

MTC

IMPLEMENTATION PLAN

Fiscal Year 2024

Catalyzing Innovation

Strategies for Supporting
Entrepreneurs and Fostering
Innovation in Missouri



MISSOURI TECHNOLOGY CORPORATION

Core Values

Integrity

Honesty and candor are the foundation on which MTC builds long-term, trusting relationships with stakeholders.

Transparency

MTC is committed to openness in its operations and active communication with stakeholders.

Accountability

MTC recognizes that it holds a position of public trust and is the steward of public funds. MTC makes informed decisions, takes responsibility for its actions, and tracks the outcomes of its investments.

Independence

The governance, policies, programs, and funding decisions of MTC are nonpartisan and merit-based.

Collaboration

Meaningful partnerships can produce game-changing results for Missouri. MTC is committed to actively collaborating with strategic partners.

Mission

Our mission is to provide leadership and make strategic investments that help entrepreneurs create and grow technology-based Missouri businesses.

Vision

Our vision is to transform Missouri through the power of entrepreneurship by serving as a catalyst for technology-based innovation to achieve sustainable economic growth.



Executive Summary

Missouri Technology Corporation (MTC) is a public-private partnership created by the Missouri General Assembly, to catalyze innovation and entrepreneurship within the State of Missouri by fostering the growth of Missouri-based high-tech companies. Through direct appropriations from the state budget and access to federally funded programs, MTC receives funding to fulfill its mission of making strategic investments that help create and grow Missouri-based technology-based businesses.



For fiscal year (FY) 2023 (July 1st, 2022, through June 30th, 2023), MTC was appropriated \$23.5 million in funding from the state of Missouri. This funding is intended to foster innovation and entrepreneurship statewide. Specifically, \$15 million was allocated to establish the [Advanced Manufacturing Resiliency Grant](#), while \$8.5 million was designated for MTC's active programs and administrative costs. The \$8.5 million represents a significant increase compared to the \$3 million received in FY 2022 and the \$1 million received in FY 2021.

As a result of the increased state funding and the approval to manage the federal SSBCI program on behalf of the state, MTC awarded over \$26 million in funding for FY 2023. This amount is nearly 7.5 times more than the funds awarded in fiscal years 2022 and 2021. The funding includes over \$3 million in competitive grants to enhance the state's entrepreneurial capacity through the [MOBEC Grant Program \(MOBEC\)](#) and the [Physical Infrastructure Grant Program](#). Additionally, MTC allocated over \$7 million in equity-based investments through its state-sponsored venture capital ([IDEA Fund Co-Investment Program](#)).

Looking ahead, MTC was appropriated approximately \$15 million in the state's FY 2024 budget. This significant funding boost allows MTC to embark on an exciting journey of introducing new programs and initiatives, such as Regional Nodes, SSBCI-funded Loan Participation Program, pilot a proof-of-concept direct investment program, and an investor education grant program. MTC is committed to leveraging public funds (state and federal) to catalyze innovation and entrepreneurship by expanding the state's entrepreneurial capacity and making direct investments into the state's most promising early-stage high-growth potential companies.

Furthermore, the increased funding will allow MTC to continue to provide financial support through core programs that have historically delivered a strong economic development impact on the state (MOBEC & IDEA Fund) and programs that were piloted in FY 2023 (Physical Infrastructure Grant Program). By expanding financial support throughout the fiscal year, MTC can achieve the mission of catalyzing innovation and generating a positive economic development impact by helping entrepreneurs create and grow their technology-based businesses in Missouri.

MTC is excited about the opportunities that lie ahead and are committed to maximizing the potential of this funding to create a more efficient, sustainable, and inclusive entrepreneur ecosystem. Through collaboration with stakeholders, community engagement, and strategic planning, MTC will continue to work to generate an economic development impact through fostering innovation and entrepreneurship within the state.



Guiding Framework



The Missouri Technology Corporation (MTC) released a report titled "Catalyzing Innovation: Strategies for Missouri to Drive Innovation and Entrepreneurship" in February 2022. The report developed by TEconomy Partners, LLC (TEconomy) was informed by a robust, six-month planning process with guidance from a 16-member statewide steering committee and engagement from over 500 individuals across the state through a digital survey and virtual regional and statewide engagement meetings. Based on a data-driven analysis of the insights collected, TEconomy identified five bold and compelling strategies. They recommended a total of 16 action items*, categorized under five strategic approaches, to catalyze the state's innovation and entrepreneurship ecosystems to drive economic development over the next decade.

TEconomy's analysis revealed that MTC has been an essential asset in driving economic development through entrepreneurship over the last decade. The organization's success resulted from strategic planning and execution surrounding the promotion of

entrepreneurship and innovation within the state's agrotechnology and biosciences industries and, emerging high-growth technology markets. For Missouri to continue to maximize the economic development gains from the state's entrepreneurs, MTC proposes to lead the state in determining how to promote entrepreneurship and support the advancement of innovation and technology to continue to drive economic growth through the next decade.

This Implementation Plan outlines how MTC will execute the strategies suggested by TEconomy. It considers available resources, capabilities, and alignment with the organization's mission. MTC will lead some actions and provide support to others. The plan will be publicly released and updated annually for transparency and accountability.

**While there are a total of 16 action items recommended by TEconomy, it should be noted that not all of these actions will be led by MTC or prioritized for FY 2024*



STRATEGY 1: FUND

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

Overview

While recognizing that the amount of risk capital dollars invested in Missouri has grown, it is also important to note that the number of deals has declined. This suggests a shift toward larger, later-stage investments and away from early-stage deals, making it difficult for many entrepreneurs across Missouri to access risk capital. Outreach across Missouri's innovation and entrepreneurship ecosystem revealed a range of challenges.

FY 2023 HIGHLIGHTING SUCCESS

Driving Progress & Delivering Results

To facilitate the distribution of risk capital across the state, MTC plans to leverage the federal State Small Business Credit Initiative (SSBCI) program. Originally established in 2010 as a recovery program during the previous recession, the initiative allocated around \$27 million to Missouri in 2011, with \$24 million specifically designated for MTC's state-sponsored venture capital program. Under the American Rescue Plan Act, the Biden administration has authorized \$10 billion for the program's reauthorization (SSBCI 2.0). This funding can only be utilized for five specific program types, including state-sponsored venture capital programs. This program is the sole federal relief program authorized to support venture capital activities.

On behalf of the State of Missouri, MTC worked with the Department of Economic Development (DED) to develop a proposal for the deployment of the state's \$95 million allocation from the federally funded SSBCI 2.0 program. In October of 2022, MTC's state-sponsored venture capital program (IDEA Fund Co-Investment Program) was approved by Treasury to deploy the federal funding.

MTC has also identified an operator for an SSBCI-funded loan participation program that will participate in loans to socially and economically disadvantaged businesses. MTC and DED are currently in the process of getting the operator and program approved by Treasury and anticipate the program being operational by early 2024.

Missouri's SSBCI 2.0 allocation was approximately \$95 million and is expected to be deployed over eight-to-ten years starting in Fiscal Year (FY) 2023. In FY 2023, MTC awarded over \$7 million in SSBCI-funded equity-based investments to 23 Missouri-based high-growth potential early-stage companies.

Additionally, MTC provided feedback and support for the Angel Tax Credit Bills that were presented to both the House and Senate during the 2023 legislative session.

Source: Benson Hill





ACTION	FY 2024 DELIVERABLES
1. Catalyze additional investment capital funds across the capital stack.	<ul style="list-style-type: none">• MTC will continue to manage the federally funded State Small Business Credit Initiative (SSBCI) 2.0 program on behalf of the State of Missouri.• MTC anticipates awarding \$8-10 million worth of equity-based investments to approximately 30 Missouri-based high-growth potential early-stage companies.• MTC anticipates the launch of a \$15 million SSBCI-funded loan participation program that will provide access to more traditional growth capital to support businesses owned and controlled by socially and economically disadvantaged individuals (SEDI-owned businesses).• MTC will launch a pilot proof-of-concept investment program that will award equity-based investments of \$50,000 or less to the state's most promising high-growth potential companies that are at the earliest stage of seeking external capital to fund the initial commercial development of their products or services.
2. Incentivize angel investments.	<ul style="list-style-type: none">• MTC will launch a pilot grant program for the purpose of funding 'investor education' programs throughout the state. Enhancing access to venture capital-specific educational programs for Missouri-based active and prospective Angel Investors should lower the barriers for new Angel Investors entering the market and increase early-stage investment activity within the state.
3. Evaluate the creation of Missouri Rural Vitality Funds to provide collateral for entrepreneurial loans.	<ul style="list-style-type: none">• MTC will continue to assess the program's feasibility, identify potential partners, and develop a framework for a proof of concept/pilot program.



STRATEGY 2: GROW & SCALE

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

Overview

Over the past decade, Missouri has experienced a significant startup formation rate of traded-sector firms. Although Missouri has made many strides in recent years to support these new establishments, there are many concerns that the entrepreneurial support assets and resources are not always equally available. Those Missourians living in rural areas and those considered underserved entrepreneurs, including women, veterans, immigrants, rural entrepreneurs, and LGBTQIA+ individuals, face challenges in accessing essential ecosystem services.

FY 2023 HIGHLIGHTING SUCCESS

Driving Progress & Delivering Results

To enhance accessibility to high-quality entrepreneurial support services across Missouri, MTC substantially increased its programmatic budget for providing grant-based financial support to the state's innovation and entrepreneurial ecosystem. Furthermore, MTC has introduced a pilot grant program called the Physical Infrastructure Grant Program, aimed at guaranteeing entrepreneurs affordable access to physical workspaces throughout the state.

In FY 2023, MTC awarded over \$3 million in grant-based funding to 17 entrepreneurial support organizations or institutes of higher education, which is nearly three times the amount awarded in previous fiscal years.



ACTION	FY 2024 DELIVERABLES
4. Develop a statewide Entrepreneurial Pathways Program.	<ul style="list-style-type: none">MTC will continue to review the current landscape of commercially available online platforms to support an Entrepreneurial Pathways Program and review platforms developed and managed by peer organizations.
5. Foster regional efforts to provide quality entrepreneurial support services to high-potential, high-growth, traded-sector startups.	<p>Competitive Grant Programs</p> <ul style="list-style-type: none">MTC will continue to develop and pilot new competitive grant programs designed to enhance entrepreneurial capacity throughout the state. Specifically, MTC will look to establish grant programs to create regional “nodes” which are intended to incentivize more of Missouri’s communities to successfully coalesce their assets in support of innovation and entrepreneurship through coordinated partnerships among entrepreneurial service organizations within the node. A successful node will serve as a front door for the regional entrepreneurial community, allowing entrepreneurs to more easily access the resources they need to launch or grow their businesses, thereby expanding the state’s entrepreneurial capacity.MTC will leverage the SSBCI Technical Assistance Grant Program to identify an operator of a federally funded technical assistance program intended to provide services related to the provision of legal, accounting, and financial advisory services to small businesses.MTC aims to enhance its grant-based funding by increasing the awards through its core grant programs, namely MOBEC and Physical Infrastructure. These grants are provided to organizations that play a crucial role in an entrepreneur’s success, ensuring the ongoing growth of the state’s entrepreneurial capacity. <p>Entrepreneur in Residence (EIR) Program</p> <ul style="list-style-type: none">MTC will evaluate the practicality of implementing Entrepreneur in Residence (EIR) Programs on a statewide or regional level.In FY 2025 or beyond, based on the feasibility assessment, an EIR Program will be designed and piloted.
6. Connect Missouri’s corporate partners and anchor institutions with startups, thereby creating a “stickiness” to Missouri for the entrepreneurial endeavor’s ultimate success.	<ul style="list-style-type: none">MTC will identify best practices by studying similar programs.In FY 2025 or beyond, after conducting a feasibility assessment, MTC will initiate a pilot program.



Strategic and Operational Initiatives

Strategy 3: Launch & Cultivate

STRATEGY 3: LAUNCH & CULTIVATE

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

Overview

Developing a vibrant environment that encourages basic and applied research at colleges, universities, and within industry is essential if Missouri is to catalyze further innovation-led economic growth. It is also critical that Missouri can transfer the intellectual property developed at its colleges and universities into new products, services, and businesses, and ultimately, into new jobs and investments. There is untapped innovation and entrepreneurial potential within Missouri's research institutions.

FY 2023 HIGHLIGHTING SUCCESS

Driving Progress & Delivering Results

The Research Alliance of Missouri (RAM) Committee was established in 2003 with the aim of fostering collaboration between businesses and universities in Missouri. Its primary goals were to coordinate research efforts and enhance technology accessibility for local businesses. After a period of inactivity, the Committee was briefly reconvened in 2017. Throughout its history, the RAM Committee has been led by the Executive Director of the MTC, who plays a crucial role in advancing the Committee's mission and goals.

In July of 2022, MTC organized a meeting with the Vice-Chancellors for Research (or equivalent) from Washington University, University of Missouri – Columbia, Saint Louis University, University of Missouri – Kansas City, University of Missouri – St. Louis, and Missouri State University. The purpose of the meeting was to explore the revival of the RAM Committee. As a result, it was determined that the RAM Committee will meet twice a year with the mission of providing the leadership and strategic vision required to develop and support efforts to effectively convert the intellectual assets of Missouri's research institutions into market opportunities.

The members of the RAM Committee believe that by working together they have the ability to unlock the untapped innovation and entrepreneurial potential within Missouri's research institutions allowing innovation to prosper and drive economic development.

ACTION

FY 2024 DELIVERABLES

7. Reenergize the Research Alliance of Missouri (RAM) as a mechanism for bringing together the major research institutions of the state to solve common innovation continuum challenges.

- In fiscal year 2024 and beyond, MTC will facilitate and manage the RAM Committee.

8. Leverage the federal I-Corps program and provide startup services statewide to encourage commercialization activity.

- MTC will conduct further research on the existing I-Corps Programs in Missouri, as well as other statewide I-Corps programs, in order to identify best practices for possible implementation.

STRATEGY 4: INSPIRE

Encourage more Missourians to participate in innovation and entrepreneurship.

FY 2023 HIGHLIGHTING SUCCESS

Driving Progress & Delivering Results

MTC implemented a quarterly newsletter to keep stakeholders informed about the latest updates, program launches, and industry insights. Late in the fiscal year, MTC hired a Marketing and Communications Strategist to lead future outreach strategies.

Overview

Few things are as vital to the long-term prosperity of Missouri's entrepreneurial ecosystem as having access to the talent needed to grow and scale high-potential, high-growth firms. Interviews with key stakeholders suggest that not enough Missourians participate in innovative and entrepreneurial endeavors, either because they have never been connected to these firms and are unaware that they exist, or because they believe they are not a fit for an entrepreneurial opportunity. Developing these connections will be critical in the state's efforts to support the formation and growth of entrepreneurial firms.

ACTION	FY 2024 DELIVERABLES
10. Improve access to entrepreneurial programming for students in middle/high school and at community colleges and universities.	<ul style="list-style-type: none">MTC will conduct research on potential partner organizations and evaluate the possibility of providing funding for mentorship opportunities. These opportunities aim to connect students with accomplished entrepreneurs, enhancing their learning experience.
11. Fund an internship program that connects startups to talent.	<ul style="list-style-type: none">MTC will conduct research on the best practices and compile an inventory of existing internship programs that specifically emphasize entrepreneurship in the state of Missouri.
13. Enhance Missouri's storytelling capacity to encourage more Missourians to be entrepreneurial.	<ul style="list-style-type: none">MTC will continue to leverage digital platforms and social media to facilitate increased and enhanced storytelling capabilities throughout the state.MTC will conduct research on new branding and communication initiatives. This includes a redesign of the website, which will serve as a centralized online platform. The platform will showcase various entrepreneurial resources and function as a hub for entrepreneurs.MTC will initiate an impact-based storytelling project that will capture the stories of how MTC has catalyzed and supported entrepreneurship throughout Missouri for more than a decade.

Overview

Connectivity is missing between the various components of Missouri's innovation and entrepreneurial ecosystem, literally (e.g., broadband) and figuratively (e.g., perceived competition and siloed efforts). Over the last ten years, while Missouri has made significant strides in entrepreneurship/innovation, there is still a sense that the state is not reaching its full potential due to a range of disconnects and other environmental factors that impede further growth.

STRATEGY 5: CONNECT

Overcome physical and cultural barriers to better connect Missouri's communities with each other and with the world.

ACTION

FY 2024 DELIVERABLES

14. Realize One Missouri: Improve connectivity within and between regions.

- In FY 2024 and beyond, MTC will leverage the Regional Node and Physical Infrastructure Grant Programs to establish and pilot peer working groups aimed at fostering connections and facilitating the exchange of best practices among ecosystem partners and stakeholders.



Source: LaunchCode

MTC