of the curriculum of educational institutions at any level.” This is changing as entrepreneurial education is being offered at many levels from primary school, high school, and higher education. In order to develop a pipeline of educated and skilled entrepreneurs, entrepreneurship education, including training in hard and soft skills, should be mainstreamed into the formal curriculum from elementary school to college and beyond. The report also cites a 2012 Youth Entrepreneurship Survey in which forty percent of 8-to-24-year-olds say that they want to start a business one day or already have.

Cultivate entrepreneurship across college and university campuses.

At the higher education level, entrepreneurship courses and programs should be made available to all students—not just those studying business. Entrepreneurship should also be taught to vocational students. Vocational students greatly expand their career mobility by combining entrepreneurship skills with technical skills.

Develop entrepreneurs with the skills needed to climb the ladder.

The focus of successful entrepreneurial systems should be on the development of individual entrepreneurs and their companies. Lichtenstein and Lyons (2010) assert that the skills entrepreneurs must master include four dimensions: technical, managerial, entrepreneurial, and personal maturity. The image of rungs on a ladder is used to illustrate the progress an entrepreneur can make up the ladder as they increase their skill levels in these functional areas. Training or mentoring of entrepreneurs must meet

individual entrepreneurs where they are, providing a pathway for entrepreneurial skill development and growth.

Leave no aspiring entrepreneurs behind.

The final element for developing the pipeline involves recognizing that potential entrepreneurs are a diverse group. For example, Americans between the ages of 55 and 64 had a higher rate of entrepreneurial activity than those ages 20 to 34 in each year from 1996 to 2008 (Stangler, 2009). In addition to baby boomers, women and minorities are among the fastest growing groups of new entrepreneurs.

Assets for Developing a Pipeline of Entrepreneurs

Investigation indicates that the OFRPC region has a number of valuable assets in strengthening and maintaining the entrepreneurial pipeline.

- **Entrepreneurial Talent**

A diverse set of entrepreneurs in consumer services, manufacturing, information technology, and professional services were interviewed and/or participated in the focus and SET group including:

-Serial entrepreneurs - Several entrepreneurs were on their second or third business start-up. Serial entrepreneurs are likely to be a valuable contact and even mentor for those starting their first venture.

-Established business owners - These businesses were generally successful with owners who have steered the business through times both good and bad. Some were family businesses that had been passed down from the previous generation. Some owners were feeling competitive pressures and looking for ways to add markets, improve efficiency, etc. In several cases, the owner was looking at how to expand. Several entrepreneurs indicated that they served informally as mentors to beginning entrepreneurs or would be willing to do so.

-New wave tech entrepreneurs - The region, specifically Poplar Bluff, is fortunate to have an emerging sector of information technology entrepreneurs. This is valuable for the jobs and income they create, but also for the new technology and efficiencies they can bring to other firms.

-Struggling businesses - Particularly in more rural parts of the region, firms that were struggling with their business operations were identified.

- **The Small Business and Technology Development Center (SBTDC) at Southeast Missouri State University in Cape Girardeau**

The SBTDC provides business counseling to startups and existing small businesses. Several entrepreneurs remarked that the counseling assistance from the SBTDC was very helpful to their business. Counseling and support made the difference between success and failure. In addition to one-to-one counseling, the SBTDC provides an impressive array of training programs, including the LaunchU course that assists entrepreneurs with creating a business feasibility plan, and courses on Quickbooks, government contracting, and international trade. The SBTDC partners with regional resources such as the local chambers of commerce to provide training and learn about businesses in need of assistance.

- **Smart Space of Poplar Bluff**

A new co-working space opened in Poplar Bluff in 2017 called Smart Space. This 501(c)3 organization provides high-tech office space for entrepreneurs, marketing support through their Smart Marketing company, and networking opportunities for entrepreneurs. Founded by a serial entrepreneur, Smart Space also offers mentoring to those in need of additional support. Smart Space has sponsors including The Bank of Missouri, Southeast Missouri State University, and the Greater Poplar Bluff Area Chamber of Commerce making this a true community-supported endeavor.

- **Greater Poplar Bluff Area Chamber of Commerce**

Staff from the Chamber offer business start-up support and an array of programs for aspiring and established businesses in the region. Most recently, the Chamber and Southeast Missouri State University partnered to offer the startup LaunchU class to 7 local entrepreneurs. In a partnership with Three Rivers College, the Chamber will also host a business development conference in Poplar Bluff in the spring of 2018.

- **Workforce Development Programs**

Workforce is also important to entrepreneurs since their enterprises require talented and skilled workers. The region has strong workforce development programs led by training from Three Rivers College with its main campus in Poplar Bluff (Butler County) and other campus locations throughout the region. In 2014, Butler and Ripley Counties were of the first counties in Missouri to be named a “Certified Work Ready Community” by ACT. The Certified Work Ready Community initiative provides a framework to link workforce development to education and simultaneously align economic development needs of the community so employers know potential employees have the basic skills needed to do a specific job.

Table 10 - OFRPC Stakeholder Evaluation of the Pipeline		
<small>Source: Community Survey</small>		
Statement	Number of Responses	Average Score
The effectiveness of regional programs to help start-up businesses.	39	1.68
The effectiveness of regional programs to train entrepreneurs.	39	1.87
The region's overall quality of life.	41	2.41
The overall quality of the region's community and technical colleges.	41	2.61
The overall quality of the region's 4-year colleges and universities.	41	2.49
The quality of technical assistance offered by regional colleges and universities to businesses.	40	2.17

Table 10 provides the average ratings that stakeholders gave to the performance of the region on selected characteristics. Stakeholders scored each item on a scale of 1 (poor), 2 (fair), 3 (good), or 4 (excellent). The rating for overall Quality of Life is 2.41 (in other words, it exceeds 32 a rating of fair). This is an indication that key stakeholders believe that the region offers an average quality-of-life to residents.

The overall rating for community and technical colleges and the rating for four-year colleges and universities exceeded 2 (or fair). Obviously, these institutions provide a major competitive advantage to the region in creating a strong workforce and in providing for a higher quality of life for residents. An average rating from stakeholders indicate higher education institutions have room for improvement in creating an entrepreneurial pipeline.

The involvement of educational institutions with local businesses through internships and technical assistance is non-existent according to the respondents. Only one respondent provided a “fair” score. The remaining 40 respondents do not believe this interaction exists in the region. The rating for technical assistance is 2.17, a little better than fair. This score recognizes that higher educational institutions are engaged with local businesses, but could expand those services.

Less favorable is the view of business owners toward regional programs to assist entrepreneurs and programs that provide training to entrepreneurs. In fact, the scores on these items were near 2 (or fair). It may be that business owners are not aware of the programs mentioned above or do not see the programs as relevant to their particular business.

Opportunities to Improve the Pipeline

There are opportunities to improve the pipeline of entrepreneurs in the OFRPC region.

Expand training and business counseling and better coordinate among service providers.

It is clear that effective training and technical assistance are taking place and having a favorable impact in the region. However, a more comprehensive curriculum that addresses the core competencies for entrepreneurs might be designed and workshops coordinated by service providers. For example, one organization might provide Entrepreneurship 101 while another provides marketing workshops. A prospective entrepreneur could be handed a single sheet that would explain the curriculum and list where each upcoming workshop was going to be taught.

Similarly, business counseling could be coordinated so that the client is matched to someone with the appropriate expertise. For example, providers might specialize in particular business stages (i.e. expansion) or for certain industries (i.e. retail). Then providers would refer clients who wanted high-level market intelligence to a provider who specialized in that type of analysis. A more integrated system would make it easier for the entrepreneur to negotiate.

A related suggestion is to expand training and counseling opportunities into the more rural areas of the region, such as Reynolds and Wayne Counties. Ideally, the SBTDC and other organizations would offer regular office hours to prospective entrepreneurs at small towns in those areas. Admittedly, it is a bit of a chicken and egg dilemma. For the provider, there is significant cost in driving to these towns particularly if few clients participate. Yet, if more counseling and training were readily available, local residents might be more willing to start new enterprises and/or seek assistance with their business.

Initiate youth entrepreneurship programs in schools.

Stakeholders in the focus group ranked youth entrepreneurship as a priority goal. They recommended that entrepreneurship be incorporated into the school curriculum. Such an effort would support a source of entrepreneurial talent that is often overlooked, the youth and future leaders of the community. Furthermore, other communities with youth entrepreneurship programs have discovered that the programs also encourage young people to stay in the community or to return after college.

As identified in the SET initiative, the region has a goal of to bring one mobile workforce preparation team into each of the five counties monthly for three years, beginning June 2018 and ending June 2021, to increase participation in workforce.

Expansion of business incubator.

Only one community in the region has a business incubator and or counseling space. Businesses outside of Poplar Bluff do not have this asset.

Many business structures were demolished or inhabitable due to flood damage in the 2017 flood including county and city offices. Establishing locations that provide shared space and reduced costs to restart or continue operations could encourage entrepreneurship in communities prone to flooding. A space like this contributes to the region's economic resiliency and helps to mitigate future business interruptions.

To support the building of a regional gig-economy, virtual incubation to support the self-employed or freelance worker would be a positive asset in this region. As shown in table 8, 76% of the regional jobs are from firms with fewer than 99 employees. 700 self-employment firms are over a 10 year period, 2006-2016. One can reasonably assume a majority of firms operate out of personal residences; therefore, having location independent access to support services to help these firms sustain and expand would be ideal.

Regional Higher Education Development Institution Highlights	
Institute	Entrepreneurial Related Offerings
Poplar Bluff Technical Career Center	<p>A public, non-profit, one-two year institution which provides area students state-of-the-art career training in a wide variety of occupational areas. The Technical Career Center is a non-degree granting, clock-hour institution</p> <ul style="list-style-type: none"> • Auto Collision Repair • Automotive Service Technology • Building Trades • Computer graphics and print technologies • Cosmetology • Culinary Arts • Health Occupations • HVACR • Practical Nursing • Welding and Metal Fabrication
Southeast Missouri State University	<p>At Southeast Missouri State University's delivery site (satellite) campus in Poplar Bluff, you will find educational opportunities and flexibility, including the ability to complete a four-year degree in elementary, early childhood, special and secondary education. All course work is taught by Southeast.</p>
Three Rivers College	<p>Three Rivers enrolls thousands of students at locations throughout Southeast Missouri. Programs include college transfer, career-technical, transitional, and continuing education.</p> <ul style="list-style-type: none"> • General Education • Accounting, Business, and Computer Studies • Agriculture & Forestry • Education • Emergency Services • Engineering Technology & Construction Trades • Fine Arts • Health Sciences • Languages & Communication • Math & Sciences • Social & Behavioral Studies

Summary

Developing a Pipeline of Educated and Skilled Entrepreneurs

Assets	Opportunities
<ul style="list-style-type: none">• There is significant entrepreneurial talent in the OFRPC region, including serial entrepreneurs, established business owners, information tech entrepreneurs, and struggling entrepreneurs.• The small business and Technology Development Center (SBTDC) at Southeast Missouri State University offers high-quality business counseling and training to entrepreneurs.• Smart Space of Poplar Bluff provides support and networking opportunities for entrepreneurs.• Greater Poplar Bluff Area Chamber of Commerce among its many activities, provides business counseling and business training programs.• Workforce Development programs are led by Three Rivers College to ensure the community has basic skills needed for specific jobs.	<ul style="list-style-type: none">• Expand training and business counseling and better coordinate among the service providers.• Establish Youth Entrepreneurship programs in the schools.• Expand business incubator opportunities throughout the region, including virtual incubation.

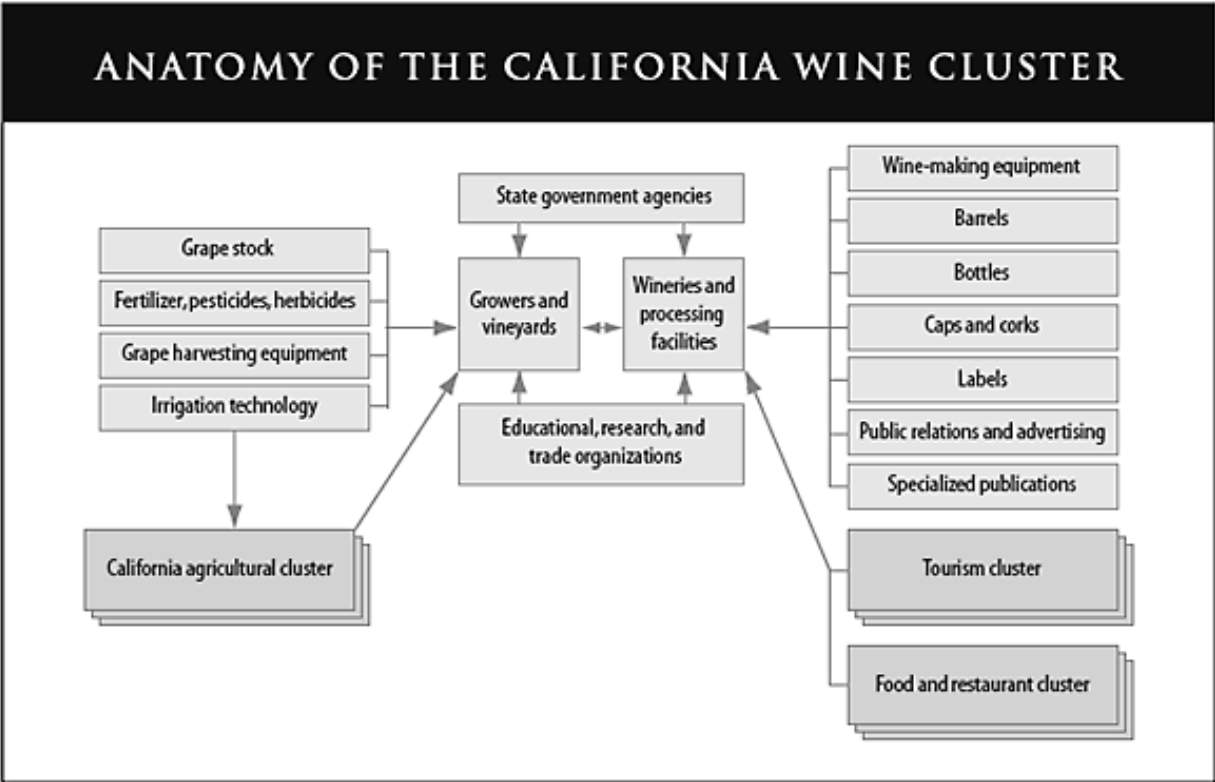
B. Creating Innovation and Technology Exchange

Innovation is often cited as a key ingredient to economic growth. Although the focus of innovation is often on major scientific breakthroughs, technology industries like biotechnology, or major IT companies like Google, innovation actually take many forms. In nearly all industries, it is vital to innovate to command higher prices, reduce costs, or add value to production. Many innovations take place through incremental improvements in production, distribution, or marketing that result in an economic advantage for a company.

As Michael Porter told the nation’s Governors, “If a company in your state is doing the same thing that it did 10 years ago—using the same production processes, producing the same products—it’s going to be very hard to succeed” (Porter, 2011). Below are key elements for this driver:

Promote development of industry clusters.

Competitive industrial clusters, in which businesses reap the benefits of physical proximity and horizontal networks, do not pop up randomly. Clusters can be built and strengthened from the interconnection of companies, universities and educational institutions, government agencies, and others that collaborate to build a system that supports the competitiveness of the cluster. An example of a strong cluster is the wine industry in California as depicted in the diagram below.



Source: Michael Porter

Notice that the cluster does not only include the wineries themselves, but also many support industries and organizations, such as grape harvesting equipment, irrigation technology, and the Wine Institute at the University of California at Davis. Clusters are important to the local economy and can provide an attractive opportunity for entrepreneurs in a related business. The specialized knowledge held in a cluster can be the basis for new products or processes that stimulate innovation.

Target existing companies with growth potential and aspirations and help them grow—locally and globally.

Economic gardening is a development model that seeks to create jobs by supporting existing companies in a community. The key concept pioneered in the late 1980s in Littleton, Colorado is to connect entrepreneurs to resources that provide competitive intelligence on markets, customers, and competitors customarily available only to large companies. The results have been impressive in Littleton where they have added over 15,000 new jobs with no tax or financial incentives. A key to the strategy employed in Littleton was the recognition that a small number of firms (second-stage businesses with 2-9 employees) had the capacity and interest in growing rapidly.

Foster collaboration among universities, companies, and entrepreneurs.

As explained by the Small Business and Entrepreneurship Policy Framework, innovation is increasingly dependent on the interaction between the government, academia (i.e. public and private education institutions, universities, and research laboratories), and the private sector. From an economic development standpoint, the primary goal of these collaborations is development and exchange of information, ideas, and technologies that manifest into commercially viable products, services, and high-tech ventures.

Support high-tech start-ups.

The startup and growth of high-technology firms is particularly impactful in a community since these businesses can attract young millenials as employees and often lead to spin-offs of related startups. Sometimes, physical structures such as incubators, innovation centers, technology hubs, co-working spaces, and others can provide a point of contact among entrepreneurs and inventors. These facilities provide a range of services to the nascent businesses that vary by facility, but might include core support services, training and educational opportunities, high-speed internet, and mentoring and coaching services.

The region is fortunate to have an important asset in promoting innovation and technology exchange, including Smart Space of Poplar Bluff; however, there is considerable opportunity to expand in this area. The industrial clusters in the region and an occupational grouping of tech-based knowledge workers is also an asset and is examined below.

Industry Clusters in the Region

In Part 2 The Economic Profile of the Region, information regarding clusters and their importance was presented. The region's highest ranked cluster is Upstream Chemical Products - Manufacturing with a score of 89 (out of 100) points. Not surprisingly, considering the region's manufacturing strength, most of the clusters are in manufacturing sectors. However, other industries are also represented, including community organizations and education. In terms of the number of jobs, community organizations is by the largest cluster with more than 2,700 employees.

The economic development groups, municipalities, and other organizations have completed many recent projects that have strengthened the clusters. Ozark Foothills Regional Development Association is planning to complete an expansion of their business incubator in 2018. This will add 10,000 square feet to the incubator space, which currently houses a small manufacturer, a healthcare facility, and a professional services company. The addition of a new co-working space, Smart Space of Poplar Bluff, will provide tech entrepreneurs access to technologies and networking support they need to launch new ventures. This will provide a support structure to an emerging technology cluster in the region. Finally, entrepreneurs in the region have launched a new wireless broadband company, SmartLink Technology, that could be an important asset to the more rural areas of the region. All of these developments are important to creating an ecosystem that is inclusive of technology and innovation and needed to increase average annual wage growth in this rural region.

Table 11 - OFRPC Top Nine Regional Industry Clusters
Source: EMSI 2017

Industry	Jobs	Score
Upstream Chemical Products – Manufacturing	94	89
Local Community and Civic Organizations	2,782	77
Vulcanized and Fired Materials – Manufacturing	348	58
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Downstream Metal Products	246	50
Nonmetal Mining	68	49
Federal Government Services	1,259	43
Local Education and Training	2,260	40
Communications Equipment and Services	26	36

Occupations in Technology and Innovation

This occupation cluster identifies multiple job categories that tend to be valuable for technology exchange and innovation. These occupations include medical practitioners and scientists, mathematics, statistics, data and accounting, information technology, natural sciences, engineering, and postsecondary education. To make it easier to get an overview of the available skills and knowledge, these occupation clusters have also been combined into a “technology-based knowledge” occupations cluster. The region has more than 1,500 jobs in the broad tech-based occupations category (Table 12). This represents a slight decrease since 2007; however, as noted above, the region is making strides toward building these clusters with recent developments.

Table 12 - OFRPC Tech-based Knowledge Occupation Clusters

Source: EMSI

Occupation	2007	2017	Change
Technology-Based Knowledge Clusters Total	1,628	1,502	-126
Medical Practitioners and Scientists	316	312	-4
Mathematics, Statistics, Data and Accounting	332	308	-24
Information Technology (IT)	367	294	-73
Natural Sciences and Environmental Management	214	232	18
Engineering and Related Services	279	208	-71
Post-secondary Education and Knowledge Creation	120	148	28

Assets in the region in cultivating innovation and technology exchange

The region has a wealth of assets in promoting innovation and technology exchange.

- **Smart Space of Poplar Bluff**

A new co-working space opened in Poplar Bluff in 2017 called Smart Space. This 501(c)3 organization provides high-tech office space for entrepreneurs, marketing support through their Smart Marketing company, and networking opportunities for entrepreneurs. Founded by a serial entrepreneur, Smart Space also offers mentoring to those in need of additional support. Smart Space has sponsors including The Bank of Missouri, Southeast Missouri State University, and the Greater Poplar Bluff Area Chamber of Commerce making this a true community-supported endeavor.

Furthermore, Smart Space provides access to business advisors and counselors, through a partnership with the Economic and Business Engagement Center's Small Business and Technology Development Center (SBTDC) program at Southeast Missouri State University. These advisors can assist in solving business problems such as marketing, finance, and production. Business and entrepreneurship training is provided at Smart Space as well not only through SBTDC, but also in collaboration with the Greater Poplar Bluff Area Chamber of Commerce. Smart Space currently has 7 office suites, a training room, a conference room, and open work areas for 17 entrepreneurs.

- **Ozark Foothills Development Association**

The Ozark Foothills Development Association has a 10,000 square foot incubator located at Ozark Foothills Regional Planning Commission in Poplar Bluff. The current space houses a small manufacturer, a healthcare facility, and a professional services company. In 2017, construction began to double the size of the incubator to 20,000 square feet. Tenants of the incubator have access to high-speed broadband, office support services, loading docks, conference room space, and a prime location in Poplar Bluff's Industrial Park with a transportation infrastructure that is easily accessible to tractor trailer traffic.

The expansion of the incubator is expected to be completed in 2018.

- **SmartLink Technology**

SmartLink is an internet service provider located in Poplar Bluff, Missouri providing fast, reliable and affordable internet for residential and commercial customers. They use fixed wireless broadband technology to deliver the same high speeds and service of traditional broadband providers but delivered wirelessly as opposed to buried cable.

Wireless technology provides the region with many advantages. Due to the terrain of the eastern Ozarks, burying a wired cable is often cost prohibitive to internet service providers. A wireless solution offers the same high speeds, but is more cost effective to deploy in rural areas of the region. In addition to cost effective deployment, it is also cost effective for the user. Wireless broadband technology is similarly priced as traditional broadband options, important to the demographic of rural Missouri.

- **Emerging Information Technology Sector**

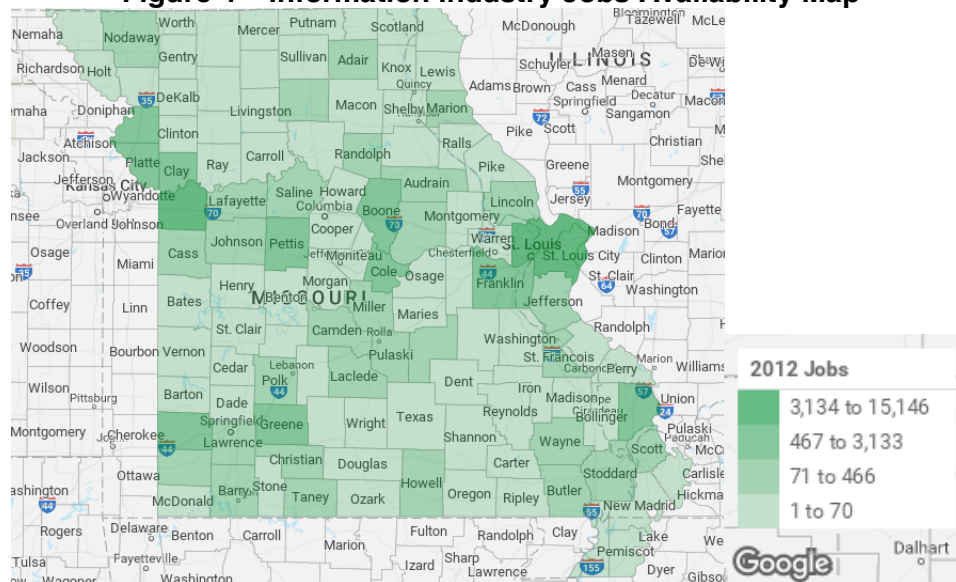
As discussed previously, there are some software and IT companies in the region, particularly in Poplar Bluff. These companies provide an exciting opportunity for growth and also contribute to the improved efficiency of other companies in the region that incorporate improved technology.

Opportunities in Cultivating Innovation and Technology Exchange

Expand the number and quality of IT companies.

According to industry data from EMSI, the Information (NAICS 51) industry in the region has 23 payrolled business locations with average earnings per job at \$45,373. The Information industry includes telecommunications, publishing including over the Internet, and data processing companies. By comparison, the Bootheel Regional Planning Commission region has 40 payrolled business locations in this same cluster with average earnings per job at \$59,515 and the entire State of Missouri has over 2,800 locations with average earnings per job at just over \$89,000. While the State of Missouri includes the metro areas, this comparison only demonstrates the more IT companies available, the greater the likelihood of an increase in average earnings.

Figure 4 – Information Industry Jobs Availability Map



Source: EMSI, 2018

While other companies and the general public may not require such a high skill level in IT, they also perceive a shortage of IT professionals. In the stakeholder survey, two-thirds of respondents rated the availability of IT professionals as “poor” or “fair.” Only 15% rated it “good.”

The need for improved technical training can also be aided by programs in high school or middle school that emphasize Science, Technology, Engineering, and Math (STEM). Missouri has an innovative program called Project Lead the Way (PLTW) that allows students to gain early exposure and hands-on experiences in engineering, biomechanics, aeronautics, biomedical sciences and applied math fields. When coupled with internship opportunities for high schoolers, the program can trigger lifelong interest in STEM fields.

Ratings by all respondents:

	Weighted Average	Total Responses
The availability of information technology professionals in the region.	1.82	40

It would be beneficial to explore a formal partnership between educational institutions, including Three Rivers College, Southeast Missouri State University, and local high schools, IT companies, and the Chamber. The partnership would develop internship opportunities, work-study arrangements, and curriculum development to encourage local students to become information technology professionals and remain in the OFRPC region. This is also important as a strategy of youth retention to keep talented young people in the region or have them return as young adults.

Improve the speed and bandwidth of internet service through the region, but particularly in more rural, remote areas.

Perhaps the most important resource that can help foster technology and innovative activities is high-speed internet access (or “broadband density”). Internet accessibility is generally considered important in fostering entrepreneurship and innovation because it provides access to information, knowledge, ideas, broad communication, and e-commerce, as well as serving as the most effective and efficient marketing tool for low budget entrepreneurs.

The broadband issue surfaced with two groups. First, several entrepreneurs commented that, although they had the fastest internet available in Poplar Bluff, it still was not fast enough and had insufficient bandwidth for them to be most effective. This is a specialized issue for the Poplar Bluff area to provide super-fast internet for the emerging high-tech sector. To attract firms from the Information industry cluster, the region will have to address the issue of lack of broadband. There are some efforts being made in this area as noted in other sections of this report.

A more general issue emerged with the focus group meeting. A priority improvement that they identified was the installation of broadband service to the more rural areas of the region where internet access can be problematic. This is seen as a vital resource to encourage entrepreneurship and business development. According to the OFRPC SET initiative the region has a goal of increasing the percentage of the region’s population that has access to high-speed internet.

More on broadband.

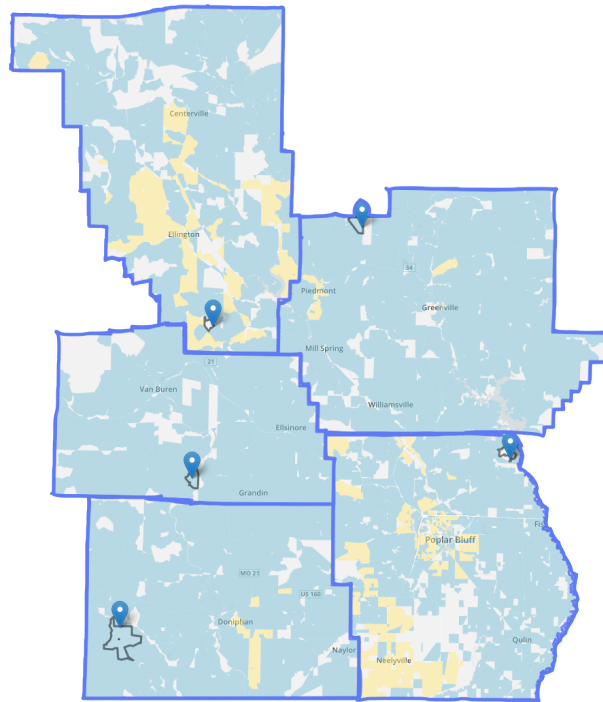
Table 13 provides a better understanding of the availability of broadband in the region. Overall, approximately 68% of the total population (85,000) in the OFRPC region do not have access to high-speed broadband. Specifically, they do not have fixed access, meaning the type of high-speed internet access, where connections to service providers use radio signals rather than cables, including satellite. A regional visual representation is provided in Figure 5. It should be noted that in areas that have access to high-speed broadband, the data does not show adoption rates. For example, many people in Butler County have the option of paying for high-speed broadband, but some choose to pay for lower speed or no internet at all.

Table 13 - OFRPC Residential Fixed 25 Mbps/3 Mbps Broadband Deployment (2016 Broadband Progress Report)			
<small>Source: fcc.gov</small>			
County	Total Pop w/o Access	% Urban Pop w/o access	% Rural Pop w/o Access
Butler	27,295	56.2%	74.5%
Carter	6,083	0%	99.6%
Reynolds	3,982	0%	66.1%
Ripley	10,900	0%	79.4%
Wayne	10,511	0%	81.2%

After the historic 2017 flood in the region, lack of adequate broadband became an issue as the flooded communities were cut off from networks. Commercial businesses suffered as they had no way to reach clients. It is important that broadband is available in flood prone areas to support established businesses.

Over 30 businesses reported to Southeast Missouri State University that they were affected by the flood, spanning three counties. Public wifi, had it been available would have greatly enhanced the region's ability to communicate post flood. To provide economic resiliency to businesses the region should consider this amenity.

Figure 5 - OFRPC Region Residential Broadband Deployment



- Fixed broadband 25/3 (Mbps)
- No fixed broadband 25/3 (Mbps)

Source: Federal Communications Commission

Summary

Cultivating Technology Exchange and Innovation

Assets	Opportunities
<ul style="list-style-type: none">• Smart Space of Poplar Bluff provides high-tech office space for entrepreneurs, marketing support and networking opportunities.• Ozark Foothills Development Association provides incubator space to new and expanding businesses with economical space and services to help start-ups and growing businesses.• SmartLink Technology provides the region with many advantages such as wireless broadband.• Emerging IT sector contribute to region and are incorporating improved technology.	<ul style="list-style-type: none">• Expand the number and quality of IT professionals.• Improve the speed and bandwidth of Internet service through the region, but particularly in more rural, remote areas to increase the percent of the region's population with access to broadband.

C. Improving Access to Capital

A challenge facing new start-ups and small firms is how to finance their ventures. The requirements that must be met to borrow money for risky investments, like financing a start-up, are more difficult to meet today than they were in the past. Considering the fact that small growth firms create the most jobs, the importance of ensuring access to capital has never been more relevant.

As the Delta Regional Authority's, Strengthening Our Local Economies report states, "Capital to entrepreneurs is analogous to fuel for an automobile—without it, nothing happens." In cases where banks are not able or willing to make a loan, alternatives should be developed for those entrepreneurs whose enterprise might carry more risk, but who have the capability to launch successful businesses. Alternative sources of capital include microfinance, angel investment, venture capital, and revolving loan funds. Gap financing from other sources may allow the financing package to be put together so that the entrepreneur can move forward. Below are key elements for this driver:

Promote funding for innovation and high-growth start-ups.

Entrepreneurs developing technology or high-growth companies have capital needs that are different from the usual start-up. They require high-risk or venture capital investments in the early stages of the design and development of products and services, long before the firms have the capacity to support debt costs. It's these seed investments that ultimately determine whether innovative start-ups are ever formed.

Increase access to alternative financing for entrepreneurs in rural and distressed communities.

Microlending is a relatively new approach to financing in the U.S. provided by mostly non-profit financial intermediaries that make small loans (typically under \$50,000) to entrepreneurs and small business owners who may not be eligible for traditional bank financing. The lenders raise funds from private and public sources. The Small Business Administration, Department of Agriculture, and Department of Treasury all have programs that make low interest loans available to microlenders. Funds garnered from private sources, often grants from large financial institutions and foundations, help reduce the interest rates charged by the lenders by off-setting overall fund cost.

According to the Association for Enterprise Opportunity, businesses with fewer than five employees currently make up 88% of all United States businesses. However, even with this huge potential market less than one percent of microentrepreneurs in the United States have received microloans to date (Stapleton).

Provide asset and credit building tools.

In today's economy, a good credit score is an important financial asset that allows families to access resources and in some instances, reduce their cost of living. Many low-income entrepreneurs in rural and distressed regions lack significant credit experiences or have damaged credit histories that make it challenging for them to access business loans at affordable interest rates.

Stakeholder Views on Access to Capital

Information was obtained on access to capital from the survey of stakeholders, the focus group, and personal interviews with entrepreneurs. Most entrepreneurs interviewed described favorable financial support from local banks, although it is more difficult to obtain financing without a long-term relationship with a local banker. Participants in the focus group considered "progressive, locally-owned banks" to be an important asset of the region. Community-owned banks, rather than those in a national bank holding

company, may be more community-minded and also may desire the higher returns available from business loans.

In the stakeholder survey, three questions asked respondents to rate the availability of capital from investors, angel investors, and banks in the region. They were rated on a scale of (1) poor, (2) Fair, (3) Good, and (4) Excellent. 47% of those responding ranked the availability of capital from banks as good; however, banks seem to be nearly the only source of capital in the region.

Respondents clearly recognize that capital from investors or angel investors is something the region lacks. The average scores are 1.75 (for investors) and 1.52 (for angel investors). In fact, approximately two-thirds of respondents rated capital availability from angel investors as poor or fair while no one rated it excellent. This was verified through interviews of entrepreneurs and community leaders who explained that although there were private individuals willing to invest significant sums into promising companies, there is not a formal network of angel investors to serve the region.

Ratings by all respondents:

	Weighted Average Response
The availability of risk capital from investors in the region.	1.75
The availability of risk capital from angel investors in the region.	1.52
The availability of capital from banks in the region.	2.33

It is interesting to examine the occupations related to capital and finance within the region. Table 14 shows the number of jobs in each of the related finance industries. According to EMSI data, the number of jobs in commercial banking increased by 15% from 2012 to 2017. Projected growth from 2017 to 2022 is a 12% increase. These increases could bode well for continued expansion in lending to entrepreneurs and business owners.

Table 14 - OFRPC Local Financial Services Industry Cluster		
Source: EMSI		
Industry	2017 Jobs	Score
Commercial Banking	484	38
Credit Unions	33	22
Insurance Agencies and Brokerages	127	21
Tax Preparation Services	18	15
Total	662	

Regional Assets for Gaining Access to Capital

- **Community-oriented banks**

Banks are considered community-oriented and usually willing to finance small businesses and entrepreneurs. Undoubtedly, the willingness to lend to small perhaps riskier businesses varies from bank to bank, especially over the five-county OFRPC region. However, the general perception is positive.

- **SBA Lenders**

Table 15 identifies local lenders that are Small Business Administration-affiliated lenders. These lenders participate in the SBA loan programs and are a resource for small businesses looking for a SBA loan. The SBA has several loan programs available to small businesses, including a guaranteed loan program. Guaranteed loans offer competitive terms and oftentimes require lower down payments than traditional financing. More information on SBA loans can be obtained from the participating lenders identified in the table.

- **Southeast Missouri State University Intermediary Relending Program**

The Missouri Innovation Corporation at Southeast Missouri State University offers a revolving loan fund program for small businesses in this region. Their Intermediary Relending Program provides financing from USDA Rural Development to help a small business with any gap in financing they may have when working with a traditional lender. To participate in the program, a business owner must be working with a primary lender who may not be able to loan all of the funds needed to start or expand a business. An application can be submitted for the “gap” in funding needed, and loan decisions can typically be made in 4 – 6 weeks.

Opportunities in the Region in Improve Access to Capital

Increase opportunities for gap financing and microloans for startups.

It is difficult to determine whether there is a capital access problem in a region or simply that banks and other lenders are being prudent about their investments. However, the research did not uncover any local source for microloans, except the St. Louis-based company Justine Petersen. It seems it would be beneficial to design a program to address those with few assets of their own but have a viable business model. There are many examples of successful microloan programs to emulate.

Gap financing is another possibility to facilitate more startups. In fact, the focus group identified “Tools for Gap Financing” as the third highest priority for the region. While Southeast Missouri State University offers gap financing, there is an opportunity for a more localized organization to provide this service as well. Often bankers or other lenders will provide half or more of the necessary capital. Sometimes the entrepreneur cannot come up with the rest of the funding. This is where gap financing can play a role by injecting 10-20% of the total package. Possibly a revolving loan fund could be initiated by the regional planning commission or municipal government in the region to address this need.

Develop a formal angel investor network.

The OFRPC region has many companies that are growing rapidly or have the potential for rapid growth. These fast-growth companies have been termed "gazelles." Especially in the IT area, some companies need large cash inflows even before significant revenues are collected. Yet the potential for investors to gain is great. In order to fund these potential gazelles, a formal angel network might be helpful.

Currently, there are informal investor groups in the region and individuals willing to invest large sums in early-stage companies. However, a more formal system should be developed that opens equity financing to industries that typically have not been funded locally such as IT.

Table 15 -Regional Small Business Administration Affiliated Banking Resources		
Bank	Ownership	SBA Loan Participation
Commerce Bank 1100 W Pine St Poplar Bluff, MO (800) 453-2265	Commerce Bancshares, Inc.	Yes
First Midwest Bank 704 N Westwood Blvd, Poplar Bluff, MO 63901 (573) 785-8461	Local	Yes
Peoples Bank 1401 N Main Stree #200 Piedmont, MO 63957 (573) 223-4000	Local	Yes
Sterling Bank 2911 N Westwood Poplar Bluff, MO 63901 (573) 778-0101	Local	Yes
Southern Bank 2991 Oak Grove Road Poplar Bluff, MO 63902 (573) 778-1800	Sterling Bancshares, Inc.	Yes
The Bank of Missouri 1465 N Westwood Blvd Poplar Bluff, MO 63901 (573) 686-5558	Local	Yes

Summary
Improving Access to Capital

Assets	Opportunities
<ul style="list-style-type: none"> • Banks are considered community-oriented and usually willing to finance small businesses and entrepreneurs. • Southeast Missouri State University provides small business loans and/or financing for projects that would be considered to “gap” financing if a primary lender is not able to loan all funds needed to start or expand a business. 	<ul style="list-style-type: none"> • Increase opportunities for gap financing and micro loans for startups. • Develop a formal angel investor network.

D. Promoting Awareness and Building Networks

Entrepreneurial development must be grounded in a belief that the region can “grow our own”, rather than trying to attract businesses and jobs from elsewhere. This is partially achieved by developing an entrepreneurial culture where local companies and business leaders are celebrated; residents are aware and proud of local businesses, and both public and private entities publicly support entrepreneurial endeavors. Another important aspect is the availability of networks, mentoring, and professional assistance to entrepreneurs and small businesses. Research suggests that financial investments, such as the ones discussed in the “Access to Capital” section, work best when there is a corresponding investment in support services and human capital (Scruggs, 2010). Below are elements of a supportive culture and networks.

Connect innovators and entrepreneurs

What entrepreneurs need most is access to expertise and expanded knowledge, which can be provided by capable and engaged mentors. The best mentors are willing to make investments of time and resources and it is important to categorize mentors according to their expertise.

Entrepreneurs also need ongoing support and an environment that encourages risk taking. One way to provide support and to link mentors with entrepreneurs is to create physical spaces, such as business incubators, accelerators, and research facilities. These physical spaces provide rich environments for learning, exchange of ideas, and ongoing support. While some thrive in physical proximity, other entrepreneurs are productive in virtual mentoring programs. Any infrastructure to facilitate mentoring—physical or virtual, must be focused on matching entrepreneurs with all kinds of expertise.

Even experienced entrepreneurs benefit from associations and organizations that link entrepreneurially minded people. Networks are able to disseminate information, share opportunities and best practices, bring individuals together for shared cause and advocacy, and facilitate development of partnerships. Networks may provide linkage between experienced and novice entrepreneurs, those in the same industry sector, groups that face similar challenges, or those simply in the same geographical area.

Compete and celebrate

To begin transforming community economies, activities are needed that help map the entrepreneurial ecosystem and provide high-impact awareness. Activities, from named weeks or single days that include large-scale competitions and events to intimate network gatherings connect participants to potential collaborators, mentors, and even investors—introducing them to new possibilities and exciting opportunities. These events provide an opportunity to celebrate the success of innovators and job creators who launch start-ups that bring ideas to life, drive economic growth, and expand human welfare (Global Entrepreneurship Week, 2012).

Publicize the social and economic impact of entrepreneurship

Despite the widespread agreement within the economic development profession about the impact of entrepreneurs and their businesses on local economies, there are still local leaders, elected officials, and residents that do not understand the importance of entrepreneurship. Outreach and awareness campaigns should be launched at the local and regional levels in collaboration with all stakeholders that bring about an increased awareness of the importance of local entrepreneurship to the quality of lives, businesses, and communities.

Assets in Promoting Awareness and Building Networks

A strong entrepreneurial network is important because national surveys have shown entrepreneurs tend to rank fellow entrepreneurs as their greatest resource. Entrepreneurs tend to benefit more from conversation and information sharing with their peers than from any other persons.

Networks enable organizations to disseminate information, share opportunities and best practices, bring individuals together for shared cause and advocacy, and facilitate development of partnerships. Even if these networks are not directly about entrepreneurship or even economic development, they often lead to new opportunities and approaches to community problems.

- **Strong Economic Development Organizations**

The Greater Poplar Bluff Area Chamber of Commerce is a professional economic development organization with approximately 3 staff members that leads projects in business attraction, workforce development, community development, and entrepreneurship. The Ozark Foothills Regional Planning Commission also provides economic development support of the region's rural, member cities and counties through grant writing and administration for infrastructure improvements, disaster recovery and mitigation, and business support. The region also benefits from other rural chambers representing Ripley County, Piedmont, Ellington, and Van Buren. A new, community and economic development-focused organization has emerged in Doniphan, MO in the last few years called Ozark Vitality. This non-profit organization focuses on creative place-making in the eastern Ozarks of Missouri and Arkansas.

- **Smart Space of Poplar Bluff**

Previously mentioned but also an networking asset is Poplar Bluff's new co-working space that opened in 2017 called Smart Space. This 501(c)3 organization provides high-tech office space for entrepreneurs, marketing support through their Smart Marketing company, and networking opportunities for entrepreneurs. Founded by a serial entrepreneur, Smart Space also offers mentoring to those in need of additional support. Smart Space has sponsors including The Bank of Missouri, Southeast Missouri State University, and the Greater Poplar Bluff Area Chamber of Commerce, making this a true community-supported endeavor.

- **Ozark Vitality**

This 501(c)3 organization located in Doniphan, MO has been instrumental in building a network of artisan entrepreneurs to bring resources to this important sector of the rural economy in the eastern Ozarks. The preservation of heritage art is a local priority, an entrepreneurship opportunity, and a tourism asset to the OFRPC region. According to the Ozark Vitality website, in 2017 this organization studies how to build an innovation hub to help artisans succeed as entrepreneurs, helped bring live theater to children in Doniphan, MO, helped bring in over \$1.9M in funding to the Ozark region, and launched an annual Earth Day festival in Doniphan, MO.

- **Other Chamber events**

The Chambers offer many networking opportunities for members, such as Business After Hours, First Friday Coffee, and regular newsletters. In addition, the Greater Poplar Bluff Area Chamber of Commerce provides a leadership training program, a young professionals group, and leads the region's tourism efforts.

Opportunities in Promoting Awareness and Building Networks

Establish an entrepreneurs organization that is led by entrepreneurs themselves.

While the region has many networking opportunities for business people, none are exclusively for entrepreneurs. It is often difficult for entrepreneurs to connect with other entrepreneurs. They often find it difficult to find other entrepreneurs or meet investors in the region, while investors have trouble identifying local entrepreneurs. Having an entrepreneurs organization would facilitate these connections and provide a venue for training and mentoring. Ideally, the entrepreneurs organization would be developed and led by entrepreneurs themselves. This requires civic-minded entrepreneurs to step up to lead the effort even though the direct benefits to their company are likely years away.

The efforts by Smart Space of Poplar Bluff to establish a network of technology companies in the region is noteworthy and an important step along these lines.

Create a series of events that bring entrepreneurs together.

The focus group participants recognized the need for stronger entrepreneurial networks in the region. Their highest priority recommendation was to hold an Entrepreneurship Conference in the region as a way of bringing together entrepreneurs and raising their profile in the region. Perhaps an Entrepreneur of the Year award could be distributed at the conference in order to spur more attention and focus on entrepreneurship.

Below shows examples of events in the Des Moines region for entrepreneurs:

Inspiration

- Barcamp Des Moines
- Ignite Des Moines
- Dream Big, Grow Here
- Startup Storm
- Des Moines Startup Drinks
- Growth
- Silicon Prairie News Meetups
- TechBrew-Ames
- Ames IT Collaborative

Startup

- BIZCI
- DeMO
- Foundry Coworking
- Venture Net Iowa
- Design+Tech

Scale-Growth

- BIZ Luncheon Seminars
- Thinc Iowa
- Capital Connection Iowa
- Entrepreneurs Organization
- Young Presidents Organization
- Pitch &

Summary

Promoting Awareness and Building Networks

Assets	Opportunities
<ul style="list-style-type: none">• The region has strong economic development organizations.• Smart Space of Poplar Bluff provides high-tech office space, marketing support and networking opportunities.• Ozark Vitality supports development of the arts and culture in Doniphan.• The Chambers offer many networking opportunities for members such as Business After Hours, and First Friday Coffee.	<ul style="list-style-type: none">• Establish an entrepreneur organization that is led by entrepreneurs themselves.• Create a series of events that bring entrepreneurs together.

E. Optimizing the Regulatory Environment

Economic development efforts must ensure that the regulatory burdens placed on small businesses do not adversely affect their ability to compete and grow. While there must be some requirements related to running a business of any size, small businesses often lack the resources and knowledge to navigate complex tax codes, registration processes, and other industry specific requirements. Therefore it is important to provide the necessary support and transparency regarding regulations affecting small businesses. Elements of this driver include:

Optimizing the regulatory environment

An effective system allows the entrepreneur to create, operate, and manage a business within a context where taxes and regulations do not adversely affect the competitiveness of the venture. Income, sales, property and other business taxes, can make a difference in a business' ability to compete, especially in national and global markets, which provide the largest opportunity for business growth.

Streamline start-up administrative processes and information

Imposing heavy administrative and regulatory burdens on start-up businesses can be very counterproductive to entrepreneurship development. According to Doing Business, an international ranking system that measures the ease of doing business in countries around the world, the most entrepreneurial and competitive economies impose the least administrative costs and requirements on start-up businesses. Economies that impose more onerous administrative requirements show lower rates of entrepreneurial activity.

Incentivize start-up formalization.

Regulatory and administrative burdens, complex procedures, and costly registration and licensure encourage some entrepreneurs to continue operating their businesses informally and illegally. This obviously prevents these businesses from having contractual relationships with banks and other business partners and restrains growth. Not only is overregulation unfair to low-income entrepreneurs, it is also inefficient.

Perceptions about the Regulatory Environment

Stakeholders in the survey responded to several questions about the regulatory environment. The rating was done on a scale where 1 = poor, 2 = fair, 3 = good, and 4 = excellent. One question asked stakeholders to rate the performance of “state and local governmental regulations that support small businesses”. The response was that 30% said poor, 38% said fair, 30% said good, and none said it was excellent. This suggests an overall negative view of the impact of state and local government regulations

The next question asked about the “effectiveness of government-sponsored growth incentives (tax breaks, seed funding, etc.)”. This was rated even lower than the first question. Only 15% said good and 2% rated it excellent. This suggests that stakeholders do not believe these incentives are effective in promoting job growth and/or that the incentives tend to favor larger companies over small businesses.

A third question asked about “the level of taxation on small businesses”. Not surprisingly few considered this excellent as well, while 79% said it was poor or fair. The biggest challenge with this issue is most taxes, with the exception of property taxes, are set at the national or state level. Current and former

business owners generally rated all of these questions lower than non-business owners. The fact that business owners are more directly influenced by these issues likely explains the difference in perception.

Ratings by all respondents:

	Poor	Fair	Good	Excellent
State and local governmental regulations that support small businesses.	30.77%	38.46%	30.77%	0%
The level of taxation on small businesses.	12.82%	56.41%	28.21%	2.56%
The effectiveness of government-sponsored growth incentives (tax breaks, seed funding, etc.	38.46%	41.03%	15.38%	2.56%

In spite of low ratings given to government by the business owners, very few entrepreneurs who were personally interviewed for this study complained about the “red tape” at the local level. A couple entrepreneurs cited “small town politics” as a barrier to getting their business started. Most found local government generally cooperative with them as they started their business.

The difference between the survey findings and the opinion of entrepreneurs when interviewed may be due to the misgivings about government being directed more at the state and national level. However, local governments are encouraged to make regulations, licenses, and business requirements transparent and easily accessible. The burden of navigating red tape and regulatory issues can be stifling to many entrepreneurs and small businesses sometimes spending unnecessary time and resources on issues, when they should be focusing efforts on building business and creating economic impact.

Regulatory Environment in the State of Missouri

At the federal and state level, laws are created that influence small businesses and entrepreneurs’ capacities to do business in the marketplace. Some markets are easy to enter and require little formal investment other than knowledge, experience and a desire to do business.

While licenses are put in place in large part to protect the consumer from scams and unfair low-quality services, it is also true that licenses can slow or block entrepreneurial activity and thus job creation. Recent research shows that in the 1970s roughly 10 percent of jobs required the individual to have a license, but by 2008 this had increased to almost 30 percent (Kleiner, 2014). As the Kauffman Foundation recently pointed out, more licensing requirements likely result in fewer entrepreneurs starting businesses in those markets. This allows incumbent firms to charge higher prices, which may be good for them, but bad for overall business creation. Some professions in Missouri that require licenses include barbers, real estate salespersons, manicurists, funeral directors, etc.

To help evaluate the conditions in Missouri for how licensing requirements affect entrepreneurs, Thumbtack and the Kauffman Foundation have collaborated on a Small Business Friendliness Survey

that identifies “how unfriendly or friendly your state or local government are with regards to licensing forms, requirements and fees?”. The survey has been conducted for three years, starting in 2012 and draws its conclusion from over 200 small business owners throughout Missouri. In 2015, the state as a whole was graded a “B”, the best grade since the survey began in 2012. A “B” still indicates room for more improvement on fostering a business environment that is friendly to small businesses and entrepreneurs. The grading scale follows the standard academic scale from A to F.

The survey seems to indicate that the regulatory environment is not perceived in a very positive light when it comes to the burden of licensing. In 2015 the grade was “B-“, a small improvement from the “C+” in 2014. Despite the fact that individual regions have little power to change licensing laws, is that information and support can be developed and provided to help ensure that any would-be entrepreneur has the best odds of navigating any barriers to entry. The goal should not only be focused on trying to change the regulations, but also on how to accommodate and provide helpful services towards decreasing the barriers to entry based on licensing requirements. One of the tools that should be available for regional entrepreneurs is an information package that highlights key information about regulatory issues. This should also include relevant information about regional resources that can help entrepreneurs and small businesses navigate regulatory requirements.

Additionally, in January of 2017 Governor Greitens signed an order which requires Missouri agencies to conduct a review of all existing and proposed regulations. This initiative, “No MO Red Tape” hopes to grow jobs and shrink regulations.

For further information about specific licensing requirements in Missouri go to CareerOneStop’s webpage at www.careeronestop.org/explorecareers. Click on the “Licensed Occupations” link and search for the specific licenses in Missouri. Additional information on Governor Greitens initiative can be found at Nomoredtape.com

Additional Regulatory Factors

Besides surveying how friendly or unfriendly the state is with respect to licensing issues, the Small Business Friendliness survey also asks small business owners a series of questions related to the regulatory environment in the state. Table 14 highlights eleven areas where state and local government regulations affect small businesses. Note: this survey is statewide and not specific to the region.

This survey reflects the state’s overall regulatory environment and as such may not reflect exactly how small business owners in the region feel. However, it does say something about what individual regions must consider when they want to improve their own regulatory environment and develop successful economic and entrepreneurial development efforts. Overall the survey indicates that small business friendliness is not doing too well in Missouri. Only two areas received “A” level grades, Health & Safety and Tax Code related regulations. The worst grade was related to training and networking programs. As discussed in the “Promoting Awareness and Building Networks” and “Developing a Pipeline of Educated and Skilled Entrepreneurs” drivers, these areas are also very important for the region.

It is also important to point out that this survey deals with the perception of these areas. This is important because a negative perception does not always mean something is actually wrong. Very often negative views are based on lack of or limited information about an issue. On the other hand, negative perceptions can also help guide policy makers towards specific issues that small business owners would like to see changed or improved. In addition, it could mean that more education and communication on specific issues are needed throughout Missouri.

While Missouri did not receive a top grade by small business owners, it should not go unnoticed that the state's economic development agency was named the best in the nation (Office of Missouri Governor, 2014 AEDI/Pollina Corporate). The honor was given due to the economic development agency's "efforts on marketing of the state to employers, efforts for attracting new business and assisting existing state employers". Over 30 factors were used in the selection process to rank all 50 states. Missouri was also ranked 8th on the Pollina Corporate Top 10 Pro-Business States in 2014 (American Economic Development Institute, 2014), adding credibility to the state's overall strong business and regulatory environment.

Table 16 – Missouri Small Business Friendliness Survey

Source: <http://www.thumbtack.com/mo/#/2016/1>

	Survey Question	Grade					
		2012	2013	2014	2015	2016	2017
Overall friendliness	In general, how would you rate your state's support of small business owners?	B-	C	C	B	B-	B-
Ease of starting a business	How difficult or easy do you think it is to start a business in your state?	B	B-	C	A-	B+	B-
Ease of hiring	How difficult or easy is it to hire a new employ at your business?	C+	B	C-	C+	C-	D+
Regulations	How unfriendly or friendly is your state or local government with regard to business regulations generally?	C+	C+	B-	B	C+	C+
Health & safety	How unfriendly or friendly is your state or local government with regard to health and safety regulations?	C-	B	B	A-	C+	B
Employment, labor & hiring	How unfriendly or friendly is your state or local government with regard to employment, labor & hiring regulations?	C+	C	C-	B	C+	B
Tax code	How unfriendly or friendly is your state or local government with regard to tax code and tax-related regulations?	B-	B-	C+	B+	C+	C+
Licensing	How unfriendly or friendly is your state or local government with regard to licensing forms, requirements and fees?	C+	B-	C+	B-	B	B-
Environmental	How unfriendly or friendly is your state or local government with regard to environmental regulations?	C-	C+	A	B	C	C+
Zoning	How unfriendly or friendly is your state or local government with regard to zoning or land use regulations?	C-	B	A-	B-	C+	B-
Training & networking programs	Does your state or local government offer helpful training or networking programs for small business owners?	N/A	D+	F	F	B	B-
Government Websites	Have you used a government website to comply with regulations on your business or to learn information about operating a business in your community?						B-

Summary

Optimizing the Regulatory Environment

Assets	Opportunities
<ul style="list-style-type: none">• Entrepreneurs who were interviewed for this study generally did not report excessive “red tape” or barriers from local government as they started their businesses.• The State of Missouri’s economic development agency was named best in the nation in 2014.	<ul style="list-style-type: none">• Local governments should continue in their efforts to make regulations, licenses, and business requirements transparent and accessible.• Develop startup package website with key information concerning business licenses, legal requirements, etc. The purpose would be to have a one-stop-shop with all the information needed by entrepreneurs and small businesses to meet all regulatory requirements to do business.

Part 4. Summary & Recommendations

Recommendations for Improving the Ecosystem

In this final section of the report, specific recommendations for improving the OFRPC region's entrepreneurial ecosystem are advanced. The OFRPC region has many assets to facilitate entrepreneurship. There has been a surge of investment in physical spaces that facilitate entrepreneurship including the Smart Space of Poplar Bluff and Ozark Foothills Development Association's business incubator. Furthermore, the region has strong economic development organizations, the Small Business and Technology Center at Southeast Missouri State University, and a diverse economy with a focus on manufacturing and distribution, with a vibrant health care industry and an emerging information technology sector.

Recommendations for improving the OFRPC ecosystem include:

- Expand training and business counseling and better coordinate among the service providers.
- Establish Youth Entrepreneurship programs in the schools.
- Expand business incubator opportunities throughout the region, including virtual incubation.
- Expand the number and quality of IT and digital technology professionals.
- Improve the speed and bandwidth of Internet service through the region, but particularly in more rural, remote areas to increase the percent of the region's population with access to broadband.
- Increase opportunities for gap financing and micro loans for startups.
- Develop a formal angel investor network.
- Establish an entrepreneur organization that is led by entrepreneurs themselves.
- Create a series of events that bring entrepreneurs together.
- Local governments should continue in their efforts to make regulations, licenses, and business requirements transparent and accessible.
- Develop startup package website with key information concerning business licenses, legal requirements, etc. The purpose would be to have a one-stop-shop with all the information needed by entrepreneurs and small businesses to meet all regulatory requirements to do business.

This is obviously an ambitious list of recommendations. The region should prioritize improving networks, training, and connections of entrepreneurs. Examples and resources to assist in implementing the specific recommendations are provided.

Priority Recommendations – Bottom-Up Approach to Improving Entrepreneurship

For a system to be effective, there must be a long-term focus on entrepreneurs as individuals distinct from small businesses (Motoyama and Wiens, 2015). The entrepreneurial ecosystem should be characterized by dense connections among entrepreneurs and organizations that support them.

While books and courses may inform continuous learning, there is no substitute for advice from local business owners as entrepreneurs navigate the challenges of launching and expanding their business. Other entrepreneurs and local business owners can offer the best advice that is specific to the locality and stage of business. These connections, however, are not easy for entrepreneurs to make. They often find it difficult to find other entrepreneurs or meet investors in their region, and investors have trouble identifying local entrepreneurs (Motoyama and Wiens, 2015).

In order to maximize the benefits of its assets, such as the physical spaces dedicated to training and entrepreneurship, we believe that the next step for the region is to take a bottom-up and human-resource oriented approach. Namely the region should invest in improved networks and training for entrepreneurs. The region should establish forums and events in which entrepreneurs can connect with one another and with support organizations.

More specifically, the following priority actions to improve connections, networks, and training are recommended:

- Establish an Entrepreneur's Organization led by an entrepreneur.
- Organize a series of events to engage entrepreneurs in learning from each other, such as 1 Million Cups and Startup Weekend.
- Examine how best to expand business incubator opportunities throughout the region, including virtual incubation.
- Develop startup package website with key information concerning business licenses, legal requirements, etc. The purpose would be to have a one-stop-shop with all the information needed by entrepreneurs and small businesses to meet all regulatory requirements to do business.
- Establish youth entrepreneurship programs in the schools.
- Expand training and business counseling and better coordinate among the service providers.

Developing a Pipeline of Educated and Skilled Entrepreneurs

RECOMMENDATION

Establish Youth Entrepreneurship programs in the schools. The schools should offer entrepreneurship curriculum in middle and high school. Youth entrepreneurship camps in the summer are also a possibility.

Example: *Creating Entrepreneurial Opportunities (CEO)*

Source: <http://www.midlandinstitute.com/Our-Community/What-Is-CEO>

Creating Entrepreneurial Opportunities is a year-long course designed to utilize partnerships that provide an overview of business development and processes. The local business community partners with area schools to create project-based experiences for students by providing funding, expertise, meeting space, business tours, and one-on-one mentoring. Students visit area businesses, learn from guest speakers, participate in a class business, write business plans, and start and operate their own businesses. Business concepts learned through the experiential CEO class are critical; the 21st century skills of problem-solving, teamwork, self-motivation, responsibility, higher-order thinking, communication, and inquiry are at the heart of a student's development throughout the course.

RECOMMENDATION

Expand training and business counseling and better coordinate training and business counseling among service providers. An expanded and better integrated system of training and business counseling would make it easier for entrepreneurs to identify the appropriate source of assistance.

Example: The Empowering Business Spirit (EBS) Initiative

Source: http://www.fieldus.org/publications/EDS08/EDS_2008NMCS.pdf

The Empowering Business Spirit (EBS) Initiative brought together 22 partners to better serve four counties in northern New Mexico. EBS' strategy focused on building a comprehensive, integrated continuum of services for entrepreneurs. The concept was that an entrepreneur who entered the EBS "System" would have access to all of the resources in the continuum of services. The various service providers would refer these entrepreneurs to the EBS partners who could best meet their needs.

Cultivating Technology Exchange and Innovation

RECOMMENDATION

Retain and Attract IT and Digital Technology Professionals

There are two main ways to help retain and attract IT professionals to the region. The first is to invest in retaining residents with IT skills and education. The best way to accomplish this is to ensure enough IT-related jobs are available. Often easier said than done. The second way is to provide IT training and education to residents, particularly those that are un/undereducated.

Example: LaunchCode

Source: www.launchcode.org

LaunchCode is a program first launched in St. Louis that provides free coding lessons to anyone in the city. The purpose is to help un/undereducated individuals with new skills needed by more and more companies. LaunchCode not only helps people get new tech-skills, but they also help connect them with companies in need of those skills. It works as a match-making service that ensures both sides get what they need. The program is currently in the process of expanding to new cities, including rural areas.

Example: Onshore Outsourcing

Source: <http://onshoreoutsourcing.com>

Onshore Outsourcing is an information technology service company based on a rural outsourcing workforce development model. This concept focuses on utilizing low cost, quality IT support services by locating their offices in rural areas. This allows Onshore Outsourcing to hire and train individuals in rural communities, while staying cost competitive against offshore outsourcing. This helps create jobs, train IT skills, and promote economic development.

RECOMMENDATION

Expand Broadband Access

Access to high speed internet is a key component of participating in the modern economy and allowing regional entrepreneurs to succeed on a national and global scale. Small businesses can gain access to bigger markets and increase their profitability, while new entrepreneurs can become part of the market much faster by doing better market research, finding suppliers and buyers, and developing partnerships beyond local boundaries.

Example: Kennett City Light Gas and Water

Source: www.clgw.net/it.php

Kennett, Missouri invested in a municipally owned and controlled fiber network, City Light Gas and Water (CLGW) that provides fiber internet access to over 1,000 residential homes and businesses. Kennett's CLGW also provides free wi-fi access points at public parks and at the Kennett Airport.

Example: PANGAEA

Source: www.pangaea.us

In 2002 Tryon, NC a small city of less than 2,000 decided that high-quality internet access to residents, schools, and businesses was a city priority. Without the support of private internet providers, the city took action and applied for state grants to create a state of the art fiber-optic network. To ensure that schools, residents, and businesses had access to the high-speed internet at affordable rates, a 501 (c)3 nonprofit organization was created to manage the network.

Improving Access to Capital

RECOMMENDATION

Formal Investor Group

Identify high net worth individuals and successful business residents and approach them about forming a formal investor group(s). Private investors should be the main driving force behind the investments, but public entities can provide support and networks to ensure information about new funding opportunities reach all potential entrepreneurs and small businesses.

Example: 1ST50K

Source: www.1st50k.org

1ST50K is a grant based business plan competition in Cape Girardeau, MO. The competition is held four times a year where winning start-up teams can receive up to \$50,000 in non dilutive grant money. This approach combines access to funding, education/trainig, and networking

RECOMMENDATION

Increase opportunities for gap financing and microloans for startups

Continue developing gap funding programs, such as Revolving Loan Funds (RLF) and Intermediary Loan Programs. These types of loans are important to a lot of small businesses that face difficulty in getting needed financing from traditional sources.

Example: Mo-Kan Regional Council

Source: www.mo-kan.org

The Mo-Kan Regional Council offer two different revolving loan funds. One offers loans ranging from \$20,000 to \$200,000 and the other in the \$2,500 to \$30,000 range.

Example: Missouri Innovation Corporation

Source: engage.semo.edu/business/financing/

The Missouri Innovation Corporation's Revolving Loan Fund was established in 2014. In the first six months three loans were made, totaling \$100,000 out of the \$1.4 million loan pool. The RLF serves the entire Southeast Missouri area.

Promoting Awareness and Building Networks

RECOMMENDATION

Establish an Entrepreneur's Organization led by an entrepreneur. The organization can organize training programs and provide a venue for entrepreneurs to meet and share ideas and problems.

Example: *Fairfield (Iowa) Entrepreneurs Association*

Source: http://fairfieldiowa.net/Fairfield_Entrepreneurs_Association/Welcome.html

Established in 1989, the Fairfield Entrepreneurs Association provides training, mentoring, and problem-solving opportunities for entrepreneurs in the region. Their focus has been on establishing networks and relationships based on the history and assets of the region. Residents refer to the town as the entrepreneurial capital of Iowa or Silicorn Valley. In 2003, the National Center for Small Communities named Fairfield the top entrepreneurial small city in America by awarding it the inaugural Grass Roots Entrepreneurship Award. It has nurtured an entrepreneurial class in Fairfield resulting in the creation of nearly 5,000 new jobs, \$300 million in investment and nearly \$2 billion in new equity.

RECOMMENDATION

Organize a series of events to engage entrepreneurs in learning from each other, such as 1 Million Cups and Startup Weekend.

Examine how best to catalyze interactions and mentorship within the newly expanded space of the Innovation Center. Rather than merely providing offices, it is important to provide common areas and opportunities for entrepreneurs to interact. This interaction can be encouraged by special events, social opportunities, mentorship programs, etc.

Example: 1 Million Cups

Source: 1millioncups.com

The concept of 1 Million Cups was developed by the Kauffman Foundation as a platform to bring entrepreneurs and their supporters together in a room to share ideas and provide feedback on business models. The event starts with an entrepreneur who presents his/her idea for six minutes, followed by a 15 minute feedback and Q&A session. The goal is not only to help the entrepreneur improve the business model, but also to inspire the community to support entrepreneurs and to facilitate networking among entrepreneurs. 1 Million Cups is now operating in 132 communities.

Example: ITEN program in St. Louis

Source: itenstl.org

The ITEN program in St. Louis helps facilitate startups with a focus of "entrepreneurs helping entrepreneurs." They have a successful mentoring program with more than 100 volunteer mentors in their network, of whom many are serial entrepreneurs.

Optimizing the Regulatory Environment

RECOMMENDATION

Small Business Friendliness Survey

By conducting an annual survey to gauge small business owner's perception of the regulatory environment will help track the general attitude and perception of how well public institutions are supported. The survey will also help identify what areas of the regulatory environment small business feel need to be improved most. Results should be presented to community leaders and policy makers on an annual basis.

Example: Small Business Friendliness Survey

Source: <https://www.thumbtack.com/blog/2016-methodology/>

The above link will help guide the questions and format of your survey. Using the same structure will create benchmark results of the region's regulatory environment against Missouri and other states.

RECOMMENDATION

Develop startup package website with key information concerning business licenses, legal requirements, etc. The purpose would be to have a one-stop-shop with all the information needed by entrepreneurs and small businesses to meet all regulatory requirements to do business.

Example: U.S. Small Business Administration

Source: <https://www.sba.gov/starting-business/how-start-business/10-steps-starting-business>

The above link is a resource developed with a "one-stop-shop" concept providing all the information needed for individuals to consider when starting their businesses. This type of resource could be helpful to develop on a regional level identifying specific county-to-county regulations to consider when starting and considering new business locations.

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Part 5. Appendices

Appendix 1 – Data Sources

Six different data sources are used to analyze the entrepreneurial ecosystem in the region. These data tools include: (1) a regional survey of private and public sector leaders; (2) an interactive focus group of economic developers, technical assistance providers, entrepreneurs, and local public officials; (3) personal interview of entrepreneurs; (4) the National Establishment Time Series (NETS); (5) industry clusters; and (6) U.S. government data, including Census and the Bureau of Labor Statistics.

1. Survey

Surveys were sent out to regional stakeholders to learn more about their attitudes, perceptions, and priorities concerning the region's strengths and weaknesses in supporting entrepreneurs. Stakeholders include policy makers, business owners, technical assistance providers, and economic developers. A copy of the survey is in Appendix 2.

2. Focus Group

In order to get more detailed conversational feedback from regional stakeholders, an interactive focus group session was conducted on July 25, 2017 in Poplar Bluff with participants including local economic developers, technical assistance providers, entrepreneurs, and public officials. This session began with a presentation of a portion of the data analysis. After this, the focus group was conducted utilizing a game called *Up and Out: Entrepreneurship Edition* to help facilitate and guide an interactive conversation. The game provides participants with dozens of examples of ways participants could potentially make improvements to the region's entrepreneurial ecosystem. By the end of the game, participants narrowed down the potential implementation strategies to a short list of the ones they felt would be the most important to invest in.

3. Interviews of Entrepreneurs

Interviews were conducted with local entrepreneurs on an individual basis to understand their experiences and perspectives. Specifically, they explained in-depth:

- Their experience in starting a business
- The assistance they received within the region
- Their suggestions on how the support for entrepreneurs could be improved
- Their sense of the entrepreneurial spirit and culture within the region

The interview guide is included in Appendix 3.

4. National Establishment Time Series

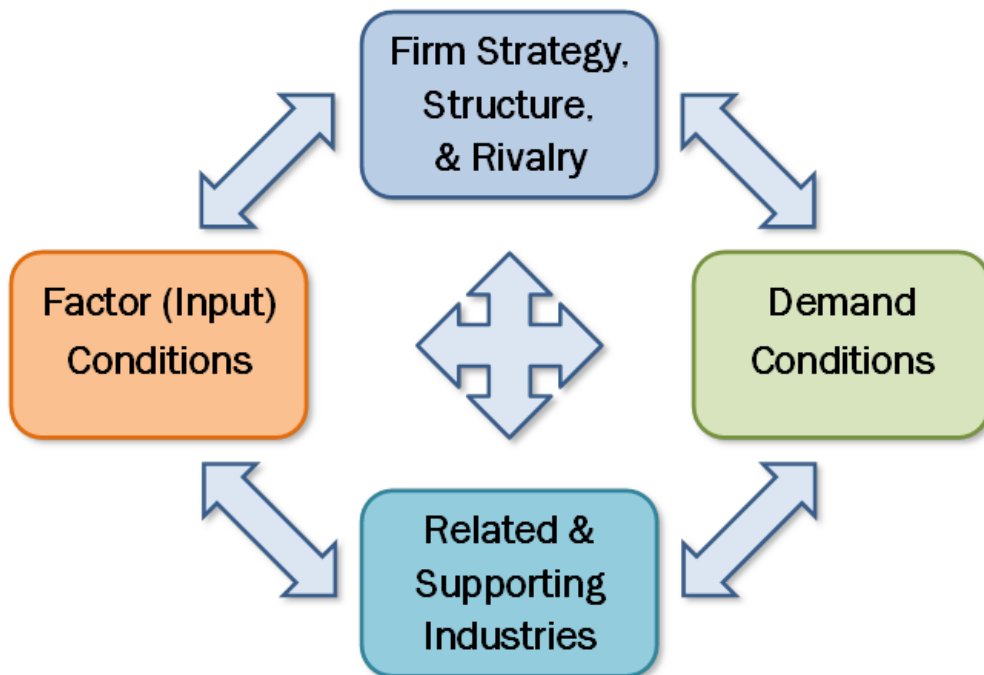
The National Establishment Time Series (NETS) data provides detailed insights into job dynamics in the region. The NETS Database is based upon millions of records of individual business establishments as maintained by Dun and Bradstreet. NETS provides longitudinal data on various dynamics of the U.S. economy that include establishment job creation and destruction, sales growth performance, survivability of business startups, mobility patterns, changes in primary markets, corporate affiliations that highlight M&A, and historical D&B credit and payment ratings. For the purposes of this study, the data was used to examine the share of jobs created by small versus large establishments (Part 2) and to estimate the components of job change in the Joplin MSA (Part 3). The source of data was the Edward Lowe Foundation (youreconomy.com).

When discussing this data it is important to understand the definition of an establishment. An establishment is considered a business unit that provides goods or services at a single physical location. This means that if a company has two or more locations in the region, each location and corresponding jobs are counted separately. Additionally, the data looks at jobs rather than just full-time employees, so it includes part-time employees, undocumented workers, and people working more than one job. This way the data captures a more detailed overview of actual job dynamics. Detailed data from NETS is provided in Appendix 4.

5. Industry Cluster

Economic Modeling Specialists, Inc (EMSI) provides a data tool to analyze a region’s industry cluster performance. Industry cluster analysis recognizes that industries in related sectors tend to cluster together geographically.

A key advantage of using industry clusters for analysis, instead of standard industry breakdowns based on traditional NAICS codes, is industry clusters can help identify existing and potential areas of competitive advantage for the region. Based on “Porter’s diamond”, the competitive advantage derives from four factors:



Source: The competitive Advantage of Nations, Michael Porter (1990)

- 1) **Factor or input conditions** – Talent attraction, access to skilled labor pools, access to specialized suppliers, educational institutes with expert faculty, supportive infrastructure, etc.
- 2) **Demand conditions** – Higher than average home-market demand leading to faster and better innovations and product improvements that can be transferred to other markets.
- 3) **Related and supporting industries** – Close relationships between interrelated non-competing industries or suppliers in related industries, where the firms in the core cluster can gather unique know-

how, have direct access to unique resources, and benefit from established supplier and customer channels.

4) Firm strategy, structure and rivalry – Management practices favored in a specific region, laws and regulations unique to the state or nation; public and private investment practices and efforts to support certain industries; and the culture of competition and cooperation that may lead to new and innovative relationships and business practices.

Every cluster in a region will have unique characteristics, but these four conditions will be important to all clusters and the ultimate ability of its component firms to compete in the national and global economy. Each unique cluster consists of industries broken down by six digit NAICS codes. The clusters in this analysis are defined according to the methodology of the Harvard Cluster Mapping project (<http://www.clustermapping.us>). This methodology breaks possible industry clusters into 71 unique categories.

6. U.S. Government data

Data from the U.S. Bureau of the Census and Bureau of Labor Statistics was critical in profiling the region in Part 2. Comparisons are frequently made in the report to rural Missouri. The table on the following page contains a list of the counties considered rural in Missouri.

Rural Counties in Missouri

Adair County	Howard County	Phelps County
Atchison County	Howell County	Pike County
Audrain County	Iron County	Pulaski County
Barry County	Johnson County	Putnam County
Barton County	Knox County	Ralls County
Benton County	Laclede County	Randolph County
Butler County	Lawrence County	Reynolds County
Camden County	Lewis County	Ripley County
Carroll County	Linn County	St. Clair County
Carter County	Livingston County	Ste. Genevieve County
Cedar County	Macon County	St. Francois County
Chariton County	Madison County	Saline County
Clark County	Maries County	Schuyler County
Cooper County	Marion County	Scotland County
Crawford County	Mercer County	Scott County
Dade County	Miller County	Shannon County
Daviess County	Mississippi County	Shelby County
Dent County	Monroe County	Stoddard County
Douglas County	Montgomery County	Stone County
Dunklin County	Morgan County	Sullivan County
Gasconade County	New Madrid County	Taney County
Gentry County	Nodaway County	Texas County
Grundy County	Oregon County	Vernon County
Harrison County	Ozark County	Washington County
Henry County	Pemiscot County	Wayne County
Hickory County	Perry County	Worth County
Holt County	Pettis County	Wright County

Appendix 2 – Survey Template and Findings

Survey Demographics	
Male	42.55%
Female	57.45%
18-29	6.38%
30-49	46.81%
50-64	34.04%
65 or older	12.77%
Business owner	42.55%
Employee	48.94%
Unemployed	4.26%
Retired	4.26%
Have started a business at some point	53.19%
Have not started a business at some point	46.81%
Less than high school	2.13%
Graduated from high school	8.51%
Some college	27.66%
Bachelor's degree	27.66%
Master's degree or higher	34.04%

In what County do you work?	
Butler	42.55%
Carter	4.26%
Reynolds	6.38%
Ripley	31.91%
Wayne	0%
Other	14.89%

How long have you lived in the region?	
Less than a year	4.26%
2-5	19.15%
6-9	4.26
10 or more	68.09%
None of the above (I don't live in the region)	4.26%

Please rate the region's current performance on each factor. (1 = poor, 2= fair, 3= good, 4= excellent)

	1	2	3	4	Total	Weighted Avg.
The region's overall quality of life.	9.76%	43.90%	41.46%	4.88%	41	2.41
The overall quality of the region's community and technical colleges.	4.88%	36.59%	51.22%	7.32%	41	2.61
The overall quality of the region's 4-year colleges and universities.	9.76%	34.15%	53.66%	2.44%	41	2.49
The availability of regional college and university internship programs.	0.00%	100.00%	0.00%	0.00%	1	2.00
The quality of technical assistance offered by regional colleges and universities to businesses.	17.50%	47.50%	35.00%	0.00%	40	2.17
The quality of collaboration between businesses and regional college/universities.	23.08%	41.03%	33.33%	2.56%	39	2.15
The availability of top managers in the region.	30.00%	42.50%	27.50%	0.00%	40	1.98
The availability of information technology professionals in the region.	32.50%	52.50%	15.00%	0.00%	40	18.2
The availability of risk capital from investors in the region.	42.50%	40.00%	17.50%	0.00%	40	1.75
The availability of risk capital from investors in the region.	57.50%	32.50%	10.00%	0.00%	40	1.52
The availability of capital from banks in the region.	15.00%	37.50%	47.50%	0.00%	40	2.33

Please rate the region's current performance on each factor. (1 = poor, 2= fair, 3= good, 4= excellent)						
	1	2	3	4	n/a	Total
State and local governmental regulations that support small businesses.	30.77%	38.46%	30.77%	0.00%	0.00%	39
The level of taxation on small businesses.	12.82%	56.41%	28.21%	2.56%	0.00%	39
The effectiveness of government-sponsored growth incentives (tax breaks, seed funding, etc.)	38.46%	41.03%	15.38%	2.56%	2.56%	39
The effectiveness of regional programs to help start-up businesses.	43.59%	41.03%	12.82%	0.00%	2.56%	39
The effectiveness of regional programs to train entrepreneurs	35.90%	41.03%	23.08%	0.00%	0.00%	39

Overall, how important are each of the following entities to your region's ability to innovate? (1= not important at all, 2=somewhat important, 3=important, 4=very important)						
	1	2	3	4	Total	Weighted Average
Universities and 4-Year Colleges	0.00%	31.58%	34.21%	34.21%	38	3.03
Community/Technical Colleges	0.00%	23.68%	34.21%	42.11%	38	3.18
Other businesses in your region	0.00%	13.16%	42.11%	44.74%	38	3.32
Regional Business Suppliers	0.00%	100.00%	0.00%	0.00%	1	2.00
Banks	0.00%	13.16%	52.63%	34.21%	38	3.21
Venture Capital Firms	10.53%	31.58%	36.84%	21.05%	38	2.68
Angel Investors	10.53%	31.58%	31.58%	26.32%	38	2.74
Business Incubators	0.00%	26.32%	39.47%	34.21%	38	3.08
Industry or Cluster Associations	5.26%	15.79%	60.53%	18.42%	38	2.92
Entrepreneurial Networks	0.00%	21.05%	50.00%	28.95%	38	3.08
Small Business Technology and Development Centers	0.00%	18.42%	44.74%	36.84%	38	3.18

Please rate the following statements on how true or false they are in your region (1=very false, 2=mostly false, 3=mostly true, 4=very true)						
	1	2	3	4	Total	Weighted Avg
“New residents can easily integrate into the regional business community.”	22.22%	38.89%	38.89%	0.00%	36	2.17
“The region is a welcoming, tolerant, and attractive place for people of diverse backgrounds.”	22.22%	41.67%	3.33%	2.78%	36	2.17
“Leaders in the region are responsive to the needs of all the regional residents, irrespective of ethnicity, cultural heritage, gender, or lifestyle.”	19.44%	30.56%	47.22%	2.78%	36	2.33
“The business culture in the region understands failure as part of the learning and innovation process.”	19.44%	36.11%	44.44%	0.00%	36	2.25
“People from different industry and economic sectors frequently interact in the region.”	5.56%	47.22%	47.22%	0.00%	36	2.42
“The region celebrates the growth of companies, not just the absolute size of companies.”	8.33%	36.11%	52.78%	2.78%	36	2.50
“Artists and businesspeople frequently interact in the region.”	5.56%	55.56%	36.11%	2.78%	36	2.36
“Local government institutions eagerly partner with the private sector to promote new business development.”	11.11%	61.11%	25.00%	2.78%	36	2.19
“Business leaders in the region treat entrepreneurs, start-ups, and new companies as full partners in all aspects of industry cooperation.”	11.11%	52.78%	36.11%	0.00%	36	2.25
“Business leaders proactively share information and resources when possible”	11.11%	44.44%	41.67%	2.78%	36	2.36
“Regional residents actively participate in community development organizations and projects”	8.33%	44.44%	44.44%	2.78%	36	2.42
“Successful business people in the region actively invest in economic development projects and start-up ventures.”	11.11%	55.56%	33.33%	0.00%	36	2.22

Consider your entire regional business environment, please list and explain the most important regional issue(s) that should be addressed to improve your region's business climate and community.

"Infrastructure upgrades, especially high speed broad band to reach larger markets"
"Bring in more interest for manufacturing and technology.....specifically the chamber of commerce in butler county.....the roads are there now..... just need products to ship out to recoup the costs of building them....the long term future of retail indicates we may be over building our retail.....unless we build up some manufacturer payroll to support it."
"Need more middle income, low expertise job oppertunities with health insurance and other benefits"
"Tech school"
"We should be grouped with Iron county"
"Reducing Regulations."
"Encouragement of startup businesses"
"We have little to no access to broadband internet outside of Butler County. This hinders our businesses' ability to market their goods and services outside of the region and even within the district. Greater access would allow businesses to reach out to more consumers and would then lead to greater prosperity and more opportunity."
"Education to how to start a business; knowing what licenses and other required filings are needed before opening the doors. I strategic business plan is also a needed document to ensure success."
"Work force"
"Local (Ripley County) Chamber of Commerce has limited resources available. No outreach to local businesses with demographic or local economic/business data & history. A detailed overview of the local community and business history would be helpful for new business and to identify potential opportunities."
"Broadband and wireless communications is very poor throughout the region The Chamber of Commerce in Ripley County does not help or serve local businesses"
"Importation of skilled workers to supplement the abysmal local labor force."
"Working together for the same goal"
"Availability of persons with computer networking it and web experience"
"Outreach, Educational Resources and Support for Small Business Owners"
"My business has been effected #1 there is no parking available and the city would not allow us to designate 2 parking slots for our store only. #2 We are downtown Doniphan and there are no signage on 160 stating that there is Down Town Shopping to bring business to us."
"Education of individuals to be employable upon graduation. Many lack any skills that employers require to hire them."
"education (financial literacy & technology) broadband availablility"
"Keep businesses from closing soon after launching--education, business plans are lacking"
quality high speed internet
Business owners are reluctant to invest in their own business. Growth is not a priority.
"more business start up training"
"The region is going to have to step outside the box and look to be a supplier to the market. It has a tendency to bring outside companies in to fill the employment gap, which is important. It does not need to be the long term solution to self-sustainability."
"Access to assistance and education based programs for typical business needs behind the scenes (business plan, accounting, insurance)"

“Access to assistance and education based programs for typical business needs behind the scenes (business plan, accounting, insurance)”

“Everyone should put plastic pink flamingos on their lawn. We will become known as the Pink Flamingo Capitol of the world. Thousands of people will visit and the restaurants will serve them fried flamingo sandwiches.”

Appendix 3 – Entrepreneur Questionnaire

Ozark Foothills Regional Planning Commission Business Questionnaire, May 2017

Dear Business Owner/Manager:

Small business is very important to our local economy. We need entrepreneurs, like you, willing to start and expand businesses. The Ozark Foothills Regional Planning Commission, and Southeast Missouri State University, are cooperating in a project to learn what can be done to make it easier for local businesses to start and expand.

We would really like to hear about your business and your ideas of how to improve support for entrepreneurs. Thank you for taking the time to share your ideas. This questionnaire should take 5 minutes or so to complete. Your responses are anonymous.

Section 1. Tell me about your business.

1. What type of business do you have?
(pull-down menu showing different industrial sectors (e.g., manufacturing, retail, etc))
2. How many years has your business been operating?
 - A. Less than one year.
 - B. 1-5 years
 - C. 6-10 years
 - D. More than 10 years
3. Were you involved in starting the business? Yes or No
(if no skip to question 7)
4. When you started your business, did you receive help from:
From friends and family?
From other entrepreneurs?
From a lawyer, accountant, or other paid professional?
From Small Business Technology Development Center or Chamber or city or other local organization?
Bank or other lender?
5. What help was most useful? (space for short answer)
6. What help do you wish had been available to you? (space for short answer)
7. How many employees does your business have?
 - A. Only myself (self-employed)
 - B. 2-10 employees
 - c. 11- 99 employees
 - d. More than 100 employees
8. Are you a member of a Chamber or other business group?

Section 2. Your Ideas on Improving Support for Entrepreneurs

9. Would you encourage a friend to start a business in your community? Why or why not?
10. If you were appointed king/queen of the region, what one change would you make to improve the prospects of entrepreneurs?

Appendix 4 – Employment & Industry Data

OFRPC – Total Regional Jobs						
Source: youreconomy.org , National Establishment Time Series 2002-2013						
Establishment Size	2006	2008	2010	2012	2014	2016
Total	35809	37530	35814	47772	43198	40856
Self-employed	771	797	853	899	682	813
2 to 9	9236	9135	9485	14415	11580	12062
10 to 99	16262	17268	17019	19027	17595	19234
100 to 499	5840	5595	4522	4496	4406	4812
500+	3700	4735	3935	8935	8935	3935

Butler County Job Trends						
Source: youreconomy.org , National Establishment Time Series 2002-2013						
Establishment Size	2006	2008	2010	2012	2014	2016
Total	22943	24056	22517	32053	29581	25905
Self-employed	345	365	406	446	333	420
2 to 9	5371	5179	5398	8650	6756	7282
10 to 99	9549	9859	9843	11103	10588	11093
100 to 499	3978	3918	2935	2919	2969	3175
500+	3700	4735	3935	8935	8935	3935

Carter County Job Trends						
Source: youreconomy.org , National Establishment Time Series 2002-2013						
Establishment Size	2006	2008	2010	2012	2014	2016
Total	2127	2195	2131	2527	2091	2453
Self-employed	72	61	58	54	44	55
2 to 9	751	802	804	1028	841	787
10 to 99	1304	1332	1269	1445	1206	1511
100 to 499	0	0	0	0	0	100
500+	0	0	0	0	0	0

Reynolds County Job Trends						
Source: youreconomy.org , National Establishment Time Series 2002-2013						
Establishment Size	2006	2008	2010	2012	2014	2016
Total	3215	3179	3217	3730	3553	3919
Self-employed	68	76	78	78	73	80
2 to 9	757	676	732	1034	912	1010
10 to 99	1760	2097	2077	2288	2088	2479
100 to 499	630	330	330	330	480	350
500+	0	0	0	0	0	0

Ripley County Job Trends						
Source: youreconomy.org , National Establishment Time Series 2002-2013						
Establishment Size	2006	2008	2010	2012	2014	2016
Total	3881	4218	3964	5171	4040	4639
Self-employed	143	159	174	173	127	139
2 to 9	1226	1308	1289	2023	1564	1571
10 to 99	1827	2051	1991	2275	1939	2289
100 to 499	685	700	510	700	410	640
500+	0	0	0	0	0	0

Wayne County Job Trends						
Source: youreconomy.org , National Establishment Time Series 2002-2013						
Establishment Size	2006	2008	2010	2012	2014	2016
Total	3643	3882	3985	4291	3933	3940
Self-employed	143	136	137	148	105	119
2 to 9	1131	1170	1262	1680	1507	1412
10 to 99	1822	1929	1839	1916	1774	1862
100 to 499	547	647	747	547	547	547
500+	0	0	0	0	0	0

NAICS Code Definitions

An overview of each NAICS code name and description of sub-industries can be found at <https://www.census.gov/eos/www/naics/>

Appendix 5 – Industry Clusters

Regional Industry Cluster Details

The region’s highest ranked cluster is Upstream Chemical Products, with a score of 89 (out of 100) points. The average cluster score is 89 (out of 100) points. This is not a benchmark against other regions; it only compares the relative performance of the clusters to each other. Clusters ranked higher than 29 are above average for the region, while clusters ranked lower than 29 are below average. Top clusters must have a score of at least 52, while bottom clusters must have a score of 17 or less. These thresholds are determined by applying the average deviation (plus or minus 12) to the average cluster score 29.

Job numbers are estimated as 2018 first quarter primarily using the Bureau of Labor Statistics Quarterly Census of Earning and Wages (QCEW) Employees, Non-QCEW Employees, Self-Employed, and Extended Proprietors. Data source is the Economic Modeling Specialists (economicmodeling.com)

Industry cluster performance score is ranked by using five key performance metrics and “weighting” each according to importance:

- Earnings (“important”) – how important is it that industries have high earnings per worker?
- Growth (“very important”) – How important is it that industries have high overall job growth?
- Regional Competitiveness (“very important”) – How important is it that regional job growth exceeds the national average job growth for an industry?

- Regional Specialization (“very important”) – How important is it that regional job concentration is higher than the national average job?
- GRP (“not important”) – How important is it that industries make a high contribution to overall gross regional product?

Upstream Chemical Products: 89

NAICS	Industry	Jobs	Score
325194	Cyclic Crude, Intermediate, and Gum and Wood Chemical Manufacturing	94	89

Local Community and Civic Organizations: 77

NAICS	Industry	Jobs	Score
624110	Child and Youth Services	102	20
624120	Services for the Elderly and Persons with Disabilities	1,993	100
624190	Other Individual and Family Services	43	9
624221	Temporary Shelters	10	16
813110	Religious Organizations	431	20
813319	Other Social Advocacy Organizations	156	21
813410	Civic and Social Organizations	47	11

NAICS	Industry	Jobs	Score
326220	Rubber and Plastics Hoses and Belting Manufacturing	348	58

Electric Power Generation and Transmission: 53

NAICS	Industry	Jobs	Score
221121	Electric Bulk Power Transmission and Control	77	53

NAICS	Industry	Jobs	Score
332999	All Other Miscellaneous Fabricated Metal Product Manufacturing	246	50

Nonmetal Mining: 49

NAICS	Industry	Jobs	Score
212312	Crushed and Broken Limestone Mining and Quarrying	68	49

Federal Government Services: 43

NAICS	Industry	Jobs	Score
901149	US Postal Service	138	23
901199	Federal Government, Civilian, Excluding Postal Service	838	55
901200	Federal Government, Military	283	16

Local Education and Training: 40

NAICS	Industry	Jobs	Score
624310	Vocational Rehabilitation Services	50	14
902611	Elementary and Secondary Schools (State Government)	27	15
903611	Elementary and Secondary Schools (Local Government)	2,183	41

Communications Equipment and Services: 36

NAICS	Industry	Jobs	Score
517312	Wireless Telecommunications Carriers (except Satellite)	26	36

Local Commercial Services: 36

NAICS	Industry	Jobs	Score
453210	Office Supplies and Stationery Stores	17	15
541110	Offices of Lawyers	104	17
541211	Offices of Certified Public Accountants	63	24
541219	Other Accounting Services	194	45
561320	Temporary Help Services	882	42
561431	Private Mail Centers	11	9
561710	Exterminating and Pest Control Services	13	15
561720	Janitorial Services	369	31
561790	Other Services to Buildings and Dwellings	14	16
811310	Commercial and Industrial Machinery and Equipment (except Automotive and Electronic) Repair and Maintenance	27	18
812320	Drycleaning and Laundry Services (except Coin-Operated)	11	15

Upstream Metal Manufacturing: 36

NAICS	Industry	Jobs	Score
332111	Iron and Steel Forging	68	25
332618	Other Fabricated Wire Product Manufacturing	256	39

NAICS	Industry	Jobs	Score
902999	State Government, Excluding Education and Hospitals	926	35

Production Technology and Heavy Machinery: 33

NAICS	Industry	Jobs	Score
333618	Other Engine Equipment Manufacturing	909	33

Local Financial Services: 33

NAICS	Industry	Jobs	Score
522110	Commercial Banking	484	38
522130	Credit Unions	33	22
524210	Insurance Agencies and Brokerages	127	21
541213	Tax Preparation Services	18	15

Transportation and Logistics: 32

NAICS	Industry	Jobs	Score
482110	Rail transportation	250	45
484121	General Freight Trucking, Long-Distance, Truckload	232	21
484230	Specialized Freight (except Used Goods) Trucking, Long-Distance	17	17
488210	Support Activities for Rail Transportation	16	18

Financial Services: 31

NAICS	Industry	Jobs	Score
522120	Savings Institutions	126	34
522291	Consumer Lending	35	18

Local Utilities: 30

NAICS	Industry	Jobs	Score
221122	Electric Power Distribution	51	32
221210	Natural Gas Distribution	17	28
454310	Fuel Dealers	15	19
517311	Wired Telecommunications Carriers	28	34

Metalworking Technology: 27

NAICS	Industry	Jobs	Score
332811	Metal Heat Treating	77	28
333511	Industrial Mold Manufacturing	58	24
333514	Special Die and Tool, Die Set, Jig, and Fixture Manufacturing	19	34

Construction Products and Services: 26

NAICS	Industry	Jobs	Score
237130	Power and Communication Line and Related Structures Construction	21	26

Local Retailing of Clothing and General Merchandise: 26

NAICS	Industry	Jobs	Score
448120	Women's Clothing Stores	29	14
448190	Other Clothing Stores	24	15
448210	Shoe Stores	29	12
452210	Department Stores	216	1
452311	Warehouse Clubs and Supercenters	541	42
452319	All Other General Merchandise Stores	160	15
453310	Used Merchandise Stores	41	14

Food Processing and Manufacturing: 26

NAICS	Industry	Jobs	Score
311412	Frozen Specialty Food Manufacturing	225	27
311942	Spice and Extract Manufacturing	37	18
312113	Ice Manufacturing	19	22

Automotive: 25

NAICS	Industry	Jobs	Score
336350	Motor Vehicle Transmission and Power Train Parts Manufacturing	54	25

Wood Products: 25

NAICS	Industry	Jobs	Score
321113	Sawmills	325	26
321114	Wood Preservation	44	33
321912	Cut Stock, Resawing Lumber, and Planing	20	16
321920	Wood Container and Pallet Manufacturing	180	23

Business Services: 23

NAICS	Industry	Jobs	Score
541330	Engineering Services	51	26
551114	Corporate, Subsidiary, and Regional Managing Offices	71	22

561330	Professional Employer Organizations	11	20
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Agricultural Inputs and Services: 23

NAICS	Industry	Jobs	Score
111000	Crop Production	436	21
112000	Animal Production	168	32
115112	Soil Preparation, Planting, and Cultivating	18	21
115115	Farm Labor Contractors and Crew Leaders	58	15

Local Health Services: 23

NAICS	Industry	Jobs	Score
446110	Pharmacies and Drug Stores	212	26
532283	Home Health Equipment Rental	52	35
621111	Offices of Physicians (except Mental Health Specialists)	575	22
621210	Offices of Dentists	108	22
621310	Offices of Chiropractors	30	18
621320	Offices of Optometrists	64	21
621340	Offices of Physical, Occupational and Speech Therapists, and Audiologists	99	19
621420	Outpatient Mental Health and Substance Abuse Centers	21	13
621492	Kidney Dialysis Centers	26	25
621498	All Other Outpatient Care Centers	17	34
621511	Medical Laboratories	224	27
621610	Home Health Care Services	506	33
622110	General Medical and Surgical Hospitals	963	30
623110	Nursing Care Facilities (Skilled Nursing Facilities)	755	11
623210	Residential Intellectual and Developmental Disability Facilities	96	11
623312	Assisted Living Facilities for the Elderly	92	3
623990	Other Residential Care Facilities	45	16
812210	Funeral Homes and Funeral Services	60	18
903622	Hospitals (Local Government)	93	19

Local Logistical Services: 22

NAICS	Industry	Jobs	Score
484110	General Freight Trucking, Local	49	21
484220	Specialized Freight (except Used Goods) Trucking, Local	56	22
485991	Special Needs Transportation	40	15
492110	Couriers and Express Delivery Services	81	27
562111	Solid Waste Collection	32	17
621910	Ambulance Services	69	26

Printing Services: 22

NAICS	Industry	Jobs	Score
323111	Commercial Printing (except Screen and Books)	156	22

Distribution and Electronic Commerce: 22

NAICS	Industry	Jobs	Score
423610	Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers	28	19

423810	Construction and Mining (except Oil Well) Machinery and Equipment Merchant Wholesalers	13	22
423820	Farm and Garden Machinery and Equipment Merchant Wholesalers	63	25
423830	Industrial Machinery and Equipment Merchant Wholesalers	79	22
424470	Meat and Meat Product Merchant Wholesalers	21	37
424910	Farm Supplies Merchant Wholesalers	43	21
425120	Wholesale Trade Agents and Brokers	55	17
454110	Electronic Shopping and Mail-Order Houses	25	16

Plastics: 22

NAICS	Industry	Jobs	Score
326191	Plastics Plumbing Fixture Manufacturing	48	28
326199	All Other Plastics Product Manufacturing	190	20

Local Real Estate, Construction, and Development: 21

NAICS	Industry	Jobs	Score
236115	New Single-Family Housing Construction (except For-Sale Builders)	128	10
236117	New Housing For-Sale Builders	12	15
236118	Residential Remodelers	190	25
236220	Commercial and Institutional Building Construction	111	13
237110	Water and Sewer Line and Related Structures Construction	75	22
237310	Highway, Street, and Bridge Construction	200	27
238110	Poured Concrete Foundation and Structure Contractors	40	15
238140	Masonry Contractors	23	15
238160	Roofing Contractors	17	16
238170	Siding Contractors	14	16
238210	Electrical Contractors and Other Wiring Installation Contractors	41	17
238220	Plumbing, Heating, and Air-Conditioning Contractors	198	25
238310	Drywall and Insulation Contractors	25	17
238320	Painting and Wall Covering Contractors	21	13
238330	Flooring Contractors	35	17
238350	Finish Carpentry Contractors	41	15
238390	Other Building Finishing Contractors	32	18
238910	Site Preparation Contractors	150	23
238990	All Other Specialty Trade Contractors	71	21
327320	Ready-Mix Concrete Manufacturing	45	18
327390	Other Concrete Product Manufacturing	10	16
423310	Lumber, Plywood, Millwork, and Wood Panel Merchant Wholesalers	22	25
444110	Home Centers	265	29
444190	Other Building Material Dealers	47	15
531110	Lessors of Residential Buildings and Dwellings	30	19
531120	Lessors of Nonresidential Buildings (except Miniwarehouses)	24	19
531210	Offices of Real Estate Agents and Brokers	26	17
531390	Other Activities Related to Real Estate	10	16
541191	Title Abstract and Settlement Offices	21	18
541370	Surveying and Mapping (except Geophysical) Services	16	19

Local Food and Beverage Processing and Distribution: 21

NAICS	Industry	Jobs	Score
424430	Dairy Product (except Dried or Canned) Merchant Wholesalers	34	43
424490	Other Grocery and Related Products Merchant Wholesalers	58	32
424810	Beer and Ale Merchant Wholesalers	57	20
445110	Supermarkets and Other Grocery (except Convenience) Stores	609	20
445120	Convenience Stores	33	15
445210	Meat Markets	20	16
445310	Beer, Wine, and Liquor Stores	35	12
453991	Tobacco Stores	16	17
454390	Other Direct Selling Establishments	12	13

Furniture: 21

NAICS	Industry	Jobs	Score
337110	Wood Kitchen Cabinet and Countertop Manufacturing	26	19
337122	Nonupholstered Wood Household Furniture Manufacturing	16	24

Insurance Services: 20

NAICS	Industry	Jobs	Score
524126	Direct Property and Casualty Insurance Carriers	19	20
524291	Claims Adjusting	11	20

Local Hospitality Establishments: 19

NAICS	Industry	Jobs	Score
453220	Gift, Novelty, and Souvenir Stores	24	13
713940	Fitness and Recreational Sports Centers	18	10
722310	Food Service Contractors	91	11
722320	Caterers	20	12
722410	Drinking Places (Alcoholic Beverages)	32	13
722511	Full-Service Restaurants	650	5
722513	Limited-Service Restaurants	1,228	28
722514	Cafeterias, Grill Buffets, and Buffets	68	17
722515	Snack and Nonalcoholic Beverage Bars	89	18

Local Entertainment and Media: 19

NAICS	Industry	Jobs	Score
443142	Electronics Stores	81	20
451110	Sporting Goods Stores	53	16
511110	Newspaper Publishers	73	22
512131	Motion Picture Theaters (except Drive-Ins)	42	13
515111	Radio Networks	11	16
515112	Radio Stations	10	13
515120	Television Broadcasting	13	23

Local Industrial Products and Services: 18

NAICS	Industry	Jobs	Score
423930	Recyclable Material Merchant Wholesalers	39	17
423990	Other Miscellaneous Durable Goods Merchant Wholesalers	31	19

Information Technology and Analytical Instruments: 17

NAICS	Industry	Jobs	Score
511210	Software Publishers	103	17

Hospitality and Tourism: 17

NAICS	Industry	Jobs	Score
713110	Amusement and Theme Parks	40	11
713990	All Other Amusement and Recreation Industries	43	16
721110	Hotels (except Casino Hotels) and Motels	234	15
721199	All Other Traveler Accommodation	14	16
721211	RV (Recreational Vehicle) Parks and Campgrounds	25	18
721214	Recreational and Vacation Camps (except Campgrounds)	94	24

Local Motor Vehicle Products and Services: 16

NAICS	Industry	Jobs	Score
423110	Automobile and Other Motor Vehicle Merchant Wholesalers	56	25
441110	New Car Dealers	293	21
441120	Used Car Dealers	104	19
441222	Boat Dealers	18	18
441228	Motorcycle, ATV, and All Other Motor Vehicle Dealers	44	23
441310	Automotive Parts and Accessories Stores	89	14
441320	Tire Dealers	57	17
447110	Gasoline Stations with Convenience Stores	487	10
811111	General Automotive Repair	127	18
811121	Automotive Body, Paint, and Interior Repair and Maintenance	46	16
811122	Automotive Glass Replacement Shops	41	20
811192	Car Washes	32	14
811198	All Other Automotive Repair and Maintenance	10	16

Forestry: 16

NAICS	Industry	Jobs	Score
113310	Logging	146	16

Local Household Goods and Services: 14

NAICS	Industry	Jobs	Score
442110	Furniture Stores	86	15
444130	Hardware Stores	48	17
444220	Nursery, Garden Center, and Farm Supply Stores	58	16
453110	Florists	23	15
561730	Landscaping Services	109	11

Local Personal Services (Non-Medical): 13

NAICS	Industry	Jobs	Score
446120	Cosmetics, Beauty Supplies, and Perfume Stores	11	16
453910	Pet and Pet Supplies Stores	22	15
541940	Veterinary Services	30	16
624410	Child Day Care Services	166	10

811490	Other Personal and Household Goods Repair and Maintenance	19	14
812111	Barber Shops	20	15
812112	Beauty Salons	88	13
812199	Other Personal Care Services	31	13
812990	All Other Personal Services	25	16

Education and Knowledge Creation: 12

NAICS	Industry	Jobs	Score
903612	Colleges, Universities, and Professional Schools (Local Government)	127	12

Local Government Services: 11

NAICS	Industry	Jobs	Score
903999	Local Government, Excluding Education and Hospitals	1,268	11

Trailers, Motor Homes, and Appliances: 6

NAICS	Industry	Jobs	Score
336214	Travel Trailer and Camper Manufacturing	19	6

Clusters That Don't Appear in OFRPC Region

Downstream Chemical Products	Medical Devices
Coal Mining	Apparel
Fishing and Fishing Products	Livestock Processing
Tobacco	Marketing, Design, and Publishing
Environmental Services	Music and Sound Recording
Textile Manufacturing	Jewelry and Precious Metals
Video Production and Distribution	Aerospace Vehicles and Defense
Water Transportation	Lighting and Electrical Equipment
Biopharmaceuticals	Performing Arts
Footwear	Paper and Packaging
Metal Mining	Oil and Gas Production and Transportation
Leather and Related Products	Recreational and Small Electric Goods

Appendix 6 – Innovation Index

OFRPC – Human Capital – Innovation Index						
Source: statsamerica.org						
	Human Capital	% of Adult Pop. W. some College or Associate's Degree (2012)	% of Adult Pop. W. Bachelor's Degree or Higher (2012)	% Change in Young Adult Pop. (1997-2012)	Ave, High-Tech Employment Share (1997-2012)	Tech-based Knowledge Occupation Share (2011)
OFRPC	69.6	29.5%	13.0%	-0.8%	1.7%	10.2%
Butler	75.0	31.5%	15.8%	-0.6%	1.9%	10.7%
Carter	68.7	31%	16.8%	-0.8%	1.5%	8%
Reynolds	62.8	28%	7.1%	-1.5%	1.8%	8.2%
Ripley	60.9	26.1%	10%	-0.7%	0.7%	9%
Wayne	64.6	26.9%	8%	-1%	1.4%	9.9%
Rural MO	72.7	30.1%	16.3%	-0.6%	1.5%	10.5%
Missouri	93.4	31.8%	28.0%	-0.5%	3.7%	12.0%
U.S.	100	30.6%	30.2%	-0.2%	4.7%	12.2%

OFRPC - Economic Dynamics - Innovation Index							
Source: statsamerica.org							
	Economic Dynamics	Ave. VC Invest. per \$10,000 GDP (2005-2012)	Broadband Density (2012)	Ave. Annual % Change in Broadband Providers (2000-2012)	Ave. Estab. Churn (1999-2009)	Ave. Small Estab. per 10,000 Workers (1997-2011)	Ave. Large Estab. per 10,000 Workers (1997-2011)
OFRPC	88.9	\$0.00	484	14.9%	78.6%	505.8	0.91
Butler	92.9	\$0.00	500	16.2%	77.9%	443.6	1.42
Carter	78.7	\$0.00	300	n/a	77.9%	641.9	0.00
Reynolds	82.0	\$0.00	500	n/a	83.4%	566.9	0.00
Ripley	81.2	\$0.00	500	5.8%	80%	606.6	0.00
Wayne	80.5	\$0.00	500	10.4%	77.9%	644.7	0.00
Rural MO	82.6	\$0.29	509	14.2%	73.8%	432.8	0.71
Missouri	91.0	\$3.69	700	19.3%	76.1%	367.1	1.15
U.S.	100	\$39.92	700	23.2%	76.4%	371.6	1.08

HSTCC - Productivity & Employment- Innovation Index						
Source: statsamerica.org						
	Productivity & Employment	% Change in High-tech Emp. Share (1997-2012)	Job Growth-to-Population Growth Ratio (1997-2011)*	GDP per Worker (2011)	% Change in GDP per Worker (1997-2011)	Ave. Patents per 1,000 Workers (1997-2011)
OFRPC	81.4	3.6%	0.80	\$55,894	1.07%	0.07
Butler	80.7	3.1%	1.11	\$58,851	0.7%	0.07
Carter	79.5	3.4%	-4.85	\$53,465	2.1%	0.03
Reynolds	81.7	8.4%	-374.50	\$51,088	1.1%	0.00
Ripley	76.3	0.4%	1.76	\$44,118	1.7%	0.10
Wayne	88.8	8.3%	0.04	\$56,622	2.3%	0.10
Rural MO	83.5	4.3%	0.17	\$53,690	0.80%	0.10
Missouri	79.8	0.5%	0.28	\$62,193	0.60%	0.23
U.S.	100	-0.1%	0.49	\$74,540	1.10%	0.50

HSTCC - Economic Well-Being— Innovation Index							
Source: statsamerica.org							
	Economic Well-Being	Poverty Rate, 3-year Ave. (2010-2012)	Unemp . Rate, 3 year Ave. (2010-2012)	Ave. Net Internal Migration Rate/10K Residents (2000-2012)	%Change in Per Capita Personal Income (1997-2012)	%Change in Ave. Wage and Salary Earnings (1997-2011)	%Change in Ave. Proprietors Income (1997-2011)
OFRPC	98.1	23.4%	10%	-3.5	3.7%	3.2%	1.6%
Butler	97.8	21.1%	8.9%	9.2	3.4%	3.1%	1.2%
Carter	96.3	25.2%	10.8%	-6.6	3.8%	2.8%	-0.6%
Reynolds	99.0	25.9%	13.1%	-38.7	3.6%	3.8%	9.6%
Ripley	101.0	26.6%	11.8%	-3.5	4.5%	2.9%	3.9%
Wayne	98.1	25.4%	10%	-24.4	3.8%	3.8%	-2.4%
Rural MO	100.3	19.4%	8.6%	2.5	3.7%	3.3%	1.6%
Missouri	98.5	15.8%	8.3%	1.9	3.4%	3.1%	1.4%
U.S.	100	15.7%	8.9%	0.0	3.6%	3.4%	0.9%

