

ENTREPRENEURSHIP MATTERS!

by Neal Fandek

The economy has turned a corner. That is what the media tells us. Unemployment is down. The stock market, while up and down from day to day, has on the whole been roaring while companies big and small are hiring again, sometimes in very large numbers. Companies like Ford, GM, Centene, Express Scripts, even old standbys like Sears are making headlines for expanding employment opportunities in Missouri.

Still, some communities do not seem to have recovered.

It took just two years to wipe out nearly 9 million American jobs, but it's taken nearly five years to recover them. And the jobs that have returned are not necessarily the same ones lost, nor are they in the same regions. For every Express Scripts success story in St. Louis, there's been the shuttering of a Carbolytic Materials Company (carbon black) and an Energizer batteries plant, both in Maryville, Missouri in Nodaway County, an area that could ill afford to lose them. The jobless rate in Nodaway County is more than twice what it was a decade ago, holding steady at about 7 percent.

Nationwide, about 4.2 million jobs lost were in construction and manufacturing. So far, only about one in four of these vital jobs have trickled back. Some industries, particularly leisure and hospitality, have made a strong comeback in Missouri, but these industries generally do not provide jobs that pay very well and return little to the community.

Even healthcare, a cornerstone of some Missouri towns, has not fully recovered. The industry may never have stopped growing nationwide but not so in Missouri, according to a recent Missouri Economic Research and Information Center report. The state lost more than 3,000 hospital jobs in



the recession and hiring freezes could impact an additional 2,000 jobs.

Bottom line? Too many Missouri towns are still struggling.

Traditional economic development in Missouri and many other states has focused on luring large companies to municipalities, so called "chasing smokestacks." This strategy has a distinct upside; landing a large firm offers a town an instant employment boost. However, this strategy also has limitations. Fewer big companies seem eager to relocate to smaller, rural cities and towns unless these municipalities have significant benefits in terms of natural resources, shipping and work-ready employees. Tax breaks, as too many towns and some neighboring states have discovered, are not always successful.

Instead of relying on attracting companies from other states, perhaps a better strategy is to grow our own companies by providing a supportive environment that allows them to invest and flourish in Missouri communities.

That is the mission of the University of Missouri Extension Business Development Program (BDP), a statewide network based on the campuses of the University of Missouri and other public higher education institutions throughout the state. The BDP's goal is to help all Missouri businesses succeed. The program specializes in providing information,

assistance and training from the ground up, gauging whether an idea has commercial potential, writing a solid business plan that will attract financing, exporting abroad, winning government contracts, helping dislocated workers and more.

Programs that could help Missouri towns include:

- The Missouri Small Business and Technology Development Centers (MO SBTDC), provides professional business analysis, business consultations, access to technology resources and educational training seminars on a variety of business topics.
- The Missouri Procurement Technical Assistance Centers (MO PTAC), assists businesses including small, disadvantaged and women owned firms to obtain federal, state and local government contracts.
- The Mid-America Trade Adjustment Assistance Center (TAAC), equips U.S. manufacturers in three states to respond to import competition and thrive in an increasingly competitive global economy.
- The Missouri Environmental Assistance Center (MOEAC), is a one-stop resource for pollution prevention, environmental compliance and energy-savings assistance.
- The Workforce Program assists dislocated workers and others seeking employment.

The BDP is about much more than helping entrepreneurs get started and existing businesses grow. Through our network of public and private partnerships, we also help Missouri towns identify and leverage their best assets for true economic recovery.

The city of Boonville is an example. Located about 25 miles from Columbia on the Missouri River, Boonville has a rich past, with more than 400 sites

listed on the National Register of Historic Places and one complete historic district. Boonville also was home to a number of plants, including Nordyne and Hostess, and the Kemper Military School, founded in 1844, the “West Point of the West.”

However, Nordyne, Hostess, Kemper and others did not make it through the 21st century. Declining enrollments brought about Kemper’s closure in 2002. Boonville did not want to see the campus abandoned, so it purchased Kemper in 2003. Over time, buildings fell into disrepair, roofs sagged and portions of the campus had to be surrounded by high-wire fencing. Although the City had converted some campus green space to football, baseball and other playing fields and leased a building to the Boonslick Heartland YMCA, it was not enough to save Kemper.

The City’s mayor reached out to BDP. Using funding provided by the U.S. Department of Commerce Economic Development Administration, BDP counselors began working with area stakeholders on a plan – facilitating a series of community stakeholder meetings, conducting research into historic preservation, realistic tenants and community needs.

An innovative proposal emerged that offered Kemper and its redeveloped facilities to higher educational institutions as an open, plug-and-play campus. State Fair Community College of Sedalia was attracted to the campus and its location, and through a series of meetings with college administrators and city officials, a partnership emerged to open a State Fair Community College campus on the Kemper grounds. The City agreed to lease the refurbished library, and a full slate of classes began in the fall of 2012.

This new campus and its programs are expected to draw hundreds of students, many of them local residents, and create up to 100 part- or full-time jobs. New tenants are being reviewed for suitability and best fit to fully rejuvenate the campus, maintain its historic appeal and attract more investment. While there is still a great deal of redevelopment and planning to do and more improvements required, this is a great start.

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Each has its own unique strengths, infrastructure, and physical and human assets. Some towns have no historic districts; some do not have the space or zoning for manufacturing. Others may have a population skilled in fields for which employment and local business opportunities are quite limited.

Today, Missouri’s towns have to create their own opportunities. Nurturing a culture of entrepreneurship is a good way to start.

For instance, take a lead from the University of Central Missouri in Warrensburg, a BDP partner that hosts the Missouri Small Business and Technology Development Center (SBTDC.) The University recently hosted an “Entrepreneurship or Bust” business camp to show budding young entrepreneurs what entrepreneurship looks like. Students as young as 13 and 14 explored the commercial viability of gourmet cupcakes, in-home childcare, software and gaming systems.

Another example is the Kauffman Foundation’s 1 Million Cups initiative that has caught on nationwide. Every Wednesday morning at 9 a.m., two nascent or established entrepreneurs present their ideas to a receptive audience. These are not product sales pitches or pleas for money; they are sharing and growing opportunities. There are four 1 Million Cups weekly events in Missouri alone, including

several in which the MO SBTDC is a producing partner. Learn more at <http://www.1millioncups.com/Events.aspx>.

The BDP can help Missouri municipalities by providing entrepreneurs of all ages the sort of long-range sophisticated planning that Fortune 500 firms use daily, but most entrepreneurs and smaller towns cannot afford. Services might include GIS mapping of potential customers, disposable income and competitors, highly-detailed financial analyses, management, HR, social media, marketing, tax, business planning, and financial training and advice. Financing these days has expanded from traditional bank and U.S. Small Business Administration loans to encompass newer forms of raising capital like crowdfunding.

There is no right or wrong way to revitalize a town. But one helpful option is to contact the Business Development Program for assistance. Find help today at <http://missouribusiness.net/>. □

Neal Fandek has written and consulted for think tanks and businesses on both coasts, the University of Missouri and the Missouri Department of Economic Development, among other organizations. Learn more about the Business Development Program at <http://missouribusiness.net>.