



October 31, 2023

The Honorable Michael Parson  
Governor of the State of Missouri  
State Capitol, Room 216  
Jefferson City, MO 65101

The Honorable Caleb Rowden  
President Pro-Tem of the Missouri Senate  
State Capitol, Room 326  
Jefferson City, MO 65101

The Honorable Dean Plocher  
Speaker of the Missouri House of Representatives  
State Capitol, Room 308  
Jefferson City, MO 65101

Dear Governor Parson, President Pro-Tem Rowden, and Speaker Plocher:

Pursuant to Section 348.256 (6), I write to provide the enclosed annual report for the Missouri Technology Corporation ("MTC"). The MTC is a public-private partnership created by the Missouri General Assembly to promote entrepreneurship and foster the growth of new and emerging high-tech companies. MTC focuses on 21st Century bioscience and related high-growth potential industries that build on Missouri's rich history in agriculture and innovation.

The MTC, a not-for-profit corporation under Missouri law, remains in good standing. It is governed by a 15-member board of directors appointed by Missouri's Governor, Speaker of the House, and President Pro Tem of the Senate. The President of the University of Missouri System and the Director of the Department of Economic Development are ex officio members of the board.

Fiscal Year 2023 (FY23), marked the start of the second year post our *Catalyzing Innovation* report and the first full year of executing our strategic implementation plan. This annual report showcases the notable achievements of our plan, which include the conclusion of funding for the innovation centers in favor of the initiation of an entrepreneurial node strategy throughout the state. These nodes will be constructed in collaboration with stakeholders from various regions, emphasizing the unique requirements of each area in order to develop a comprehensive ecosystem across the state. The entrepreneurial node strategy updates our engagement plan for the regions and brings opportunity for innovation to those closest to the needs of our state entrepreneurial ecosystem.

In this report, you will find a summary of MTC's significant achievements during FY23. A representative list of accomplishments is provided below:

- Thanks to 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 FY23. This amount represents a nearly 7.5-fold increase in funds awarded compared to prior fiscal years.
- MTC awarded \$3 million in competitive grants to enhance the state's entrepreneurial capacity, nearly triple the funding awarded in previous fiscal years. These grants have been distributed through the MOBEC Grant Program (MOBEC) and the recently established Physical

Infrastructure Grant Program, benefitting a total of 17 entrepreneurial support organizations or institutes of higher education.

- MTC awarded nearly \$15 million through the newly created Advanced Manufacturing Resiliency Grant Program. The grant program was established to provide state funding to support the creation of critical infrastructure for industries that play a pivotal role to the national security of the United States and where the manufacturing of essential products has become dependent on manufacturing processes conducted outside of the United States.
- MTC collaborated with the Department of Economic Development (DED) to develop a proposal for the utilization of Missouri's \$95 million allocation from the federally funded SSBCI 2.0 program. The Treasury approved MTC's state-sponsored venture capital program, the IDEA Fund Co-Investment Program, in October 2022, allowing us to effectively distribute the federal funding. In FY23, MTC granted over \$7 million in SSBCI-funded equity-based investments to 23 promising early-stage companies based in Missouri, fostering their high-growth potential.
- MTC continues to organize a meeting with the Vice-Chancellors for Research (or equivalent) from six of the largest academic research institutes in Missouri termed the Research Alliance of Missouri (RAM) Committee. The RAM Committee meets with the mission of providing the leadership and strategic vision to develop and support efforts in converting the state's research intellectual assets into market opportunities.
- Over the past decade, MTC has invested nearly \$47 million in more than 145 early-stage Missouri-based high-growth technology-focused companies. These companies have successfully raised over \$1.3 billion in additional private capital. For FY 2023, MTC's active portfolio companies represented over 1,000 total jobs in Missouri, including the creation of nearly 300 new jobs. Furthermore, these companies raised over \$270 million in additional private capital, and generated revenue exceeding \$200 million.

After nearly three years as the Chair and seven years on the Board, I will be stepping down from my position after submitting this report. I want to express my gratitude to all the esteemed Board Members I have had the privilege of serving alongside during my time on the Board. I especially want to thank Senator Denny Hoskins and Representative Alex Riley for their service this fiscal year. MTC has a dedicated and skilled staff, as well as a determined Board of Directors committed to seizing the opportunities presented by the FY23 implementation plan for Catalyzing Innovation and fostering prospects for the entire state of Missouri. It has been a great honor to serve the state as a board member, vice-chairman and ultimately as Chairman of the Missouri Technology Corporation over these years. I thank you for the opportunity to serve as chairman. I hand over the chairmanship of MTC to an able incoming leader, Dan Cobb, who is positioned well for continued success.

Please do not hesitate to contact me if you have any questions.

Sincerely,



Dedric A. Carter, PhD, MBA  
Chair, Missouri Technology Corporation

cc: MTC Board of Directors (electronic copy)

# 2023

## ANNUAL REPORT

Fiscal Year July 1, 2022 - June 30, 2023

November 1, 2023

Respectfully Submitted by:  
Dedric Carter, Ph.D. MBA  
*Chair*

Jack Scatizzi, Ph.D.  
*Executive Director*

# 2023

## ANNUAL REPORT

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## 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.

## 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.

# Catalyzing Innovation

## Strategies for Missouri to Drive Innovation & Entrepreneurship

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.

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 critical challenges to be addressed. They then recommended 16 bold action items, categorized under five strategic approaches, to address the challenges and 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 AgTech and biotech 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.

The 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.

A copy of the Executive Summary of the Catalyzing Innovation Report and FY23 & FY24 Implementation Plans have been included as Appendices, and a full version of the report is available on MTC's website.

As part of TEconomy's analysis of the state's innovation and entrepreneurial ecosystems, they completed an economic development impact analysis of MTC's programs for FY14 through FY21. The results of the analysis can be found in the Economic Development Overview & Impact of MTC's Programs Section on page 14.



**Challenge 1:** While the amount of risk capital dollars invested in Missouri has grown, the number of deals has declined, making risk capital difficult to access for many entrepreneurs across Missouri.

## Fund

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

**Challenge 2:** Entrepreneurial support services and physical infrastructure remain less accessible among underrepresented minorities and those living in rural areas.

## Grow & Scale

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

**Challenge 3:** There is untapped potential at Missouri's research institutions that is limiting ideation and entrepreneurship.

## Launch & Cultivate

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

## Catalyzing Innovation

### Challenges & Strategies

**Challenge 4:** Not enough Missourians are participating in innovative and entrepreneurial endeavors, thereby making access to talent difficult for many startups and growing firms.

## Inspire

**Strategy:** Encourage more Missourians to participate in innovation and entrepreneurship.

**Challenge 5:** There is a lack of connectivity among the various components of Missouri's I&E ecosystem, both literally (e.g., broadband) as well as figuratively (e.g., perceived competition and siloed efforts).

## Connect

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

# Board of Directors

## At End of Fiscal Year 2023

**Dedric Carter, Ph.D.**

*Vice Chancellor for Innovation & Chief  
Commercialization Officer  
Washington University  
St. Louis, Missouri*

**Jim Baker, Ph.D.**

*Vice President for Research and  
Economic Development  
Missouri State University  
Springfield, Missouri*

**Mr. Dan Cobb**

*Serial Entrepreneur  
Springfield, Missouri*

**Mr. Erwin Switzer**

*Officer  
Greensfelder, Hemker and Gale P.C.  
St. Louis, Missouri*

**Ms. Michelle Hataway**

*Acting Director  
Missouri Department of  
Economic Development  
Jefferson City, Missouri*

**The Honorable Denny Hoskins**

*Missouri Senate  
Warrensburg, Missouri*

**The Honorable Alex Riley**

*Missouri House of Representatives  
Springfield, Missouri*

**Vacant member****Ms. Kathryn Allen**

*Shareholder  
Polsinelli  
Kansas City, Missouri*

**Mr. Allen Dillingham**

*Director of Government Affairs  
The Builders' Association  
Kansas City, Missouri*

**Ajay K. Jhamb**

*Founder & President  
American Cricket Academy and Club  
Dardenne Prairie, Missouri*

**Mr. Michael J. O'Connell III**

*United Association of Plumbers and  
Pipefitters  
St. Louis, Missouri*

**Ms. Stephanie Regagnon**

*Executive Director, Innovation Partnerships  
Danforth Plant Science Center  
St. Louis, Missouri*

**Mr. Donn Rubin**

*President & CEO  
BioSTL  
St. Louis, Missouri*

**Tom Spencer, Ph.D.**

*Delegate for President of Univ. of Missouri  
Vice Chancellor for Research and  
Economic Development  
University of Missouri System  
Columbia, Missouri*



## At End of Fiscal Year 2023

### Officers

**Dr. Dedric Carter**  
*Chair*

**Dan Cobb**  
*Vice Chair*

**Dr. Jim Baker**  
*Treasurer/Secretary*

The Executive Committee and Audit Committee are established by Articles VI and VII, respectively, of the by-laws that were approved in May 2008. Additionally, standing or special committees may be appointed as stated in Article VIII.

### Committees

#### EXECUTIVE COMMITTEE

**Dr. Dedric Carter, Chair**

Dan Cobb, Vice Chair

Dr. Jim Baker, Erv Switzer, and Michelle Hataway

#### AUDIT COMMITTEE\*

**Dr. Jim Baker, Chair**

Erv Switzer, Vice Chair

Dr. Dedric Carter, Allen Dillingham, Mike O'Connell, and Donn Rubin

#### INVESTMENT COMMITTEE

**Dan Cobb, Chair**

Dr. Dedric Carter, Vice Chair

Erv Switzer and Kathryn Allen

*\*Also addresses conflict of interest issues*

### Staff

**Dr. Jack Scatizzi**  
*Executive Director*

**Ms. Julia Campbell**  
*IDEA Fund Manager*

**Ms. Melissa Grizzle**  
*Venture Capital Portfolio Manager*

**Mr. Nate Marschalk**  
*Entrepreneurial Ecosystem Grants Coordinator*

**Ms. Jenni Rabenau**  
*Marketing & Communications Strategist*

**Ms. Amy Steinman**  
*Finance and Compliance Administrator*

**Ms. Christine Zika**  
*Venture Associate*

## Areas of Focus

**Animal Health** – products and services related to the health and nutrition of companion and livestock animals including but not limited to animal feed, comparative health, diagnostics, human food supply, veterinary drug development and delivery, and veterinary science.

**Applied Engineering** – the use of engineering to develop innovative product and service solutions for technological issues including but not limited to advanced manufacturing, advanced materials, clean energy generation and storage, creative content, digital and convergence media, and information technology.

**Biomedical Science** – products and services related to human health including but not limited to biomaterials, diagnostics, drug development and delivery, information technology related to human health, medical devices, and pharmaceutical manufacturing.

**Defense and Homeland Security** – products and services related to national defense and national security including but not limited to development, assembly, maintenance and modification of military equipment, homeland defense-related solutions, and related suppliers.

**Plant Science** – products and services related to plants and plant-derived materials including agricultural yield enhancement, biofuels, food, fiber, plant-derived chemicals, and value-added agriculture technology products.

# Summary of Programs

## Fiscal Year 2023

MTC is dedicated to advancing Missouri's innovation-led economy by implementing two distinct strategies. Firstly, MTC focuses on enhancing the infrastructure of Missouri's entrepreneurial ecosystem to provide comprehensive support to entrepreneurs. These infrastructure investments are made possible through the state innovation center program and the Missouri Building Entrepreneurial Capacity (MOBEC) Program. Secondly, MTC invests in high-tech, early-stage startups in Missouri by offering capital formation assistance through the Missouri Innovation, Development, and Entrepreneurial Advancement (IDEA) Funds program.

### Missouri Building Entrepreneurial Capacity Program (MOBEC)

Supporting entrepreneurs and fostering innovation is critically important to building an ecosystem that enables entrepreneurs to create jobs and stimulates economic growth. Hence, the MOBEC program is a cornerstone of MTC's investment strategy. Through MOBEC, MTC makes strategic investments in the form of grants to public and private non-profit Missouri research institutions as well as entrepreneurial support organizations and initiatives that expand the support system for entrepreneurs that are commercializing new technologies or that enhance the capacity of Missouri to grow its innovation economy. The grants are also available to enhance the capabilities of Missouri research institutions to attract competitive federal and private research funding and centers, as well as enhance research and commercialization endeavors in the targeted high-tech industry cluster. The ultimate objective is to generate sustainable, high-paying employment opportunities within the private sector.

MOBEC projects throughout the state include the launch and expansion of initiatives focused on mentoring and advising technology entrepreneurs. Additionally, there is the establishment of laboratory facilities to facilitate the advancement of novel technologies, as well as the provision of assistance for the commercialization of emerging medical devices.

### IDEA Fund Co-Investment Program

The Missouri IDEA Fund promotes the formation and growth of businesses that engage in the transfer of science and technology into job creation. The fund provides venture capital-based financing to eligible businesses through three programs that correspond to the stages of growth for promising early-stage high-growth potential businesses: (1) pre-seed capital stage financing; (2) seed capital stage financing; and (3) venture capital growth stage financing. Funding decisions are made on a quarterly basis through a multi-tiered, competitive application process.

MTC's IDEA Fund program Co-Investment fund requires matching private funds. More specifically, for each dollar that MTC invests, the entrepreneur must secure at least one dollar of investment from private sources to match MTC's investment. MTC uses a matching fund requirement to ensure that the capital invested, generally from state or federal sources, will be invested in the State's most attractive early-stage investment opportunities.

### Innovation Center Program

Historically, MTC oversaw the state's network of nine innovation centers across the state. These innovation centers provide specialized assistance to early-stage innovative entrepreneurs and small businesses, encompassing various aspects such as technology development and commercialization, business planning and development, as well as capital formation and fundraising initiatives.

# Innovation Centers

## Fiscal Year 2023

The Missouri Innovation Center program serves as a significant statewide asset for the commercialization of research discoveries and innovations in Missouri. These innovation centers play a crucial role in assisting Missouri entrepreneurs in establishing and expanding new high-tech, high-growth businesses. They offer specialized business counseling, hands-on business development, and financial assistance, enabling the successful transition of technologies from the laboratory or garage to thriving enterprises that generate well-paid employment opportunities. Additionally, innovation centers may operate physical incubators that provide affordable laboratory and office spaces. The commercialization process encompasses various stages, including establishing proof of concept, securing seed investment, developing prototypes, and forming strategic partnerships. Given its complexity and duration, this process demands specialized expertise. Innovation Centers are strategically located in Cape Girardeau, Columbia, Joplin, Kansas City, Kirksville, Rolla, Springfield, St. Joseph, and St. Louis.

Missouri Enterprise, headquartered in Rolla, functions as the innovation center with a specific focus on advanced manufacturing. This includes the operation of the Manufacturing Extension Partnership (MEP) program. The MEP program aims to provide technical engineering assistance to small- and medium-sized manufacturers based in Missouri. Its primary objectives

are to enhance productivity, facilitate the acquisition of essential quality certifications for exporting locally-made products, and aid manufacturers in implementing growth strategies. In today's global economy, small manufacturers in Missouri encounter mounting pressures to remain cost competitive against foreign goods produced in countries like China. Consequently, the MEP program plays a crucial role in enabling manufacturers of conventional products, such as cabinets or pipes, to leverage technology for expansion and competition. Furthermore, it extends support to high-tech startups, fostering the creation of new manufacturing jobs within the state of Missouri.

Early in FY23 the Innovation Centers were notified that MTC would be discontinuing its direct funding activities of the Innovation Centers and would instead be launching a competitive grant program to provide funding to support the physical infrastructure required to ensure entrepreneurs have access to affordable physical workspaces to launch and grow their businesses. In the spring of 2023, MTC launched a pilot Physical Infrastructure Grant Program, and at the end of the fiscal year awarded over \$1 million in grant-based funding throughout the state. Due to the success of the pilot program, MTC will be launching a full Physical Infrastructure Grant Program in the spring of FY24. MTC is continuing its direct funding of Missouri Enterprise in FY24 and beyond.

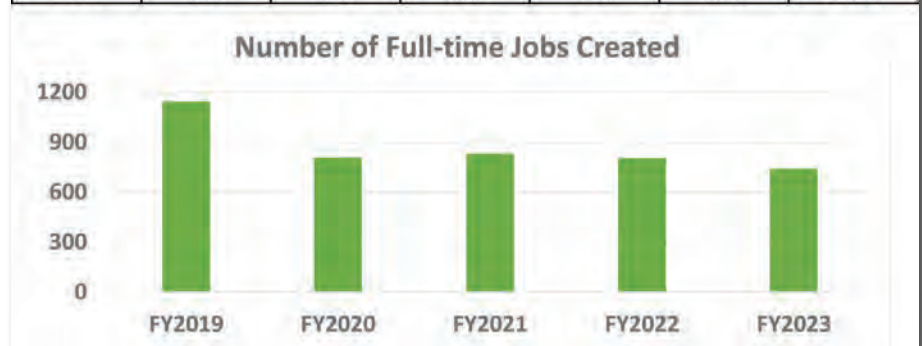
# Innovation Centers

## BY THE NUMBERS

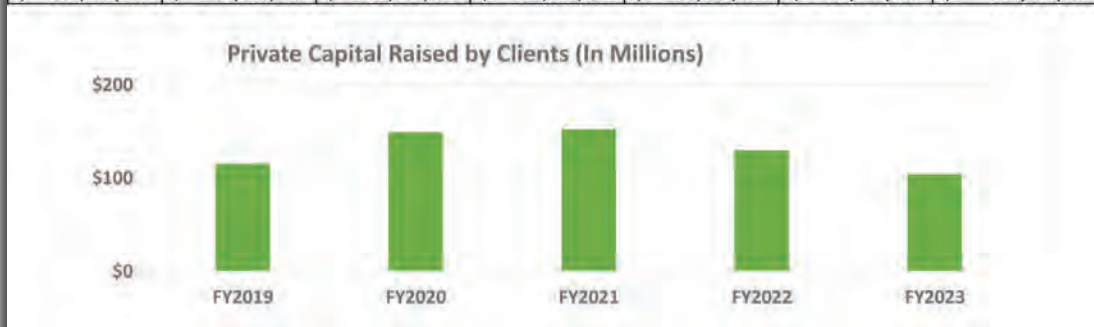
Number of Clients						
FY2019	FY2020	FY2021	FY2022	FY2023	AVERAGE	TOTAL
648	1505	2184	1157	1054	1310	6548



Number of Full-time Jobs Created						
FY2019	FY2020	FY2021	FY2022	FY2023	AVERAGE	TOTAL
1144	808	830	803	740	865	4325



Private Capital Raised by Clients						
FY2019	FY2020	FY2021	FY2022	FY2023	AVERAGE	TOTAL
\$ 115,267,482	\$ 149,057,096	\$ 152,139,654	\$ 129,826,958	\$ 103,910,000	\$ 130,040,238	\$ 650,201,190



Government-funded Capital Raised by Clients (SBIR/STTR Grants)						
FY2019	FY2020	FY2021	FY2022	FY2023	AVERAGE	TOTAL
\$ 10,449,270	\$ 9,152,301	\$ 14,481,109	\$ 7,437,471	\$ 5,640,000	\$ 9,432,030	\$ 47,160,151



# IDEA Fund Co-Investments

## Fiscal Year 2023

The MTC Innovation, Development, and Entrepreneurship Advancement (IDEA) Fund promotes the formation and growth of businesses that engage in the transfer of science and technology into job creation. The IDEA fund provides venture capital-based financing to eligible businesses through three programs that correspond to the stages of growth for promising early-stage high-growth potential businesses: (1) pre-seed capital stage financing; (2) seed capital stage financing; and (3) venture capital growth stage financing.

MTC makes equity-based direct investments into Missouri's most attractive early-stage investment opportunity by utilizing a co-investment model. For every dollar the MTC invests, generally from state or federal sources, the company needs to secure a matching investment from a private source. Co-investors are typically individual angel investors, angel investor networks, or Midwest-focused venture capital funds. MTC typically represents 10-25% of the total funding round and expects co-investors to be actively involved in the company to provide advice/mentorship and financial support.

Applications are open year-round and funding decisions are made on a quarterly basis through a multi-tiered, competitive application process.

### **TechLaunch Co-Investment Program**

The TechLaunch program was created to support Missouri's early-stage entrepreneurs in developing technologies and overcoming the initial financing challenges of launching new ventures. TechLaunch supports technology startups through matching equity or convertible debt investments up to \$100,000 for the purpose of technology and business development. This pre-seed funding is generally used for establishing proof of concept of scientific discoveries, prototype or minimally viable product design and development, intellectual property development, early sales and marketing efforts, and other similar activities that will de-risk the investment opportunity for future investors. There are many indicators of a company's place on the startup life cycle spectrum, but this program was developed for pre-seed companies that have raised less than \$250,000 of outside capital and are currently raising between \$500,000 to \$1 million.

### **Seed Capital Co-Investment Program**

The Seed Capital program was created to support Missouri's early-stage entrepreneurs in developing technologies, creating jobs across Missouri, and positioning their businesses for future venture capital investment. Seed companies generally need to establish product market fit in addition to hitting key metrics and milestones that prove traction. The Seed Capital program supports technology-based startups through matching equity or convertible debt investments up to \$500,000 for the purpose of technology and business development. The seed funding may be used for hiring of key personnel, early commercialization efforts including sales and marketing, protection of intellectual property, conducting in depth market potential analysis, and other similar activities that prove the concept and advance traction. The program targets companies that have raised approximately \$500,000 to \$2 million of outside capital and are currently raising between \$1 million to \$5 million.

### **Venture Capital Co-Investment Program**

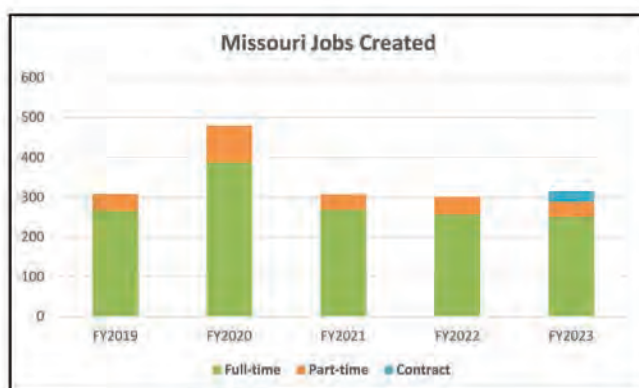
High-tech start-ups that achieve critical commercialization milestones with seed capital financing require access to venture capital in order to expand, scale operations, hire new employees, and establish a presence in the market. The Venture Capital Program was created to accelerate private venture capital investment in Missouri-based start-up companies and to increase the overall investment impact of third-party investments. The program supports technology startups through matching equity or convertible debt investments up to \$2 million. The program targets companies that are currently raising between \$5 million to \$20 million, and have identified a potential lead investor (by the time of application) which has domain expertise in the applicable industry sector of the applicant and/or has performed a significant level of due diligence at the discretion of the MTC. The capital provided by MTC will be leveraged to attract additional venture capital funds to participate in the round, and accelerate the growth of the company.



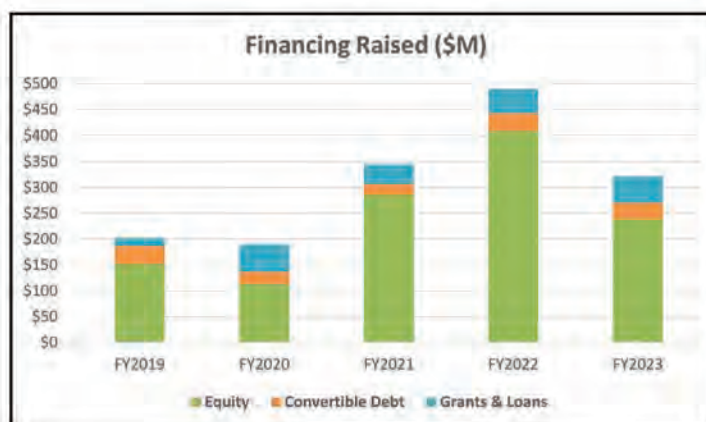
# Portfolio Economic Impact

Fiscal Year 2023

Missouri Jobs Created							
	FY2019	FY2020	FY2021	FY2022	FY2023	AVERAGE	TOTAL
Full-time	266	389	269	256	251	286	1,431
Part-time	42	90	38	45	37	50	252
Contract					28	28	28
<b>TOTAL</b>	<b>308</b>	<b>479</b>	<b>307</b>	<b>301</b>	<b>316</b>	<b>365</b>	<b>1711</b>



Financing Raised						
	FY2019	FY2020	FY2021	FY2022	FY2023	TOTAL
Equity	\$152,192,223	\$112,593,502	\$285,406,119	\$408,031,418	\$238,929,256	\$1,197,152,519
Convertible Debt	\$34,195,991	\$24,207,224	\$21,212,428	\$34,133,480	\$31,495,517	\$145,244,639
Grants & Loans	\$15,687,729	\$52,979,285	\$38,324,953	\$47,298,092	\$51,384,821	\$205,674,880
<b>TOTAL</b>	<b>\$202,075,943</b>	<b>\$189,780,011</b>	<b>\$344,943,499</b>	<b>\$489,462,991</b>	<b>\$321,809,594</b>	<b>\$1,548,072,038</b>



\*Data self-reported by each portfolio company and aggregated by MTC staff

# Investment Review Process



The Missouri Technology Corporation makes strategic investments to promote entrepreneurship and foster innovation in Missouri. Following a benchmarking analysis of programs and best practices from other states as well as consideration of Missouri's unique strengths, MTC developed clearly defined programs with articulated goals, eligibility standards, and evaluation criteria. These highly competitive, application-based programs are subject to a thorough 9-step investment review process that reflects MTC's core values of integrity, transparency, accountability, independence, and collaboration.

## **Step 1 – Review Program Guidelines and Investment Review Process**

Prospective applicants should carefully review MTC's program guidelines and investment review process to determine which program, if any, is an appropriate fit for the prospective applicant's investment plans and growth strategy.

## **Step 2 – Application Submission**

Prospective applicants should complete the appropriate MTC program application and submit it to MTC in accordance with the deadline established for the current funding period. Late applications will not be accepted. It is the duty of the prospective applicant to contact MTC staff in a timely manner to answer any questions or other concerns. The MTC Board of Directors has adopted a robust conflicts of interest policy, which will be strictly adhered to for all submissions.

## **Step 3 – Preliminary Application Assessment**

All timely applications will be reviewed by MTC staff to determine whether they are complete and conform to the program requirements. Applicants will be notified of submissions rejected at this stage and the applicant may resubmit a new application in a future funding period.

## **Step 4 – Comparative Scoring and Due Diligence**

All conforming applications from Step 3 will be thoroughly reviewed and assessed using a standard scorecard for the program. Each submission will be reviewed by at least three reviewers from MTC staff and consultants. At this stage, the reviewers will conduct any due diligence appropriate under

the circumstances, including an assessment of third-party information that may be helpful to fully analyze the submission.

A composite score for each submission will be calculated based on the scorecards of the individual reviewers. The top-scoring submissions will be forwarded to MTC's Investment Committee. The number of top-scoring submissions forwarded to the Investment Committee will vary by funding period.

## **Step 5 – MTC Investment Committee Review**

The Investment Committee of the MTC Board of Directors is charged with assisting the Board by evaluating potential investment opportunities. The MTC Investment Committee will review each proposal forwarded to it following Step 4 along with the composite score the proposal received.

Each applicant that advances to Step 5 will be invited to present the proposal to the MTC Investment Committee so that the MTC Investment Committee can ask questions and develop a deeper understanding of the proposal under consideration.

The MTC Investment Committee will use its best judgment under the circumstances to make one of the following recommendations to the full MTC Board of Directors on each proposal it receives: (i) recommend funding the proposal as submitted; (ii) recommend funding the proposal subject to certain modifications or completion of additional due diligence; or (iii) recommend no funding for the proposal.



### **Step 6 – MTC Board of Directors Review**

Each of the proposals recommended by the MTC Investment Committee will be considered at a meeting of the MTC Board of Directors and any additional evaluation or modification will be made to the proposal under consideration. The MTC Board of Directors will use its best judgment under the circumstances to take one of the following actions on each proposal it considers: (i) approve funding the proposal as submitted; (ii) approve funding the proposal subject to certain modifications or completion of additional due diligence; or (iii) deny funding for the proposal. Under exigent and competitive circumstances, the MTC Board of Directors reserves the right to directly consider any proposal if the Board determines that doing so is in the best interest of the State of Missouri.

### **Step 7 – Legal Documentation and Other Actions**

The MTC Board of Directors will ordinarily delegate its authority to the MTC Executive Committee to complete legal documentation and other actions necessary under the circumstances for each approved or conditionally approved project. When appropriate under the circumstances, funding will be based on the approved project achieving certain key milestones.

### **Step 8 – Compliance and Monitoring**

The MTC staff will closely monitor all of MTC's investments to ensure compliance with the legal terms and conditions set forth in the agreements between MTC and the awardee.

### **Step 9 – Post-Award Reporting**

Funded proposals will be tracked for a 10-year period to determine the economic impact of the project. The MTC staff will assist the MTC Investment Committee in tracking these outcomes and aggregating the economic impact of MTC's investments.



# Economic Development Overview & Impact of MTC's Programs

In 2021 MTC engaged TEconomy Partners to conduct an economic development impact analysis of MTC's investments in the state's entrepreneurial ecosystems. TEconomy leveraged an input-output model to represent the interrelationships among economic sectors.

Input-output (I-O) multipliers are based on the flow of commodities between industries, consumers, and institutions in a regional economy. The premise behind this analysis is that every dollar spent in the economy (the direct impact) is re-spent on the purchase of additional goods or services generating further economic activity and impact (the multiplier—indirect and induced effect) as outlined in Figure A-1. The analysis was performed using a State of Missouri-specific input-output model from IMPLAN, which is the most widely used economic impact model in the nation.

Additional details regarding the economic modeling conducted by TEconomy can be found in the Catalyzing Innovation: Strategies for Missouri to Drive Innovation and Entrepreneurship, which can be accessed from MTC's website.

From FY2014 to FY2021, the investments MTC made have had an important impact on the state. Specifically, MTC provided financial support for the state's 11 Innovation

Centers (nine are currently active) and 42 organizations received MOBEC awards and other sponsored grants. Additionally, MTC made direct investments in 139 companies through its IDEA Fund.

The \$63.6 million in state funds expended through the MTC programs were leveraged with an additional \$12.1 million in federal funds, for a total investment in innovation and entrepreneurial programs of \$75.7 million. Overall, MTC's portfolio of programs provides strong benefits and positive economic impacts, as illustrated in Figure A-2.

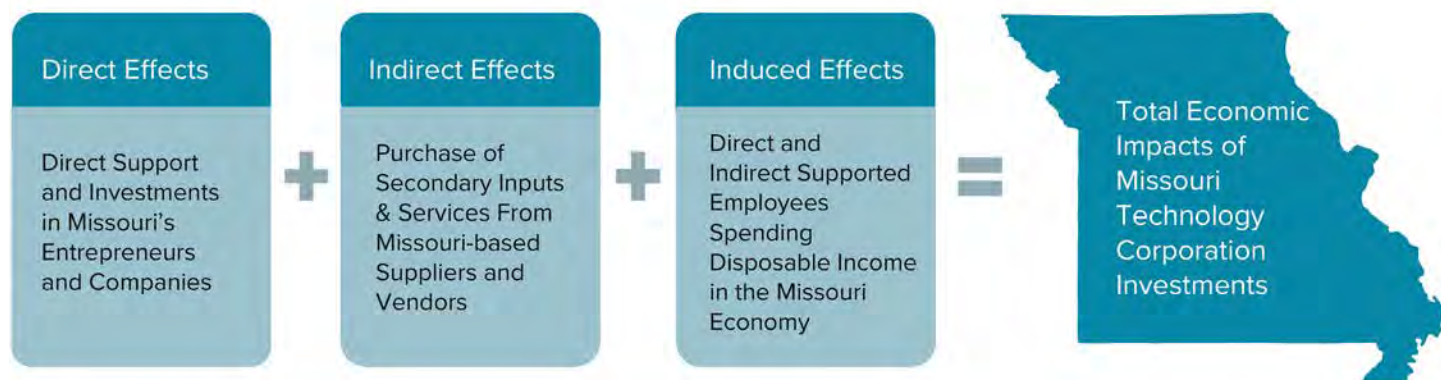
Summarized, the total cumulative economic impacts of MTC's programs and investments during this timeframe generated and supported:

- More than 34,500 job years with wages and benefits totaling more than \$2 billion
- More than \$6.4 billion of economic output, and
- More than \$175 million in state and local tax revenue for the State of Missouri.

To calculate the economic ROI, TEconomy used MTC's program data to estimate the total amount of state taxpayer money used to support each of the programs. From FY2014–FY2021, a total of \$75.7 million went toward MTC programs, including \$63.6 million in state

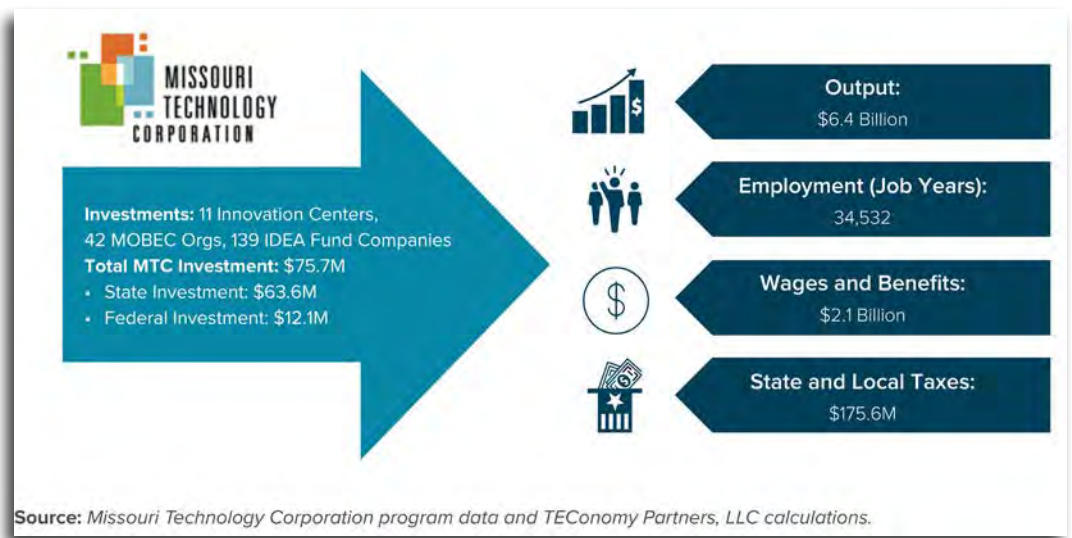
**Figure A-1: Measuring the Economic Impacts of MTC**

*continued next page*



Source: TEconomy Partners, LLC

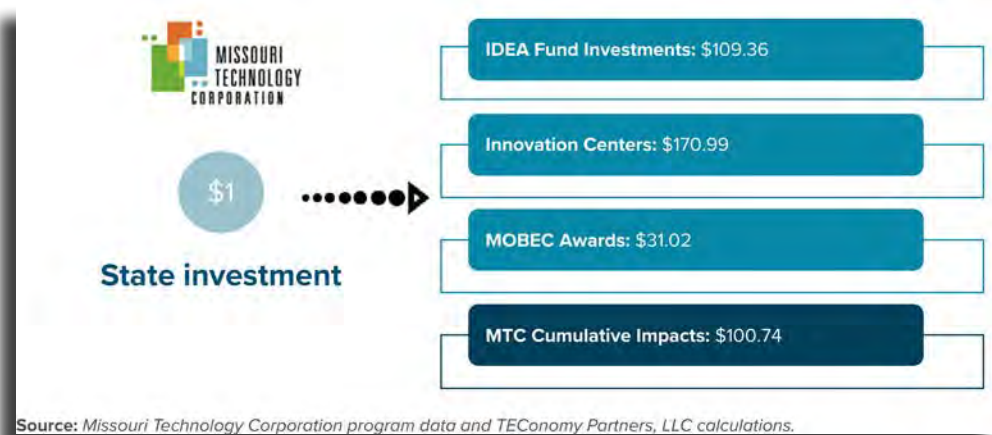
Figure A-2: MTC's Cumulative Economic Impacts, FY2014-FY2021



funding and \$12.1 million in federal dollars. TEconomy calculated economic activity and tax revenue ROI based on funding from the State of Missouri.

TEconomy's analysis determined that MTC's programs have had a significant positive economic impact return on investment. As Figure A-3 illustrates, for every Missouri state taxpayer dollar that MTC invests through the IDEA Fund, it generates \$109.36 in total statewide economic activity. Investments in Innovation Centers foster \$170.99 of state economic activity and investments in MOBEC and other grant programs generate \$31.02 of economic activity per dollar invested by MTC.

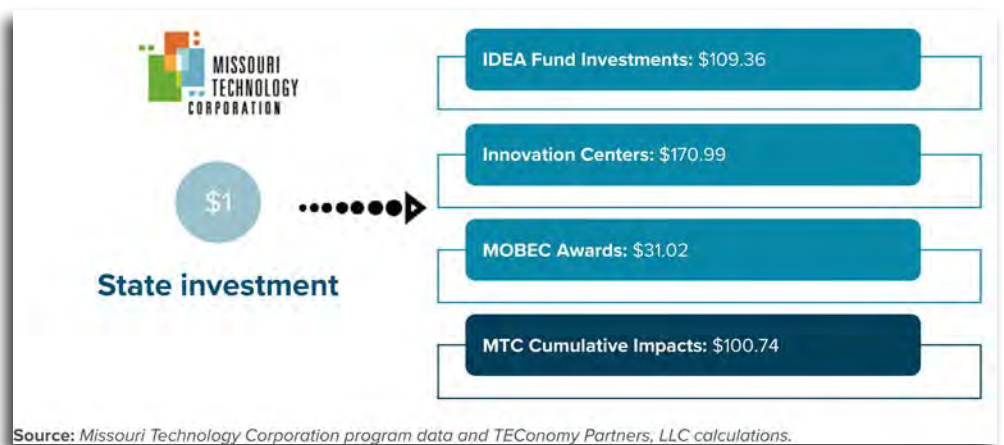
Figure A-3: Missouri Technology Corporation's Economic Activity ROI: FY 2014-2021



When aggregated, MTC's investments across its three active programs generated an economic activity return of \$100.74 within the State of Missouri for every \$1 invested by the state.

From a state and local tax revenue basis, MTC's total investments returned \$2.76 to the State of Missouri for every state \$1 invested. This return indicates that on a direct outlay basis, these MTC programs have generated a positive return over the last eight years.

Figure A-4: Missouri Technology Corporation's State & Local Tax Revenue ROI: FY 2014-2021



# Balance Sheet

DRAFT as of June 30, 2023

ASSETS	TOTAL
Current Assets	
Bank Accounts	
Central Bank Checking	\$62,219,214.97
Total Bank Accounts	\$62,219,214.97
Other Current Assets	
Total Other Current Assets	\$10,214,432.04
Total Current Assets	\$72,433,647.01
Other Assets	
Total Investments	\$35,644,450.16
Total Notes Receivable	\$ 5,384,774.84
Total Other Assets	\$ 41,029,225.00
<b>TOTAL ASSETS</b>	<b>\$ 113,462,872.01</b>
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Total ADVANCED MANUFACTURING	\$ 12,289,428.57
Total BUILDING ENTREPRENEURIAL CAPACITY	\$ 2,212,197.17
Total Contractual Committed Funds	\$ 14,501,625.74
Total Current Liabilities	\$ 14,501,625.74
Total Liabilities	\$ 14,501,625.74
Equity	
Net Assets - Temporarily Restricted	\$ 1,004,024.00
Net Assets - Unrestricted	\$ 59,950,414.02
Retained Earnings	
Net Income	\$ 38,006,808.25
Total Equity	\$ 98,961,246.27
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 113,462,872.01</b>

# Profit & Loss

DRAFT July 2022 - June 2023

Income	Total
Contributions Income	
Administrative Income	\$2,265,516.15
Program Income	\$47,953,806.85
Total Contributions Income	\$50,219,323.00
Miscellaneous Income	\$621.38
<b>Total Income</b>	<b>\$50,219,944.38</b>
<b>Gross Profit</b>	<b>\$50,219,944.38</b>
Expenses	
Administrative Services/Cost Allocation	\$4,874.31
Conference - Expense	\$1,465.65
Dues and Subscriptions	\$5,160.00
Fees	\$13,621.66
Insurance	\$17,819.05
Licenses and Permits	
Miscellaneous	\$36.00
Office Expenses	\$5,786.57
Postage and Delivery	\$467.25
Professional Development	\$325.00
Professional Services	
Accounting	\$28,537.50
Consulting	\$32,435.00
Legal Fees	\$195,770.29
Marketing	\$16,365.95
Program Expense	\$18,673,282.33
Rent	\$25,853.98
Software Program	\$13,482.75
Supplies	\$672.55
Telecommunications	\$3,722.25
Travel & Engagement	\$22,615.96
Wages	\$543,424.68
<b>Total Expenses</b>	<b>\$19,605,718.73</b>
Net Operating Income	\$30,614,225.65
Other Income	
Interest Income - Administrative	\$552,185.19
Interest Income - Program	\$150,639.04
Program Deobligations	\$3,888.16
Total Realized Gain (Loss) on Investment	\$6,685,870.21
Total Other Income	\$7,392,582.60
Net Other Income	\$7,392,582.60
<b>Net Income</b>	<b>\$38,006,808.25</b>



# Appendix A: Executive Summary of Catalyzing Innovation Report





EXECUTIVE SUMMARY

# Catalyzing Innovation:

Strategies for Missouri to Drive Innovation and Entrepreneurship

Performed For: Missouri Technology Corporation

Performed By: TEconomy Partners, LLC

February 2022





For more information on this report please contact its authors with TEConomy:

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*TEConomy Partners, LLC is a global leader in research, analysis, and strategy for innovation-driven economic development. Today, we're helping nations, states, regions, universities, and industries blueprint their future and translate knowledge into prosperity.*



# Foreword

In July of 2019, we began a process to best determine the future of innovation and entrepreneurship in the State of Missouri. At that time, the Missouri Technology Corporation (MTC) launched a national search for a new Executive Director, which I chaired. This search was important because it provided an opportunity for MTC leadership to reflect on the organization's current contributions and the desired future contributions in the cultivation of an entrepreneurial ecosystem in Missouri. That reflection was the beginning of an inflection point—a realization that we should take stock of the successes and lessons learned from our endeavors in spurring entrepreneurial pursuits as background for laying the foundation for the next decade. The next decade will provide tremendous opportunities for investments of time, talent, and treasures in bettering Missouri's entrepreneurial capacity and output. We know that states that recognize the benefits of entrepreneurship and innovation and their role in today's knowledge-based economy are developing policies and programs to establish an inclusive environment that creates, attracts, and retains innovation-based companies and ensures an infrastructure to support them.

In February of 2020, we welcomed the new executive director, Dr. Jack Scatizzi, to MTC and charged ourselves to complete within the next 24-month period a strategic initiative that would lay the foundation for the decade. In January 2021, Governor Parson named me chair of MTC. I accepted the role, having committed much of my career to catalyzing growth and support of innovation and entrepreneurial pursuits. With the support of the Missouri Department of Economic Development and in discussions with the Governor's office, we mapped a 12-month timeline for completing a strategic plan by the Spring of 2022. We established and convened a distinguished steering committee (the Missouri Innovation and Entrepreneurship Strategy Steering Committee) to oversee the design of the Entrepreneurship and Innovation Strategic Plan. The Steering Committee is comprised of a group of 16 talented individuals representing perspectives from entrepreneurs, economic development professionals, academic research and translation, and capital deployment from across the state.

The data show that over the last decade, the MTC has been an essential asset in driving entrepreneurship and economic development throughout Missouri. The organization's successes are a direct result of strategic planning and execution focused on the promotion of entrepreneurship and innovation within emerging high-growth and high-potential markets.

For Missouri to continue to maximize the gains from entrepreneurship, MTC needs a new data-driven strategic plan to support the advancement of entrepreneurship and innovation, create higher-paying jobs, and accelerate economic development on behalf of the State of Missouri. The creation of this strategic plan allows MTC to continue to support and grow Missouri's entrepreneurs and its entrepreneurial-focused ecosystems for the next decade. This plan will help set the direction for policies, programs, and initiatives that foster and support the further growth of entrepreneurs and the advancement of innovation and technology across the State of Missouri.

The desired outcomes for the Missouri Innovation and Entrepreneurship Strategy Steering Committee were:

- A call to action to ensure the State of Missouri prioritizes entrepreneurship and innovation in economic development planning.
- Long-term, statewide entrepreneurship and innovation strategies that leverage Missouri's unique opportunities and help overcome current weaknesses within the state's entrepreneurial ecosystem.
- A detailed, action-oriented roadmap with short- and long-term recommendations for programs, policies, and initiatives aligned with the identified strategic priorities.
- Identification of future processes/performance measures to ensure the strategic plan is responsive to evolving needs.

This report, *Catalyzing Innovation: Strategies for Missouri to Drive Innovation and Entrepreneurship*, represents a milestone in the completion of the strategic plan. A bold set of strategic recommendations and actions have been gathered through the work of our partners TEconomy Partners, LLC under the direction of the steering committee. The background and analysis were data-centered and rooted in objective measures. The engagement across the state was broad and transparent. The outcomes are a bold set of recommendations that will impact the work of MTC and invite other partners across the state to the important mission of advancing innovation and entrepreneurship within the "Show Me" state. While all recommendations may not make it to action in exactly their presented form, the charge was to be bold and unencumbered by current resources. Furthermore, our partners and the committee were tasked to be truly objective and informed by the data in the recommendations for strategic implementation.

I want to thank the members of the steering committee. It was truly a pleasure to convene and chair this body on behalf of the State of Missouri. The dedication and commitment of this group and the many stakeholders from across the state who engaged in this work underscore the energy and enthusiasm for growing the innovation and entrepreneurial ecosystem in Missouri. The engine of innovation seems poised to be aligned, tuned, fueled, and revved. Moreover, the opportunity to reflect on the strong impact of the last decade and the significant potential of the next decade and beyond is inspiring. With this report, we have been charged to Fund, Grow + Scale, Launch + Cultivate, Inspire, and Connect. In the coming months, we look forward to the conversations on key elements of the recommendations for further review and engagement. The final implementation of recommendations will be included in an implementation plan developed by MTC. This report captures an on-time and on-target milestone on our journey to further catalyze innovation in Missouri. We welcome your interest, collaboration, review, and engagement as a partner in this important work. Thank you for your support as we spring forward to a new beginning.

With great hope and optimism for an innovative and entrepreneurial future,

**Dedric A. Carter, PhD MBA**

*Chair, Missouri Innovation & Entrepreneurship Strategy Steering Committee*

*Chairman, Missouri Technology Corporation*



## Executive Summary

Across the nation, states that recognize the benefits of entrepreneurship and the role it plays in today's knowledge-based economy are developing policies and programs to establish an environment that creates, attracts, and retains entrepreneurs, as well as cultivating an infrastructure to support them. With an emphasis on encouraging economic growth that touches all corners of the state, this strategic action plan seeks to inspire more Missourians to participate in the 21st century economy and to foster a resilient state economy for future generations.

From its inception as a state 200 years ago to its status today as a leader in globally significant industries, innovation and entrepreneurship have always played a critical role in driving economic vitality in Missouri by fostering the formation of novel businesses, scaling their operations, and sustaining their growth as they generate new, high-paying jobs. The positive impacts of supporting innovation-based economic development can be viewed in a variety of ways, such as:

- **Driving productivity growth and new-wealth creation:** Innovation-oriented industries in Missouri pay higher wages and stimulate more investment than other sectors. For example, the average earnings of a worker in the State's tech industry were \$112,100 in 2020, nearly double the average earnings for all jobs across Missouri (\$64,000), according to the recent Technology2030 report produced by the Missouri Chamber of Commerce.<sup>1</sup>
- **Commercializing new products, processes, and services:** Missouri has long been synonymous with industries and technologies that help solve key challenges, such as national defense, health and life sciences, food security, environmental sustainability, and other mission-critical topics.
- **Improving the human condition:** Missouri's academic and industrial advancements across the plant, animal, and human health domains have enhanced living standards and quality of life.

Key to advancing innovation are the people who can turn innovation into successful growth-oriented businesses. It is important to note that while most entrepreneurs start by forming small businesses, not all small businesses are entrepreneurial. The needs of small businesses and growth-oriented entrepreneurs may be similar at first, but they quickly diverge. For economic growth to occur, growth-oriented entrepreneurs

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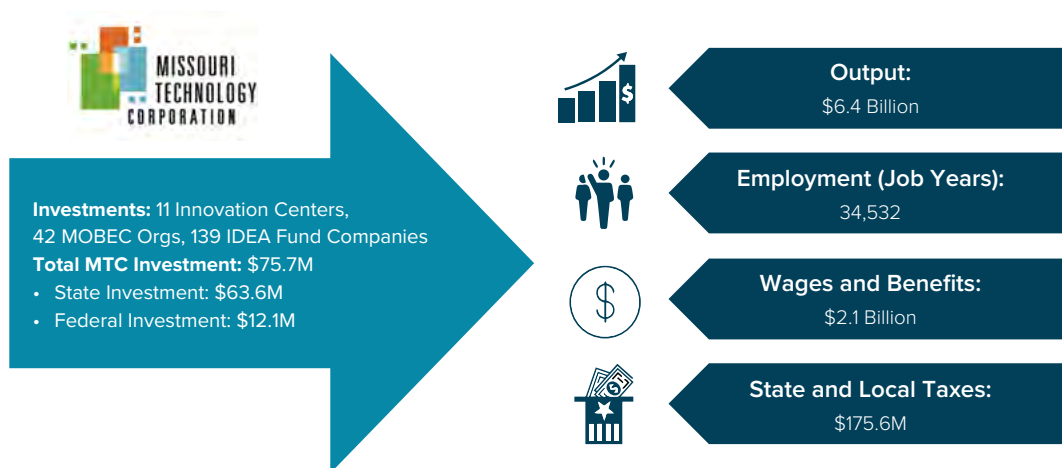
<sup>1</sup> <https://mochamber.com/tech-report/>

must focus on serving customers and markets beyond the residents and businesses in its community—otherwise known as traded-sector activities—in order to drive an increase in a state’s gross domestic product (GDP), which in turn leads to a higher quality of life for its citizens. Business activities that typically focus on meeting the local needs of families and businesses and do not bring new income from outside the region into the region are often referred to as sheltered or locally serving industries. Examples of sheltered industries include restaurants, retail stores, dry cleaners, and state and local government services. While these sheltered industries are critical to Missouri’s quality of life, they rely on purchases from local residents and businesses as their primary market, and so do not generate new income but instead benefit from a growing economy. As noted recently, “Productivity growth in the traded sectors is the primary source of wealth creation and income generation. However, most jobs reside in the non-tradable industries, which are more labor-intensive and less prone to productivity improvements. Productivity growth in the traded sector fuels job growth in the local non-tradable sector through multiplier effects...innovation activities have far higher local multiplier effects than nearly all other sectors, including manufacturing.”<sup>2</sup>

**The Missouri Technology Corporation (MTC) plays a vital role in developing a landscape for innovation-based economic development in the state, which helps support traded-sector entrepreneurs.**

Created by the Missouri General Assembly to promote entrepreneurship and foster the growth of new and emerging high-tech companies, MTC’s mission is to provide leadership and make strategic investments that help entrepreneurs create and grow technology-based businesses in Missouri. MTC supports traded-sector entrepreneurship through high-impact programs such as its support for Innovation Centers, other entrepreneurial support organizations through the Missouri Building Entrepreneurial Capacity (MOBEC) Grant Program, and its investments in Missouri-based, early-stage high-growth technology businesses through the IDEA (Innovation, Development, and Entrepreneurship Advancement) Fund Co-Investment Program. MTC’s portfolio of programs provide strong benefits and positive economic impacts (Figure ES-1).

**Figure ES-1: MTC’s Cumulative Economic Impacts, FY2014-FY2021**



**Source:** Missouri Technology Corporation program data and TEconomy Partners, LLC calculations.

**Note:** Of the 11 Innovation Centers funded over the time period, 9 are still currently operating and providing programmatic services.

2 Emil Malizia, Edward J. Feser, Henry Renski, and Joshua Drucker, *Understanding Local Economic Development: Second Edition*. (Routledge, 2020).

**MTC's total program portfolio generated an economic activity return of \$100.74 back to the State of Missouri for every \$1 invested—a strong return to the State regardless of the programmatic benefits afforded by the investment.** Furthermore, from a state and local tax revenue return on investment (ROI) basis, MTC's total program portfolio returned \$2.76 back to the State of Missouri for every \$1 invested. This return indicates that on a direct outlay basis, MTC programs have generated a positive return over the last eight years.

**While Missouri has made significant progress in recent years** (see Appendix A for the complete economic impact analysis of MTC's investments), **inconsistent funding remains a primary challenge to supporting innovation and entrepreneurship.** Given the importance of innovation and entrepreneurship to economic development in the 21st century, many in the state desire to elevate these themes as policy priorities. Meanwhile, the defunding of MTC in FY18 sent a message throughout the ecosystem that the State of Missouri was not going to expand its entrepreneurial investments that had proven successful, but instead withdraw its support for the ecosystem. This has left founders, programs, and initiatives questioning whether the support and resources they need will be available.

Missouri's decision to reduce its investments in innovation and entrepreneurship comes at a time when international peers and other competing states are accelerating the pace of new and existing programs, initiatives, and funding streams. At a time when Missouri is not only competing with other nations in the 21st century global economy, but also with many of its peer and neighboring states, its inability to invest in innovation and entrepreneurship could pose future risks to the state's comparative advantages.

**This strategic plan focuses on developing a systemic entrepreneurial ecosystem with the requisite supports in place to encourage growth in traded-sector industries across the State of Missouri. This study is the culmination of Missouri's ecosystem stakeholders and partners coming together to form a new, bold strategy for encouraging inclusive, entrepreneurial-led economic growth across the state.** Ultimately, a holistic approach was required to determine how the State of Missouri should promote entrepreneurship, support innovation-based and technology-enabled entrepreneurs, and help drive economic growth through the next decade. As a public-private partnership with leadership covering industry, academia, and economic development, MTC is uniquely situated to help drive this strategy.

Opportunities to encourage innovation and entrepreneurship exist in all corners of the state, and the project team was intentional about soliciting input from throughout the state. At the onset of this strategic initiative, MTC gathered a steering committee of 16 thought leaders from across the state to help guide the effort. Using a multi-pronged, qualitative approach, this effort involved outreach to approximately 500 individuals<sup>3</sup> throughout the state's innovation and entrepreneurship ecosystem using three distinct components:

- An ecosystem survey to gather input regarding areas such as entrepreneurial culture, risk capital environment, innovation support and physical infrastructure to support entrepreneurs, the business climate, broadband, and other domains. More than 280 individuals participated in this survey, and nearly half (48 percent) of respondents were entrepreneurs.

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3 See Appendix B for a list of stakeholders from across the State of Missouri who informed this effort.

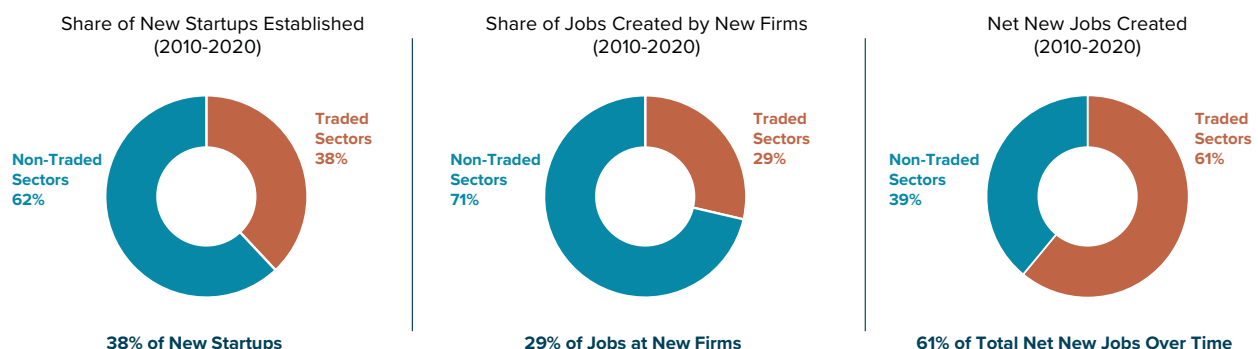
- Targeted interviews with serial entrepreneurs, venture capital providers, leaders of economic development and entrepreneurial support organizations, and other relevant members of the innovation and entrepreneurship ecosystem. In total, there were more than 70 interviews, and many of these discussions included multiple individuals.
- Regional focus groups with more than 120 individuals participating in six, 90-minute discussions to identify how public, private, philanthropic, and educational partners can collaborate in these regions to advance innovation and entrepreneurial development. Beyond these regional conversations, two statewide focus groups were conducted to gain feedback on both the analysis and preliminary recommendations. More than 80 stakeholders from across Missouri participated in these discussions.

## Key Findings That Drive Recommended Actions

Traded-sector firms, those that are serving customers and markets beyond the residents and businesses in their community, play an outsized role in Missouri’s economy. By bringing new dollars into Missouri’s economy, these traded-sector firms exhibit a strong multiplier effect: new jobs are created as exporting firms buy from local suppliers and as workers buy from local businesses. Economists estimate that traded-sector industries carry a multiplier more than twice as high as non-traded-sector firms.<sup>4</sup>

Over the course of the last decade, most net new jobs created in Missouri were due to the success of the state’s traded-sector firms. While the share of new startups established and the share of jobs created by new firms in traded sectors are relatively low—38 percent and 29 percent, respectively—traded-sector firms account for 61 percent of the total net new jobs created over time (Figure ES-2).

**Figure ES-2: Outsized Importance of Traded-Sector Firms to Missouri’s Economy**

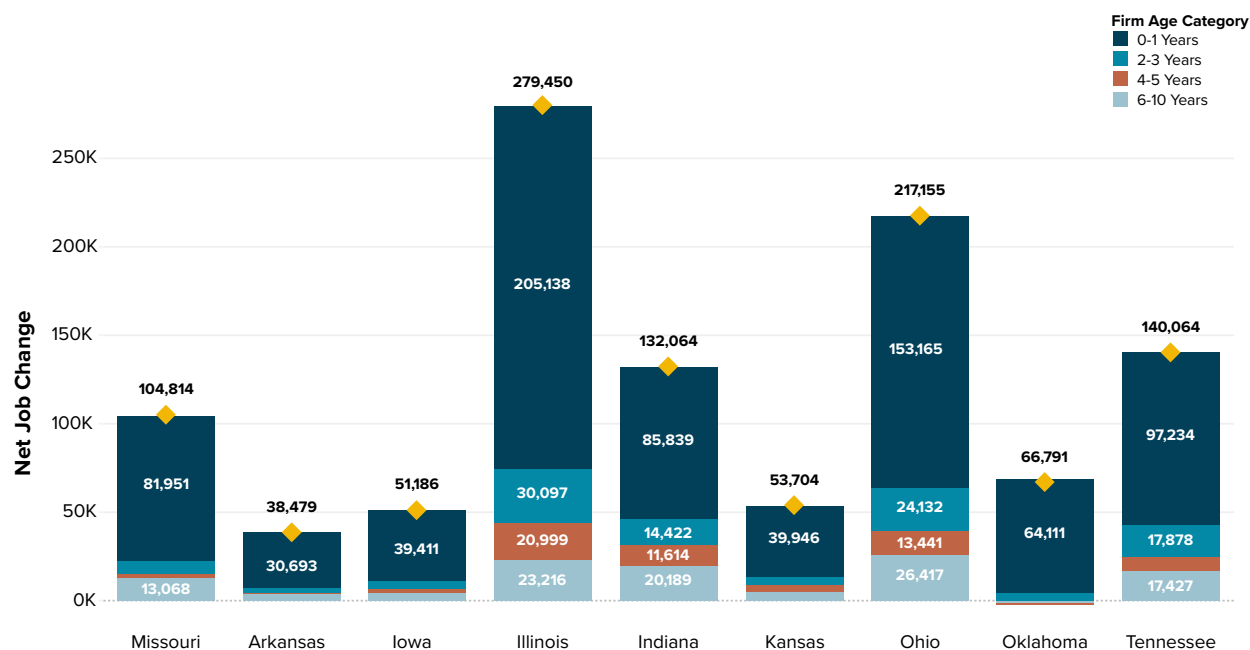


**Source:** TEconomy analysis of BLS Business Employment Dynamics Research and U.S. Census Bureau Quarterly Workforce Indicators Data

4 Timothy J. Bartik and Nathan Sotherland, Local Job Multipliers in the United States: Variation with *Local Characteristics* and with *High-Tech Shocks*, (The W.E. Upjohn Institute for Employment Research, March 2019). <https://orcid.org/0000-0002-6238-8181>

However, while traded-sector firms are driving employment in Missouri, relative to all the other benchmark states (with the exception of Oklahoma), the employment contribution from Missouri's young firms is not as robust as they age (Figure ES-3).

**Figure ES-3: Missouri + Benchmark States Traded-Sector Young Firms Total Net-Job Change, 2010-2020**



Source: TEconomy analysis of U.S. Census Bureau Quarterly Workforce Indicators

In many instances, companies are relatively stagnant, not growing in employment once they reach a certain size. Anecdotal evidence suggests that in other instances, companies are growing in employment but are having/choosing to do so in states other than Missouri. This suggests the need for modified or additional resources to encourage economic growth. As a result, **creating opportunities for more traded sector firms to grow and scale in Missouri must be the principal goal of this strategic effort.**

Within Missouri's innovation and entrepreneurship ecosystem, five key challenges were identified as inhibiting entrepreneurial growth. If Missouri is to succeed in creating economic prosperity, it must ensure its competitive position through five means. Each of these approaches directly responds to the primary challenges facing the state's ecosystem (Table ES-1).





**Table ES-1: Recommended Strategic Approaches to Addressing Ecosystem Challenges Facing Missouri**

Challenge Area	Recommended Approach
1. While the amount of risk capital dollars invested in Missouri has grown, the number of deals has declined. This suggests a shift toward larger later-stage investments and fewer early-stage deals, making it difficult for many entrepreneurs across Missouri to access risk capital.	<ul style="list-style-type: none"> <li>• <b>Deploy greater levels of early-stage investment capital</b> to meet the demands of Missouri's growing entrepreneurial base.</li> </ul>
2. Entrepreneurial support services and physical infrastructure remain less accessible, particularly among underrepresented minorities and those living in rural areas.	<ul style="list-style-type: none"> <li>• <b>Foster the growth and scalability of its high-potential, high-growth startups</b> by increasing access to quality entrepreneurial support services throughout the State of Missouri.</li> </ul>
3. There is untapped potential at Missouri's research institutions that is limiting ideation and entrepreneurship.	<ul style="list-style-type: none"> <li>• <b>Launch and cultivate innovative startups</b> by taking advantage of Missouri's research strengths by converting the intellectual assets into market opportunities.</li> </ul>
4. Not enough Missourians are participating in innovative and entrepreneurial endeavors, thereby making access to talent difficult for many startups and growing firms.	<ul style="list-style-type: none"> <li>• <b>Inspire and encourage more Missourians to participate</b> in entrepreneurial endeavors.</li> </ul>
5. There is a lack of connectivity among the various components of Missouri's innovation and entrepreneurial ecosystem, both literally (e.g., broadband) as well as figuratively (e.g., perceived competition and siloed efforts).	<ul style="list-style-type: none"> <li>• <b>Connect</b> as "One Missouri" by overcoming physical and cultural barriers so that Missouri's entrepreneurial ecosystems connect with each other and with the world.</li> </ul>

Source: TEconomy Partners, LLC.



## Missouri's Strategic Framework

To overcome these challenges and help catalyze the innovation and entrepreneurial ecosystem statewide, a series of new initiatives that complement existing efforts are needed across the state. It is recommended that the State of Missouri—along with its strategic private sector, philanthropic, academic, and regional economic development partners— advance a set of five strategies and an associated set of 16 actions to drive innovation and entrepreneurship.



### STRATEGY ONE: FUND

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

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 raised a range of concerns, including:

- Working capital options needed to grow and scale companies are limited. Because not all businesses are suited for traditional venture capital due to unrealistic ROI expectations, alternative financing options are needed to grow and scale companies.
- Both entrepreneurs and potential investors need more training/education regarding accessing and deploying financial capital.
- The lack of angel investment tax credits (compared to Kansas and other states) is a barrier for both potential investors and early-stage entrepreneurs.
- There is a desire to create new funding mechanisms that address Missouri-specific opportunities, such as investment in industry vertical funds not traditionally financed through equity investments, as well as funds targeting diverse founders.

To address these challenges, three actions are recommended:

#### Action 1. Catalyze additional investment capital funds across the capital stack.

- Support the generation of additional indigenous pre-seed, angel, seed, and early-stage venture capital funds in Missouri managed by resident private fund managers.
- Provide additional nondilutive grant funding by supporting a Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) matching grant program, as well as providing matching dollars for nonprofit organizations that provide direct cash grants.
- Pilot innovative financing options that fill gaps in the state's ecosystem, such as revenue-based financing for business models that do not traditionally attract risk capital dollars, and direct investments for founders from underserved populations (demographic or geographic).

#### Action 2. Incentivize angel investments.

- Create an angel investment tax credit that would provide a qualified investor with a transferable income tax credit equal to 25 percent of an eligible investment in an eligible Missouri company.

- Encourage angel networks by providing funding under Action 1 to offset costs of professional fund management, network administration, and due diligence.

### **Action 3. Evaluate the creation of Missouri Rural Vitality Funds to provide collateral for entrepreneurial loans.**

- A private citizen seeking to invest in their rural community could make a commitment of a personal and/or alternative asset to serve as collateral from which banks could provide loan to local entrepreneurs within the rural region.
- Investors would serve on the Board to oversee the implementation of the program.
- Regional/local banks would conduct due diligence on the loan application, service the loan, and benefit from an increased loan portfolio and potential new customers.



### **STRATEGY TWO: GROW AND SCALE**

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

Over the past decade, Missouri has experienced a significant startup formation rate of traded-sector firms. While 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. In particular, those Missourians living in rural areas and those who are considered underserved entrepreneurs, including women, veterans, immigrants, rural entrepreneurs, and LGBTQIA+ individuals, face challenges in accessing essential ecosystem services.

To address these challenges, three actions are recommended:

### **Action 4. Develop a statewide Entrepreneurial Pathways Program.**

- Serve as an intake system for entrepreneurs to learn about and access the various resources within Missouri that are dedicated to assisting entrepreneurs. Missouri can build upon the investment it has already made in the creation of MOSourceLink.
- Enhance the website component by further enhancing a robust wayfinder component that can direct entrepreneurial inquiries to the best resources to help meet their current needs.

### **Action 5. Foster regional efforts to provide quality entrepreneurial support services to high-potential, high-growth, traded-sector startups.**

- In order to support Missouri's high-growth, traded-sector startups as they grow and scale, a comprehensive continuum of value-added programs must be available to all growth-oriented entrepreneurs as they progress through the stages necessary to establish a thriving enterprise. Missouri's high-growth, traded-sector startups must be able to access the following entrepreneurial support service programs regardless of where they are located within the state:
  - **Mentorship Network Program:** to overcome the lack of serial entrepreneurs in Missouri, develop networks of seasoned mentors who provide guidance to promising companies, which in turn make them more attractive to the risk capital community.



- **Entrepreneurs-in-Residence Program:** to ensure consistent, significant, value-added assistance to high-growth companies that are fundable but lack C-level talent.
- **Physical Hub Program:** to support the physical places that serve as a region's entrepreneurial focal point.
- To best assist high-potential and high-growth startups, Missouri should establish two avenues to support the delivery of quality entrepreneurial support services:
  - **Regional Node Funds** are intended to incentivize more of Missouri's communities to successfully coalesce their assets to best support innovation and entrepreneurship through strategic, coordinated partnerships among entrepreneurial service organizations. Funds for Regional Nodes will need to support traded-sector businesses. However, regions will be able to use the funds to support their entrepreneurs, regardless of sector.
  - **Flexible Support Funds** allow Missouri to respond to other areas of need in the state's entrepreneurial ecosystem, including sector-focused efforts and piloting innovative approaches to engage entrepreneurs in rural areas and other underserved communities.

**Action 6. Connect Missouri's corporate partners and anchor institutions with startups, thereby creating a "stickiness" to Missouri for the entrepreneurial endeavor's ultimate success.**

- Provide corporate partnership grants to regional nodes, their strategic partners, and at the state-wide level to develop first-customer programs that support startup growth and educate entrepreneurs on how to best work with corporations (and vice-versa).
- Other examples of support include networking platforms for startups and industry, accelerator programs that link corporations with promising startups and technologies, and programs that support internal innovation efforts at Missouri companies.



### STRATEGY THREE: LAUNCH AND CULTIVATE

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

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 investment. Currently, there is untapped innovation and entrepreneurial potential within Missouri's research institutions.

To address these challenges, three actions are recommended:

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

- Reenergize the Alliance to further engage the state's research leaders and break down silos across the state's universities. Activities could include:
  - Streamlining processes that help researchers work with companies across the state and with each other, including partnership agreements, shared-use facility arrangements, and other accommodations.
  - Developing working groups around key sectors related to Missouri's R&D strengths.
  - Encouraging collaborations that help the state's research institutions better compete for federal research funds that require a local match.

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

- Continue to coordinate, support, and expand a statewide I-Corps program.  
In particular, the state should:
  - Work with the newly reenergized RAM to scale the program across a greater number of colleges, universities, and research institutions. Expanding this effort statewide would assist an even greater number of researchers, faculty, and graduate students from across Missouri in launching new startups and in validating a technology's market potential.
  - Partner with Missouri's regional entrepreneurial support efforts to provide I-Corps training where the programs are currently unavailable.
  - Identify ways to provide follow-on support services for promising graduates of the I-Corps program.

#### **Action 9. Provide comprehensive assistance for SBIR/STTR awards to further drive commercialization across the state, especially at Missouri's research institutions.**

- Leverage the federal Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) program to help develop novel technologies into promising young companies. It is recommended that the state develop a comprehensive system to assist potential, current, and past SBIR/STTR awardees. This includes three components:

- Phase 0: Missouri should develop a new program that assists applicants pursuing a Phase I SBIR award.
- Phase I Match: Missouri should support an SBIR matching grant program that provides support for writing applications and serves as a bridge between Phase I and II awards.
- Phase 2 Match: For companies receiving a Phase II SBIR/STTR award, a matching grant could help them further develop commercially viable innovations.



## **STRATEGY FOUR: INSPIRE**

Encourage more Missourians to participate in innovation and entrepreneurship.

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 are participating 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 that they are not a fit with an entrepreneurial opportunity. Developing these connections will be critical in the state's efforts to support the formation and growth of entrepreneurial firms.

To address these challenges, four actions are recommended:

### **Action 10. Improve access to entrepreneurial programming for students in middle/high school and at community colleges and universities.**

- Develop a statewide effort to improve access to programs that encourage student entrepreneurship through training, contests, and entrepreneurial-focused events.

### **Action 11. Fund an internship program that connects startups with talent.**

- Connect students with paid internship opportunities, thereby providing startups and small businesses the opportunity to recruit their future workforce.

### **Action 12. Offer entrepreneurial education across Missouri through regional partnerships.**

- Deliver nationally recognized approaches to lean startup education while also tailoring each program to the unique circumstances of specific regions and providing an entryway into support services.

### **Action 13. Enhance Missouri's storytelling capacity to encourage more Missourians to be entrepreneurial.**

- Implement a storytelling campaign through aggressive marketing, public relations, and signature events that celebrates successful entrepreneurs who can serve as role models for would-be entrepreneurs currently sitting on the sidelines, unsure how to engage.



## STRATEGY FIVE: CONNECT

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

Connectivity is missing between the various components of Missouri's innovation and entrepreneurial ecosystem, both literally (e.g., broadband) as well as figuratively (e.g., perceived competition and siloed efforts). Over the last 10 years, while Missouri has made major 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.

- **Inter- and intra-regional competitiveness is hindering the ability to realize “One Missouri.”** There is a need for initiatives that encourage greater levels of collaboration across Missouri. Many regions of the state exist in silos, and even within regions, there are further challenges related to coordinating existing resources and working together across silos. The geographic boundaries traditionally used to define some parts of the state may result in a fragmented distribution of resources. For example, within rural Missouri, the large geographic boundaries that define service areas can make it challenging for entrepreneurs to access services as a result of geographic distance. In the state's two largest urban settings, efforts have been taken in recent years to address long-standing inter-regional divisions, but challenges remain.
- **There is a disconnect with internal and external perceptions in the state regarding the importance of innovation and entrepreneurship to Missouri's economy.** There is concern that the defunding of MTC in FY18 sent a message throughout the ecosystem that the State of Missouri does not prioritize investments in innovation and entrepreneurship, but instead has withdrawn its support for the ecosystem. This has left founders, programs, and initiatives questioning whether the support and resources they need will be available.
- **Available and affordable high-speed internet is recognized as the greatest business infrastructure need across Missouri, and the greatest threat to Missouri's innovation climate.** The economic competitiveness of Missouri's communities depends on the widespread availability and accessibility of broadband, for every business and household in the state. To encourage innovation and entrepreneurship, modern technology infrastructure that can handle cloud, data processing, and other capabilities is needed.

To address these challenges, three actions are recommended:

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

- Foster connectivity among and between the various ecosystem partners from across the state via a variety of means, including conferences, technology showcases, pitch competitions, recognition/celebration events, workshops for entrepreneurial-related activities and training, cross-regional mentorship programs, etc.

### Action 15. Link Missouri's innovation and entrepreneurial ecosystem to the world through an external marketing campaign.

- Undertake an external marketing campaign that communicates to key audiences, both domestically and internationally, the depth and breadth of Missouri's unique resources and opportunities that the state provides for advancing the innovation economy.



## Action 16. Deploy broadband infrastructure across Missouri.

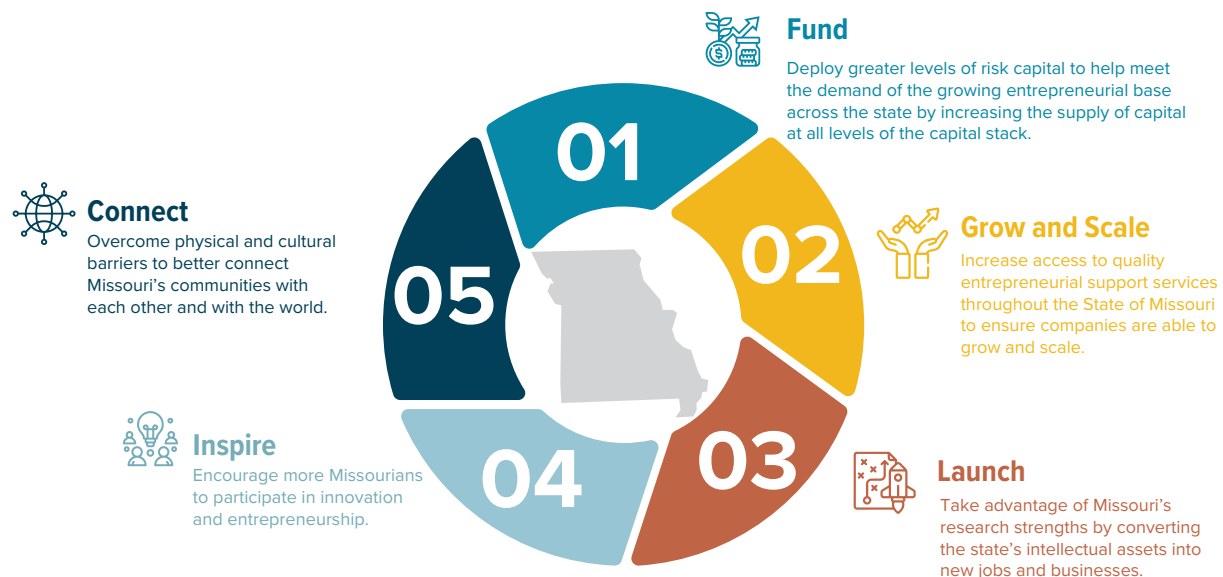
- Leverage federal resources to fund broadband infrastructure in underserved areas of the state. Ultimately, this strategy cannot successfully impact entrepreneurs across the state if Missouri's lack of broadband infrastructure is not addressed.

## Summary

**This strategic action plan for the State of Missouri charts a course for the state to encourage innovation and entrepreneurship over the next decade.** For Missouri to see widespread economic growth across all its communities, there is a need to develop a robust innovation and entrepreneurial ecosystem that can foster the formation of novel businesses, help scale their operations, and sustain their growth as they generate new, high-paying jobs. Developing a robust ecosystem to support innovation and entrepreneurship is an essential part of encouraging economic development in Missouri.

Generating these outcomes does not happen on its own, but rather through a series of intentional, strategic, and proactive decisions. The innovation and entrepreneurial strategy is driven by public-private-philanthropic partnerships that capitalize on Missouri's strengths while ensuring that future innovation and entrepreneurial investments are focused on building the ecosystem that will help ensure the state's economic vitality for years to come (Figure ES-4).

**Figure ES-4: Five Strategies to Support Innovation and Entrepreneurship in Missouri**



Source: TEconomy Partners, LLC.

**A focus on these five thematic areas will help ensure the state's future economic vitality for all Missourians.** Anticipated economic and societal impacts that will be realized from the successful implementation of this innovation and entrepreneurial strategy include better paying jobs with higher growth potential, the ability to weather future economic challenges, and inspired future generations who will reach their full potential.





## Appendix B: FY2023 Implementation Plan



Missouri Technology Corporation's  
Implementation Plan To Support

# CATALYZING INNOVATION: STRATEGIES FOR MISSOURI TO DRIVE INNOVATION AND ENTREPRENEURSHIP

*Fiscal Year 2023*





# Introduction

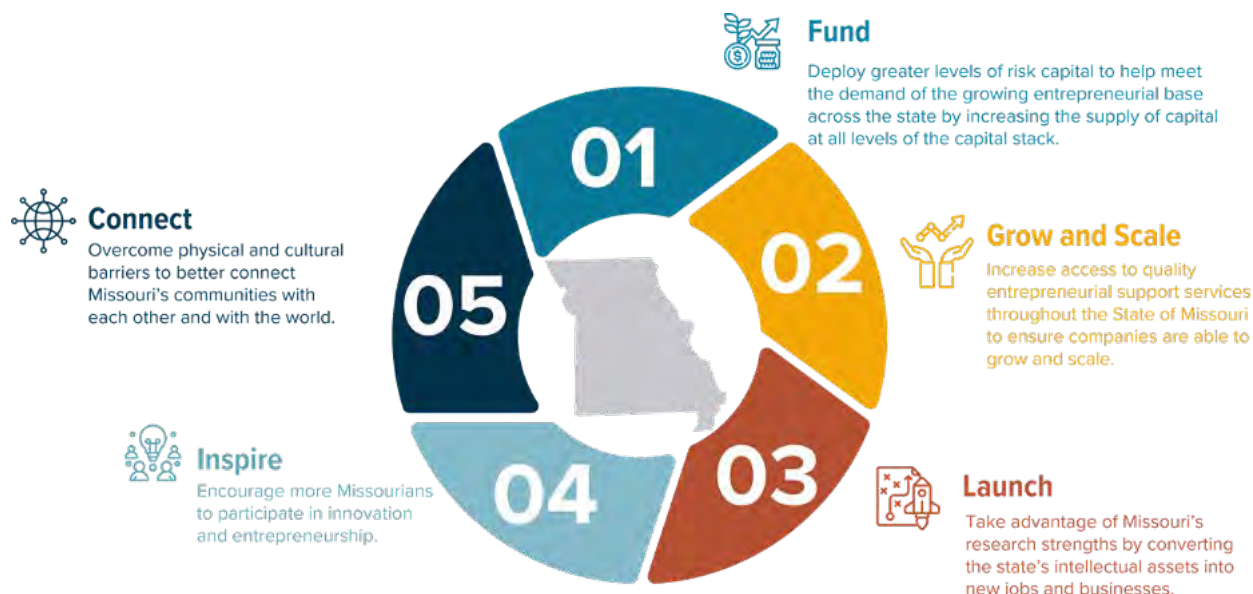
In February of 2022, the Missouri Technology Corporation (MTC) released a report from TEconomy Partners, LLC (TEconomy) entitled [Catalyzing Innovation: Strategies for Missouri to Drive Innovation and Entrepreneurship](#). The report was informed by a robust, six-month planning process with guidance from a 16-member, statewide steering committee and 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 16 action items to catalyze the state’s innovation and entrepreneurship ecosystems to drive economic development over the next decade.

Data analyzed by TEconomy demonstrated that MTC has been an essential asset in driving innovation, entrepreneurship, and economic development throughout Missouri over the last decade. MTC’s previous successes are a direct result of strategic planning and execution focused on promoting entrepreneurship and innovation within emerging, high-growth, and high-potential sectors that can provide outsized economic development impacts within the state.

For Missouri to continue to maximize the economic development gains from its innovation and entrepreneurship ecosystems, MTC needed a new strategic plan to support the continued advancement of those ecosystems that will lead to the creation of higher-paying jobs and other positive economic development impacts within the State of Missouri. The creation of the data-driven strategic plan will allow MTC to continue supporting and growing Missouri’s entrepreneurs, innovation, and entrepreneurial-focused ecosystems throughout the next decade.

This document, the Implementation Plan, will outline how MTC will either lead or support in the implementation of the strategies and actions recommended by TEconomy. MTC’s implementation plan is informed by the resources currently available to the organization, its capacity, and the alignment of action items to its mission. MTC will take the lead on implementing some action items and play a supporting role in others. The implementation plan will be publicly available and updated annually for transparency and accountability.

## Five strategies to support innovation and entrepreneurship as recommended by TEconomy:



### STRATEGY ONE: FUND

Deploy greater levels of 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, including:

- Working capital options needed to grow and scale companies are limited. Because not all businesses are suited for traditional venture capital due to unrealistic ROI expectations, alternative financing options are required to grow and scale companies.
- Entrepreneurs and potential investors need more training/education in accessing and deploying financial capital.
- The lack of angel investment tax credits (compared to Kansas and other states) is a barrier for potential investors and early-stage entrepreneurs.
- There is a desire to create new funding mechanisms that address Missouri-specific opportunities, such as investment in industry vertical funds not traditionally financed through equity investments and funds targeting diverse founders.

#### To address these challenges, TEconomy recommended three actions:

- **Action 1: Catalyze additional investment capital funds across the capital stack.**
- **Action 2: Incentivize angel investments.**
- **Action 3: Evaluate the creation of Missouri Rural Vitality Funds to provide collateral for entrepreneurial loans.**

[For full description of Strategy One: Fund, refer to page 34 of the Catalyzing Innovation report.](#)

## Implementation Plan for Action Items that MTC Will Be Leading:

- **Action 1: Catalyze additional investment capital funds across the capital stack.**
  - MTC will manage the federal State Small Business Credit Initiative (SSBCI) 2.0 program on behalf of the State of Missouri.
  - The SSBCI 2.0 program provides a combined \$10 billion to states to empower small businesses to access the capital needed to invest in job-creating opportunities as the country emerges from the pandemic. The funds will also support promoting American entrepreneurship and democratizing access to startup capital across the country.
  - Missouri's SSBCI allocation is approximately \$95 million and will be deployed over an eight-to-ten-year timeframe. It is anticipated that Missouri will receive its initial allocation in fiscal year 2023.
  - In fiscal year 2023 and fiscal year 2024, MTC will research new competitive grant opportunities, with the goal of piloting grant programs in fiscal year 2024, to support the formation and growth of Missouri-based early-stage venture funds and encourage the formation of formal angel organizations.
- **Action 3: Evaluate the creation of Missouri Rural Vitality Funds to provide collateral for entrepreneurial loans.**
  - In fiscal year 2023, MTC will assess the program's feasibility, identify potential partners, and develop a framework for a proof of concept/pilot program.
  - Contingent on the feasibility studies, in fiscal year 2024, MTC will pilot a proof-of-concept program to determine its long-term potential.
  - If the program is determined to be viable and capable of positive economic impact, a statewide program will be launched.

MTC will take a supporting role on the implementation of Action 2. *For more information, see Appendix B.*



### STRATEGY TWO: GROW AND 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. In particular, 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.

#### To address these challenges, TEconomy recommended three actions:

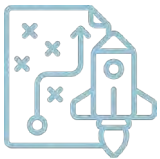
- **Action 4: Develop a statewide Entrepreneurial Pathways Program.**
- **Action 5: Foster regional efforts to provide quality entrepreneurial support services to high-potential, high-growth, traded-sector startups.**
- **Action 6: Connect Missouri's corporate partners and anchor institutions with startups, thereby creating a "stickiness" to Missouri for the entrepreneurial endeavor's ultimate success.**

[For full description of Strategy Two: Grow and Scale, refer to page 42 of the Catalyzing Innovation report.](#)



## Implementation Plan for Action Items that MTC Will Be Leading:

- **Action 4: Develop a statewide Entrepreneurial Pathways Program.**
  - In fiscal year 2023, MTC will review the current landscape of commercially available online platforms to support an Entrepreneurial Pathways Program and review platforms developed and managed by peer organizations. MTC will determine the minimum requirements for a statewide platform and release an RFP in late fiscal year 2023 or early fiscal year 2024.
  - In fiscal year 2024, MTC will select a third-party provider to design and implement an online platform that will support the Entrepreneurial Pathways Program through an RFP process.
  - In fiscal year 2025 and beyond, MTC will launch and manage the online platform throughout the state of Missouri in support of the Entrepreneurial Pathways Program.
- **Action 5: Foster regional efforts to provide quality entrepreneurial support services to high-potential, high-growth, traded-sector startups.**
  - **Competitive Grant Programs:**
    - In fiscal year 2023, MTC will develop and pilot new competitive grant programs designed to enhance entrepreneurial capacity throughout the state. Specifically, MTC will look to establish grant programs designed to support entrepreneurs' access to affordable physical workspace across the state, the development of regional nodes across the state to allow entrepreneurs direct access to resources in their regions, and the continued support of programs and organizations designed to provide resources critical to the success of the state's entrepreneurs.
    - In fiscal years 2024 and 2025, these pilot programs will be assessed, and, if successful, expanded and formalized into annual grant programs.
  - **Entrepreneur in Residence (EIR) Program**
    - In fiscal year 2024, the feasibility of a statewide or regional Entrepreneur in Residence (EIR) Programs will be assessed.
    - In fiscal year 2025 or beyond, based on the feasibility assessment, an EIR Program will be designed and piloted.
- **Action 6: Connect Missouri's corporate partners and anchor institutions with startups, thereby creating a "stickiness" to Missouri for the entrepreneurial endeavor's ultimate success.**
  - In fiscal year 2024, MTC will identify best practices by studying similar programs.
  - In fiscal year 2025 or beyond, MTC will launch a pilot program.



### STRATEGY THREE: LAUNCH AND 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.

## To address these challenges, TEconomy recommended three actions:

- **Action 7: Reenergize the Research Alliance of Missouri (RAM) as a mechanism for bringing together the major research institutions of the state to solve common innovation continuum challenges.**
- **Action 8: Leverage the federal I-Corps program and provide startup services statewide to encourage commercialization activity.**
- **Action 9: Provide comprehensive assistance for SBIR/STTR awards to further drive commercialization across the state, especially at Missouri's research institutions.**

*[For full description of Strategy Three: Launch and Cultivate, refer to page 54 of the Catalyzing Innovation report.](#)*

## Implementation Plan for Action Items that MTC Will Be Leading:

- **Action 7: Reenergize the Research Alliance of Missouri (RAM) as a mechanism for bringing together the major research institutions of the state to solve common innovation continuum challenges.**
  - In fiscal year 2023, MTC will identify members from the state's research universities to join the RAM and host an initial meeting.
  - In fiscal year 2024 and beyond, MTC will facilitate and manage RAM as a peer group and advisory council to the organization.
- **Action 8: Leverage the federal I-Corps program and provide startup services statewide to encourage commercialization activity.**
  - In fiscal year 2023, MTC will research the current I-Corps Programs operating in Missouri and other statewide I-Corps programs as potential best practices.
  - In fiscal year 2024 and beyond, MTC will look to implement best practices in the development of a statewide I-Corps program, ensuring all the state's entrepreneurs have access to the federal program.

*MTC will take a supporting role on the implementation of Action 9. For more information, see Appendix B.*



## STRATEGY FOUR: INSPIRE

Encourage more Missourians to participate in innovation and entrepreneurship.

### 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.

## To address these challenges, TEconomy recommended four actions:

- **Action 10: Improve access to entrepreneurial programming for students in middle/high school and at community colleges and universities.**
- **Action 11: Fund an internship program that connects startups to talent.**
- **Action 12: Offer entrepreneurship education across Missouri through regional partnerships.**
- **Action 13: Enhance Missouri's storytelling capacity to encourage more Missourians to be entrepreneurial.**



## Implementation Plan for Action Items that MTC Will Be Leading:

- **Action 11: Fund an internship program that connects startups to talent.**
  - In fiscal year 2024, MTC will research best practices and inventory existing internship programs that focus on entrepreneurship in the state of Missouri.
  - In fiscal year 2024 and fiscal year 2025, MTC will launch a pilot program that will match interns with startups for paid internship experiences.
  - Contingent on the success of the pilot program, in fiscal year 2026 and beyond, MTC will launch a statewide internship program.
- **Action 13: Enhance Missouri's storytelling capacity to encourage more Missourians to be entrepreneurial.**
  - In fiscal year 2023, MTC will research and develop platforms to facilitate increased and enhanced storytelling capabilities throughout the state. Initial efforts will in a redesigned MTC website and launching an e-newsletter.
  - In fiscal year 2024 and beyond, MTC will implement new branding and communication initiatives.

*MTC will take a supporting role on the implementation of Actions 10 and 12. For more information, see Appendix B.*



### STRATEGY FIVE: CONNECT

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

#### 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.

- **Inter- and intra-regional competitiveness hinders the ability to realize "One Missouri."** There is a need for initiatives that encourage greater levels of collaboration across Missouri. Many regions of the state exist in silos, and even within regions, there are further challenges related to coordinating existing resources and working together across silos. The geographic boundaries traditionally used to define some parts of the state may result in a fragmented distribution of resources.
- **There is a disconnect between internal and external perceptions in the state regarding the importance of innovation and entrepreneurship to Missouri's economy.** There is concern that the defunding of MTC in FY18 sent a message throughout that the State of Missouri does not prioritize investments in innovation and entrepreneurship. This has left founders, programs, and initiatives questioning whether the support and resources they need will be available.
- **Available and affordable high-speed internet is recognized as the most significant business infrastructure need across Missouri and the greatest threat to Missouri's innovation climate.** The economic competitiveness of Missouri's communities depends on the widespread availability and accessibility of broadband for every business and household in the state. A modern technology infrastructure that can handle cloud, data processing, and other capabilities is needed to encourage innovation and entrepreneurship.

**To address these challenges, TEconomy recommended three actions:**

- **Action 14: Realize One Missouri: Improve connectivity within and between regions.**
- **Action 15: Link Missouri's innovation and entrepreneurial ecosystem to the world through an external marketing campaign.**
- **Action 16: Deploy broadband infrastructure across Missouri.**

*[For full description of Strategy Five: Connect, refer to page 67 of the Catalyzing Innovation report.](#)*

### **Implementation Plan for Action Items that MTC Will Be Leading:**

- **Action 14: Realize One Missouri: Improve connectivity within and between regions.**
  - In fiscal year 2024, MTC will develop and pilot peer working groups for ecosystem partners and stakeholders to connect and share best practices.
  - In fiscal year 2025 and beyond, MTC will continue to facilitate and manage statewide peer working groups and assess the need to expand the working groups program.

*MTC will take a supporting role on the implementation of Actions 15 and 16. For more information, see Appendix B.*

## **Next Steps**

MTC will use the Implementation Plan to actively engage in the implementation of the strategies and recommendations within TEconomy's Catalyzing Innovation report that represent the best opportunities for economic development impact. The plan was developed based upon the resources currently available to the organization, as well as those believed to be accessible in the near future; the organization's current and future capacity; and the alignment of recommendations to MTC's mission to provide leadership and make strategic investments that help entrepreneurs create and grow technology-based Missouri businesses.

MTC will take the lead on implementing some action items and play a supporting role in others. MTC will also be focused on how to integrate strategies and tactics outlined in currently active and newly launched programs to increase accessibility and inclusivity with the goal of growing Missouri's innovation and entrepreneurial ecosystems by ensuring everyone can participate fully.

**To ensure transparency and accountability, the implementation plan will be publicly available and updated annually. To access the most up-to-date implementation plan, visit [www.missouritechnology.com](http://www.missouritechnology.com).**

# Appendix A: Action Items MTC Will Lead

Appendix A: Action Items MTC Will Lead

MTC IMPLEMENTATION TASKS			MTC IMPLEMENTATION TASKS BY YEAR		
			FY2023	FY2024	FY2025–Beyond
STRATEGY 1: FUND					
Action 1	Catalyze investment capital funds across capital stack	Manage the federal State Small Business Credit Initiative (SSBCI) 2.0 program on behalf of the State of Missouri.	Missouri’s SSBCI allocation is approximately \$95 million to be deployed over an eight-to-ten-year timeframe. It is anticipated that Missouri will receive its initial allocation in fiscal year 2023.		
		Research, develop, and pilot new competitive grant opportunities to support the formation and growth of Missouri-based, early-stage venture funds and encourage the formation of formal angel organizations.	Research and develop new grant programs.	Pilot new grant programs.	Scale new grant programs.
Action 3	Evaluate the creation of Missouri Rural Vitality Funds to provide collateral for entrepreneurial loans.	Assess feasibility of Missouri Rural Vitality Funds to identify potential partners, and develop a framework for a proof of concept/pilot program. Contingent on the feasibility studies, MTC will pilot a proof-of-concept program to determine its long-term potential.	Assess feasibility of program.	Initiate proof of concept/pilot program.	Manage proof of concept/pilot program.
		If the Missouri Rural Vitality Funds program is determined to be viable and capable of positive economic impact, a statewide program will be launched.			Launch statewide program.
STRATEGY 2: GROW AND SCALE					
Action 4	Develop a statewide Entrepreneurial Pathways program	Conduct a review of the current landscape of commercially available online platforms to support an Entrepreneurial Pathways Program, as well as review platforms developed and managed by peer organizations. Determine the minimum requirements for a statewide platform and release an RFP.  Select a third-party provider to design and implement an online platform that will support the Entrepreneurial Pathways Program through RFP process. Launch and manage the online platform throughout the state of Missouri in support of the Entrepreneurial Pathways Program.	Research and determine minimum requirements for platform/portal.	Identify third party provider or design/ implement internal project through RFP.	Launch and manage statewide platform/portal.
Action 5	Foster regional efforts to provide quality entrepreneurial support services to high-potential, high-growth traded sector startups.	Develop and pilot new competitive grant programs designed to enhance entrepreneurial capacity throughout the state.  Assess and evaluate pilot programs. If successful, expand and formalize into annually grant programs.	Pilot new grant programs.	Assess & evaluate pilot grant programs.  Launch new grant programs.	Formalize and expand new grant programs.
		The feasibility of a statewide or regional Entrepreneur in Residence (EIR) Programs will be assessed. Based on the feasibility assessment, an EIR Program will be designed and piloted.		Assess feasibility & minimum requirements of program.	Design and pilot program.
Action 6	Connect MO’s corporate partners and anchor institutions with startups, thereby creating a stickiness to Missouri for the entrepreneurial endeavor’s ultimate success.	Identify best practices by studying similar programs.  Launch a pilot program.		Identify best practices.	Launch proof of concept/ pilot program.

# Appendix A: Action Items MTC Will Lead

MTC IMPLEMENTATION TASKS			MTC IMPLEMENTATION TASKS BY YEAR		
			FY2023	FY2024	FY2025–Beyond
STRATEGY 3: LAUNCH AND CULTIVATE					
Action 7	Reenergize the RAM as a mechanism for bringing together the state’s major research institutions to solve common innovation continuum challenges.	Identify members from the state’s research universities to join the RAM and host an initial meeting. Facilitate and manage RAM as an advisory council to the organization.	Identify members from the state’s research universities to join the RAM Committee and launch first meeting.	Ongoing management of the RAM Committee.	Ongoing management of the RAM Committee.
Action 8	Leverage the federal I-Corps program and provide startup services statewide to encourage commercialization activity.	Research the current I-Corps Programs operating in Missouri and other statewide I-Corps programs as potential best practices. Look to implement best practices in the development of a statewide I-Corps program, ensuring all the state’s entrepreneurs have access to the federal program	Conduct research.	Look to implement best practices in development of statewide program.	Launch statewide program.
STRATEGY 4: INSPIRE					
Action 11	Fund an internship program that connects startups with talent.	Research best practices and inventory existing internship programs that focus on entrepreneurship in the state of Missouri. Launch a pilot program that will match interns with startups for paid internship experiences. Contingent on the success of the pilot program, launch a statewide internship program.		Research best practices and inventory existing internship programs.	Launch proof of concept/ pilot program.
Action 13	Enhance Missouri’s storytelling capacity to encourage more Missourians to be entrepreneurial.	Research and develop platforms to facilitate increased and enhanced storytelling capabilities throughout the state. Initial efforts will in a redesigned MTC website and launching an e-newsletter. Implement new branding and communication initiatives.	Research and develop platforms to facilitate increased storytelling.	Full implementation of new branding and communication initiatives.	Ongoing management of marketing and communications activities.
STRATEGY 5: CONNECT					
Action 14	Realize One Missouri: Improve connectivity within and between regions.	Develop and pilot peer working groups for ecosystem partners and stakeholders to connect and share best practices. Continue to facilitate and manage statewide peer working groups, as well as assess the need for the expansion of the working groups program.		Pilot initial statewide peer working groups.	Expand statewide peer working groups.
		If MTC executes on the items outlined in the implementation plan, the resulting programs should address this need as well.			

# Appendix B: Action Items MTC Will Support

STRATEGY 1 FUND		TEconomy's Recommendation	MTC's Role
Action 2	Incentivize angel investments	Create a tax credit that would provide a qualified investor with a transferable income tax credit equal to 25 percent of an eligible investment in an eligible Missouri company.	Manage & administer the Angel Tax Credit Program.
STRATEGY 3: LAUNCH AND CULTIVATE		TEconomy's Recommendation	MTC's Role
Action 9	Provide comprehensive assistance for SBIR/STTR awards to further drive commercialization across the state, especially at Missouri's research institutions.	It is recommended that the state develop a comprehensive system to assist potential, current, and past SBIR/STTR awardees.	Manage & administer the SBIR/STTR matching program.
STRATEGY 4: INSPIRE		TEconomy's Recommendation	MTC's Role
Action 10	Improve access to entrepreneurial programming for students in middle/high school and at community colleges and universities.	Missouri should develop a statewide effort to improve access to programs that encourage student entrepreneurship. This effort should build on ongoing efforts across Missouri and the nation, including Kauffman Foundation's Real World Learning business plan competition, entrepreneurial education programs from Junior Achievement, and Venture for America's fellowship program for recent college graduates pursuing careers in entrepreneurship.	Support active and new programs.  Possibly develop new grant programs to fund activities.
Action 12	Offer entrepreneurial education across Missouri through regional partnerships.	Missouri should leverage newly established regional nodes to offer introductory courses where "students" learn, practice, and discuss methods and techniques using the lean startup methodology. Students of all ages and backgrounds can gain exposure to this process through guided courses that help define and refine an idea's core problem and solution, and potential customers and potential market opportunities.	Support active and new programs.  Possibly develop new grant programs to fund activities.
STRATEGY 5: CONNECT		TEconomy's Recommendation	MTC's Role
Action 15	Link Missouri's innovation and entrepreneurial ecosystem to the world through an external marketing campaign.	Link Missouri's innovation and entrepreneurial ecosystem to the world through an external marketing campaign.	Support active and new programs.
Action 16	Deploy a broadband infrastructure across Missouri.	Deploy a broadband infrastructure across Missouri.	Support active and new programs.

# Appendix C: FY2024 Implementation Plan

# 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"><li>• MTC will continue to manage the federally funded State Small Business Credit Initiative (SSBCI) 2.0 program on behalf of the State of Missouri.</li><li>• MTC anticipates awarding \$8-10 million worth of equity-based investments to approximately 30 Missouri-based high-growth potential early-stage companies.</li><li>• 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).</li><li>• 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.</li></ul>
2. Incentivize angel investments.	<ul style="list-style-type: none"><li>• 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.</li></ul>
3. Evaluate the creation of Missouri Rural Vitality Funds to provide collateral for entrepreneurial loans.	<ul style="list-style-type: none"><li>• MTC will continue to assess the program's feasibility, identify potential partners, and develop a framework for a proof of concept/pilot program.</li></ul>





### 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"><li>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.</li></ul>
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"><li>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.</li><li>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.</li><li>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.</li></ul> <p>Entrepreneur in Residence (EIR) Program</p> <ul style="list-style-type: none"><li>MTC will evaluate the practicality of implementing Entrepreneur in Residence (EIR) Programs on a statewide or regional level.</li><li>In FY 2025 or beyond, based on the feasibility assessment, an EIR Program will be designed and piloted.</li></ul>
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"><li>MTC will identify best practices by studying similar programs.</li><li>In FY 2025 or beyond, after conducting a feasibility assessment, MTC will initiate a pilot program.</li></ul>





# 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"><li>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.</li></ul>
11. Fund an internship program that connects startups to talent.	<ul style="list-style-type: none"><li>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.</li></ul>
13. Enhance Missouri's storytelling capacity to encourage more Missourians to be entrepreneurial.	<ul style="list-style-type: none"><li>MTC will continue to leverage digital platforms and social media to facilitate increased and enhanced storytelling capabilities throughout the state.</li><li>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.</li><li>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.</li></ul>

### 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