



CENTER ON RURAL INNOVATION

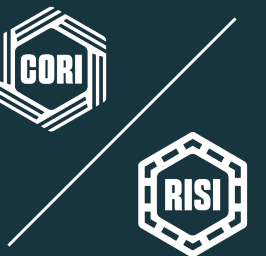
Tech entrepreneurship in rural America

February 2022

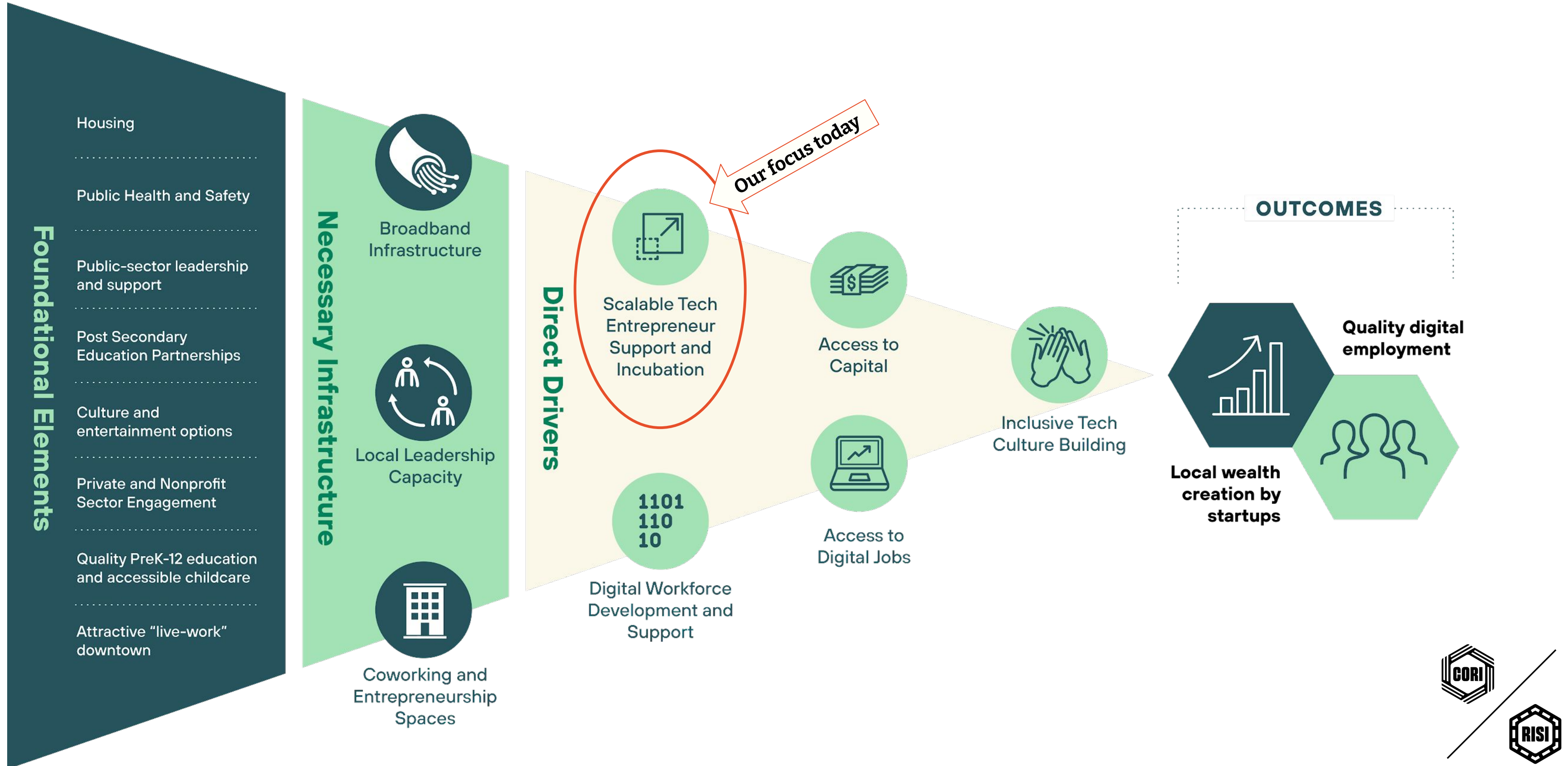


The Center On Rural Innovation

A nonprofit focused on closing the rural opportunity gap and advancing inclusive rural prosperity through digital economy ecosystems that support scalable entrepreneurship and tech job creation.



Elements to enable digital economies in rural America



The state of rural entrepreneurship



Then

In 1977, 2 out of 10 U.S. startups were in rural areas.

Now

Recently, 1 out of 10 U.S. startups are in rural areas.

Why is there a rural tech entrepreneurship gap?

External Barriers:

- Access to dedicated startup programs (e.g. Accelerators) and expertise (mentors)
- Access to capital
 - Less than 1% of all VC money goes to rural areas, and 80% of all investments go to just five cities
- Access to tech talent
 - 37% of rural founders say their community lacks an adequate talent pool

Internal Barriers:

- Insufficient amplification of successful rural tech entrepreneurs to serve as inspiration, lack of awareness of the opportunities in scalable tech entrepreneurship and support available, and lack of scalable tech startup ideas

A shift in what's possible

Feb 14, 2020, 02:39pm EST | 3,474 views

Rural Entrepreneurs Are Finding Success Away From Big Cities



\$1.5M in grants to grow entrepreneur support in Shenandoah

... program empowering rural communities to create inclusive digital economies that support scalable entrepreneurship and tech job creation.

3 weeks ago



Urgent need to prepare young people for futuristic jobs: Unicef's Kevin Frey

... employment and entrepreneurial opportunities for young people ... While the world is moving towards more digital, where future jobs...

3 hours ago



Closing the digital divide

What can be done to improve connectivity in rural areas and remote ... The rise in entrepreneurship has effectively highlighted the deep...

4 days ago



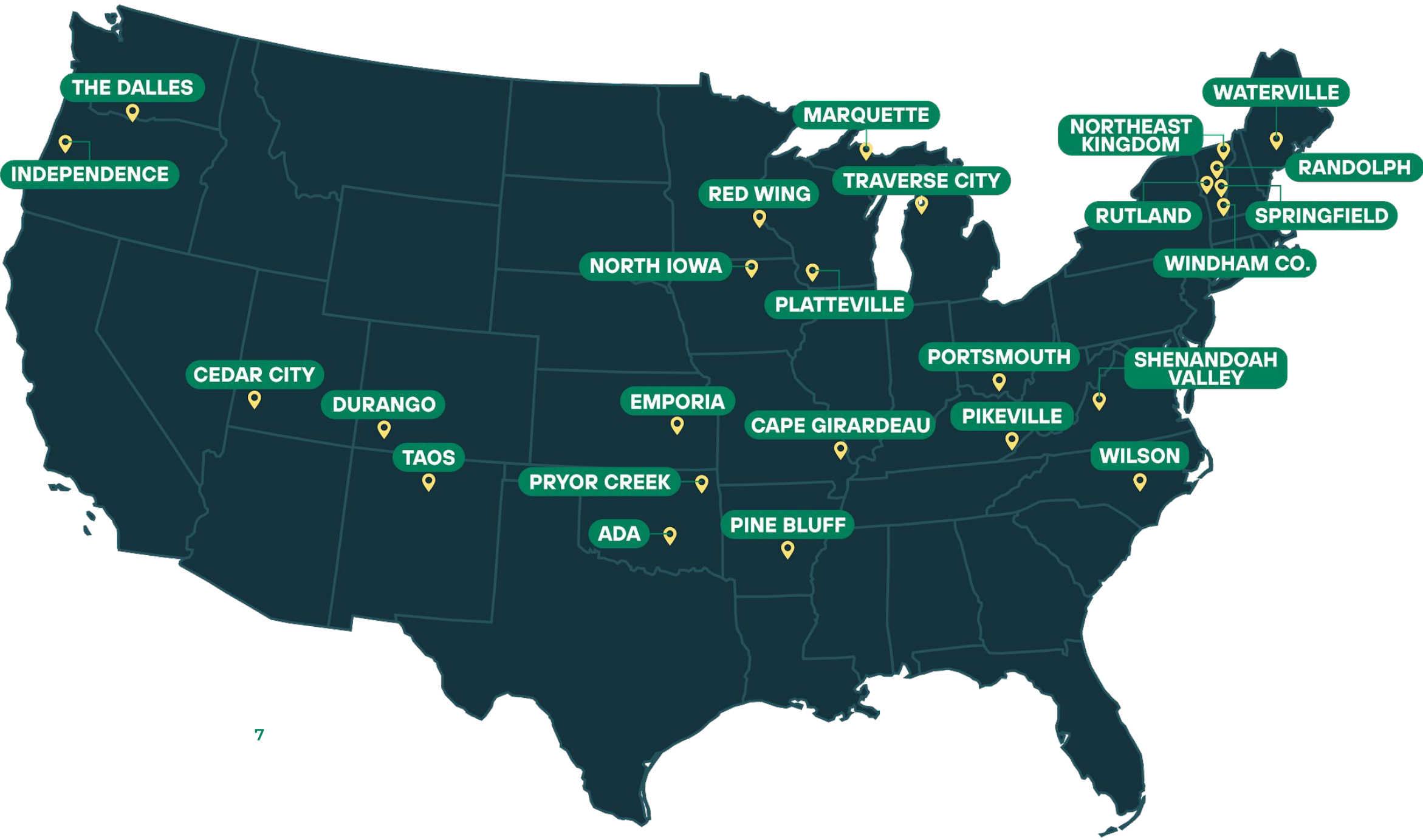
Region's entrepreneurial spirit alive and well - but needs ...

... also winners during the pandemic, particularly digital businesses. ... The strength of entrepreneurial spirit in rural areas was also...

3 days ago



CORI's Rural Innovation Network



26

25 communities across 19 states and four time zones

1,600,000

Covering a population of 1.6 million people, which is roughly the same as Phoenix, AZ

7,000

600 Network residents completed more than 7,000 hours of digital skills training in 2020



Who are scalable tech entrepreneurs?

Local small business owners

- Focused on small-scale sale of products or services
- Sole proprietors or employ a small number of people
- Likely do not have plans to expand, sell off, or exit their business
- Goal is to sustain a certain revenue and small number of employees

Scalable tech entrepreneurs

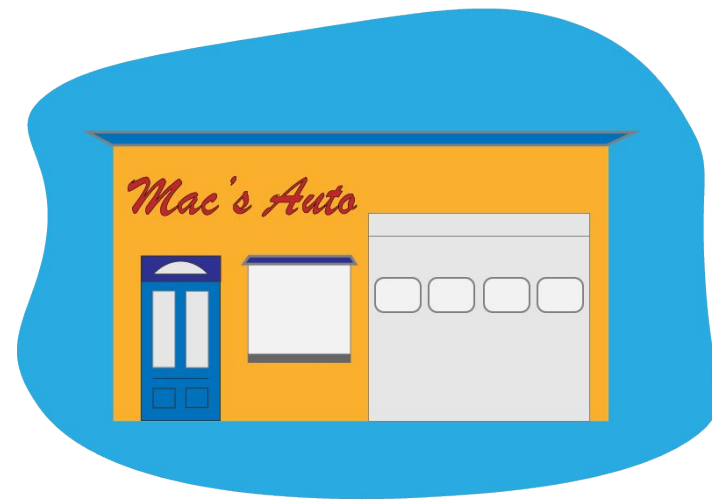
- Company may generate intellectual property (“IP”)
- Aim is to grow their customer base and scale their company – often nationally or globally
- Goal is often an exit or acquisition

What does scalable tech entrepreneurship look like?

Small businesses

The local auto shop – if it's tech-enabled, it has a website with their number to call and book an appointment

- *Small local businesses are invaluable community assets, but not the focus of this work*



Scalable tech startups

The platform that powers and enables the auto shop to schedule appointments and track service and payments digitally

- *Focusing on scalable tech entrepreneurship inspires a culture of innovation and creates high-paying jobs*



The entrepreneur's journey: from foundation to growth

Goal

Outcome

Thriving culture and ecosystem of scalable tech entrepreneurship, sustaining and supporting the ideation, launch and scaling of new ventures

Phase 3 — Growth Stage

Entrepreneurs can establish and formalize their ventures and make connections

Phase 2 — Launch Stage

Entrepreneurs can establish and formalize their ventures and make connections

Phase 1 — Idea Stage

Inspiration, education and validation for future entrepreneurs

Phase 0 — Foundation Stage

Main Street and small business support

To help the entrepreneurs progress through these phases, local leaders must engage at the earliest stages

Start

Phase 0: Examples from the Rural Innovation Network



Women Founders CO.STARTERS Cohort

Pikeville, KY

Cohort for aspiring women entrepreneurs throughout Appalachia facilitated by four women entrepreneurs



Gentrepreneurship: Creating a Business Program

Pine Bluff, AR

Lean Startup support for local innovators and entrepreneurs with a focus on BIPOC founders



Phase 1: Examples from the Rural Innovation Network



Talk Series: Stories of the Journey to Starting and Growing a Business

Red Wing, MN

Talks from successful local tech entrepreneurs to emphasize what is possible in rural.



Startup Ada Bootcamp

Ada, OK

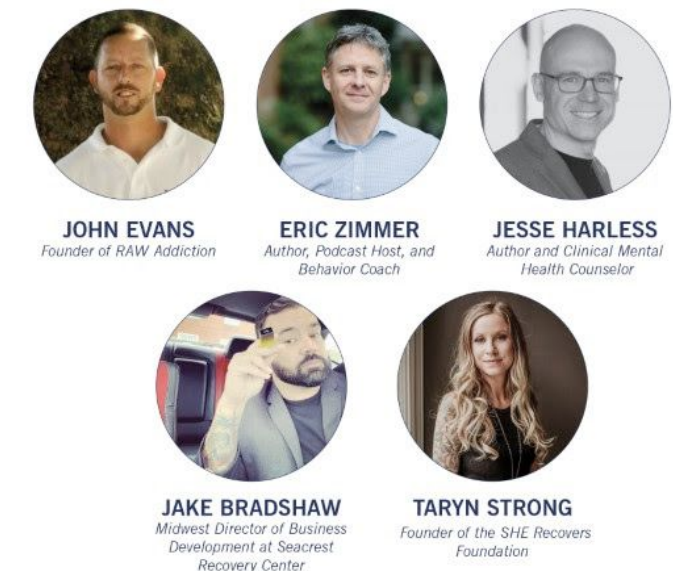
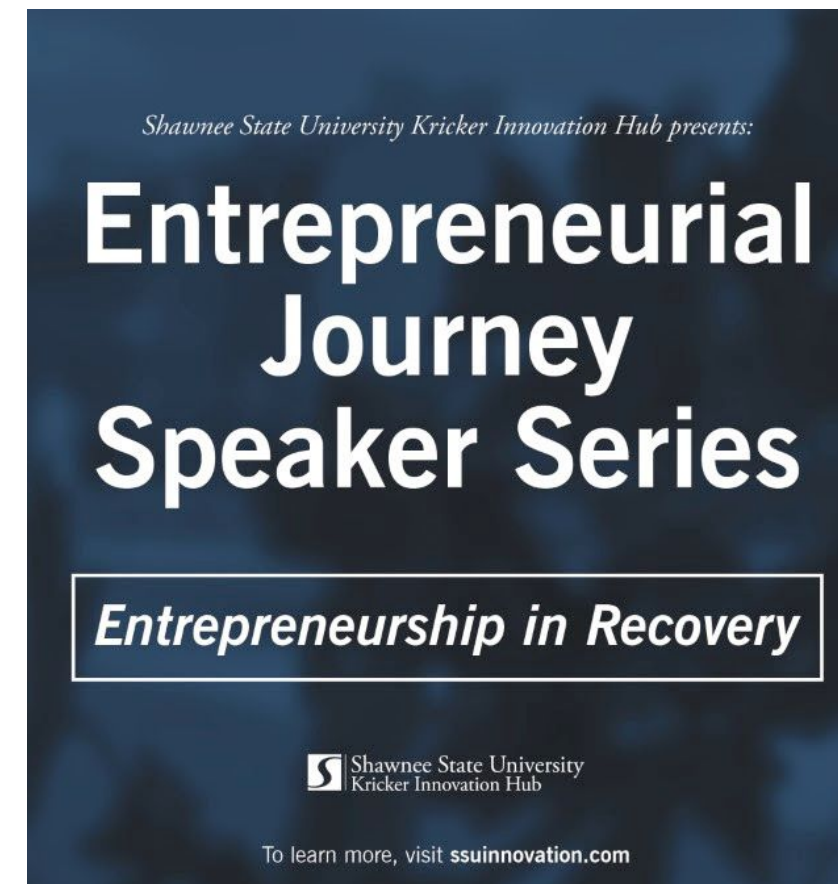
Bootcamp teaching small business owners and aspiring tech entrepreneurs startup basics.



Phase 1: Examples from the Rural Innovation Network

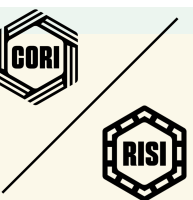
The Kricker Innovation Hub

- Portsmouth is a community impacted by the opioid epidemic
- Hub hosted an Entrepreneurship In Recovery event highlighting entrepreneurs who recovered from opioid addiction and became entrepreneurs during their recovery
- Panel spoke about the challenges and opportunities they faced to inspire others and help shift the narrative



Thursday, February 18
5:30 p.m. - 7:30 p.m.

Attend this virtual event by visiting 'Shawnee State University Kricker Innovation Hub' on Facebook.



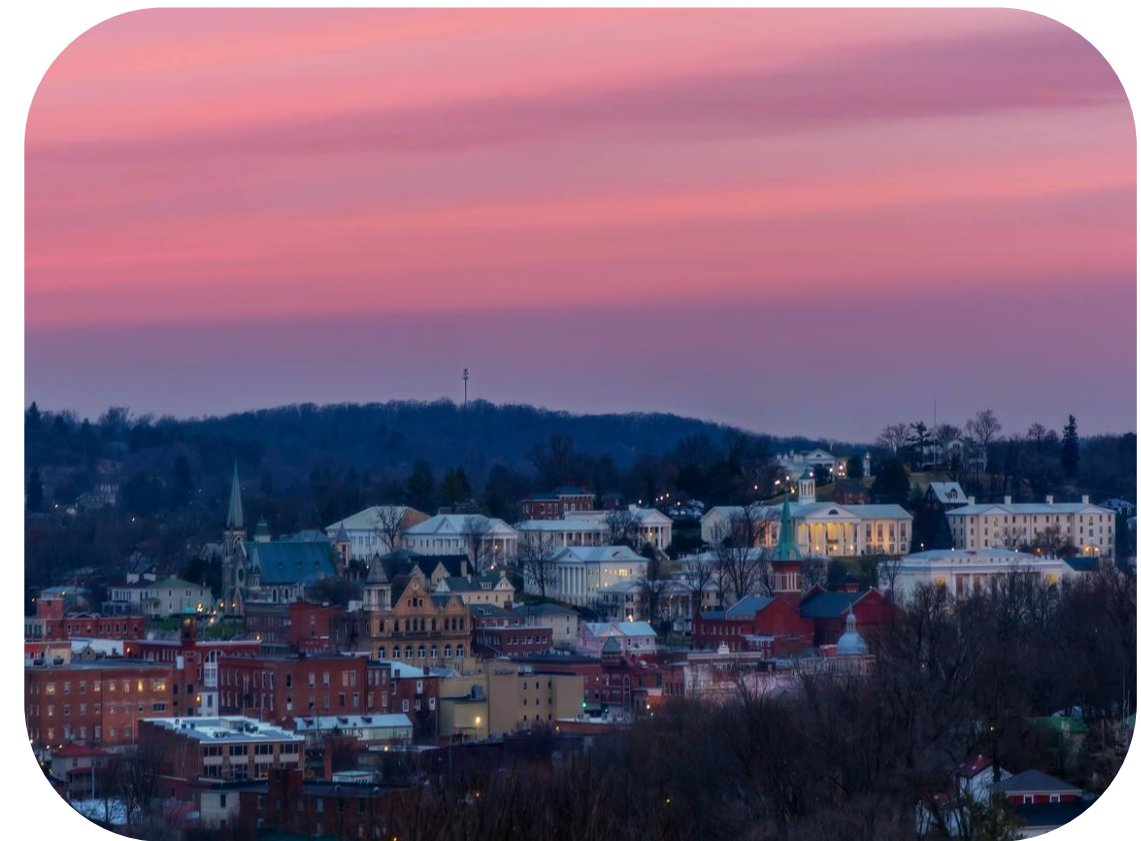
Phase 2: Examples from the Rural Innovation Network



MIT Venture Mentoring Service

North Iowa

Partnership with the MIT to train aspiring mentors interested in mentoring entrepreneurs



Startup Shenandoah Valley (S2V)

Shenandoah Valley, VA

Hybrid program combining accelerator and incubator models to meet regional needs



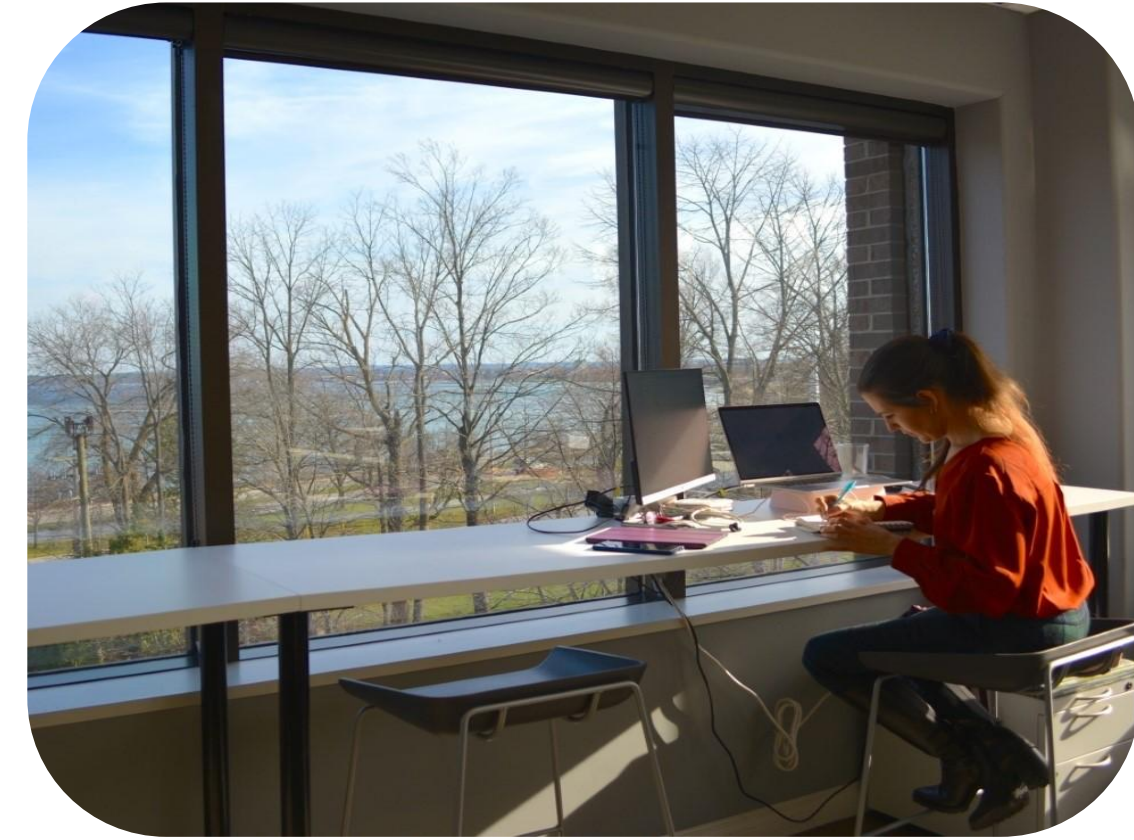
Phase 3: Examples from the Rural Innovation Network



1st50K

Cape Girardeau, MO

Incentive program for startups to relocate to the community, providing cash and local connections



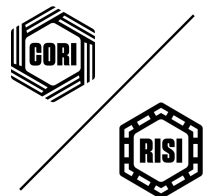
Northern Michigan Angels

Traverse City, MI

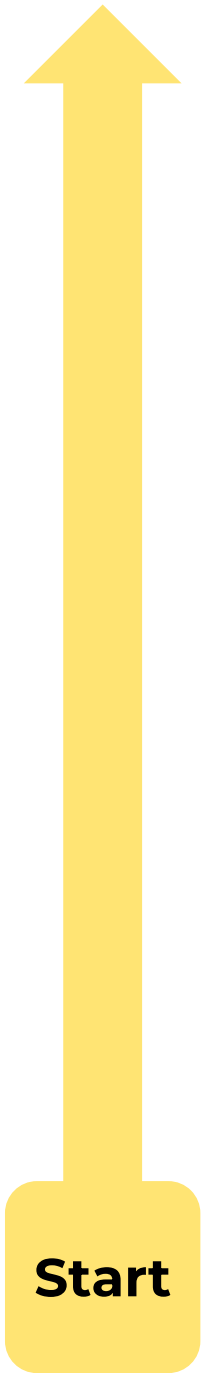
Local investors aiming to have a positive impact on the economy and quality of life in Michigan who are focusing on scalable companies



Goal: A pathway to high-paying jobs and wealth creation



Goal



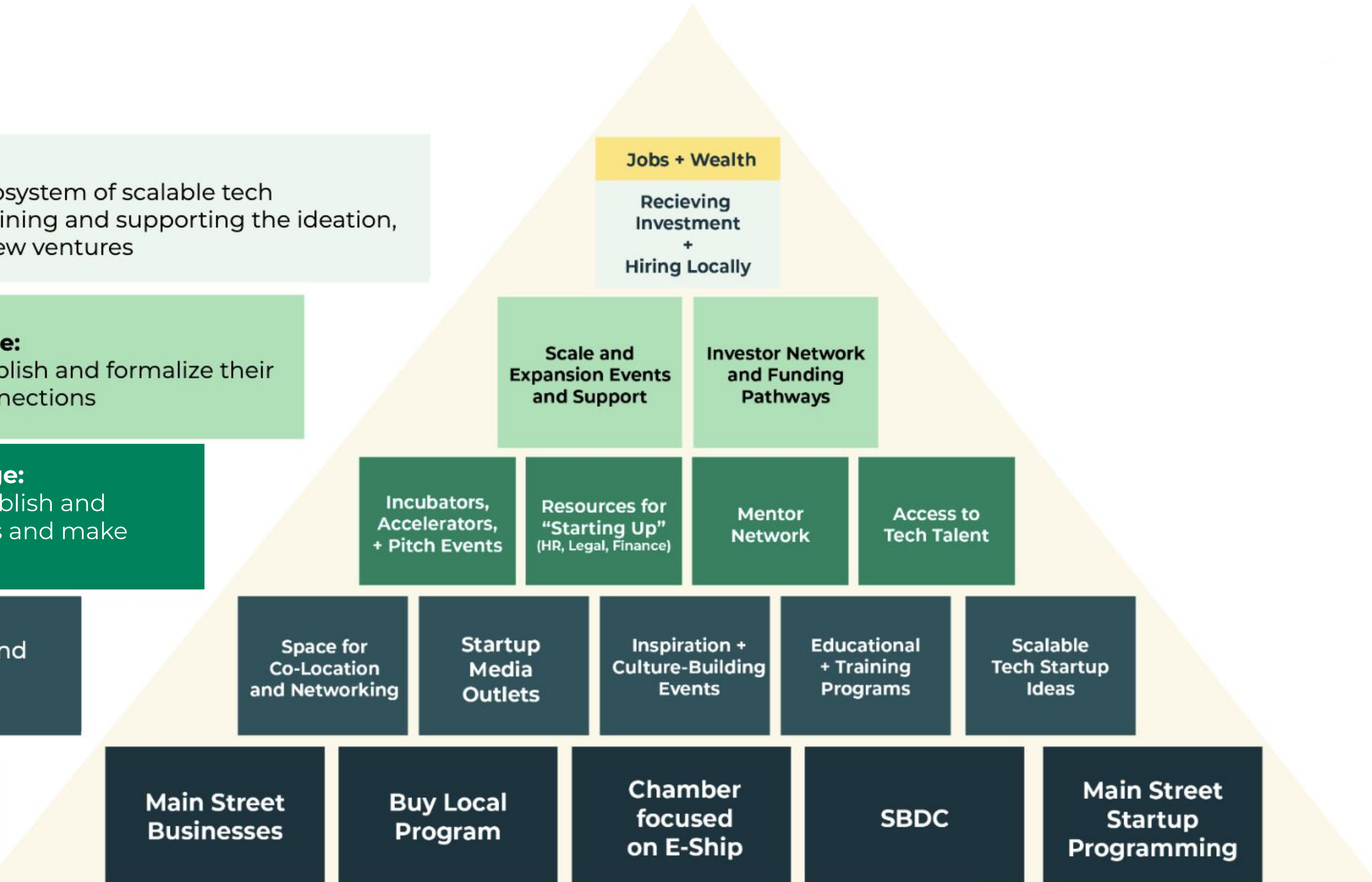
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Phase 1— Idea Stage:
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Phase 0— Foundation Stage:
Main Street and Small Business Support



Jobs + Wealth

Receiving Investment
+
Hiring Locally

Scale and Expansion Events and Support

Investor Network and Funding Pathways

Incubators, Accelerators, + Pitch Events

Resources for "Starting Up" (HR, Legal, Finance)

Mentor Network

Access to Tech Talent

Space for Co-Location and Networking

Startup Media Outlets

Inspiration + Culture-Building Events

Educational + Training Programs

Scalable Tech Startup Ideas

Main Street Businesses

Buy Local Program

Chamber focused on E-Ship

SBDC

Main Street Startup Programming

Start

Rural startup community examples

Phase 3



Cape Girardeau, Missouri Codefi

- Accelerator program that prepares companies for investment
- 1st50k funding incentive program providing \$50,000 to companies that relocate there
- Launched 50 companies which have raised a combined \$30+ million dollars contributing to creating 180 local jobs

Phase 2



Platteville, Wisconsin UW-Platteville and the IDEA Hub Accelerator

- Hybrid Incubator/Accelerator for scalable startups in the region
- Mentor network
- Partnership with UW-Platteville

Phase 1



Independence, Oregon City of Independence, SEDCOR, and Indy Idea Hub

- Incubator for food truck entrepreneurs with industrial kitchen
- Historical focus on Main Street, small non-tech business
- Have a coworking space and have held one Startup Weekend

Thank you!

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