WE CREAT-E

Making KC America’s Most Entrepreneurial City: Year 3
Brandon Simpson is literally standing in the middle of a dream come true.

Since childhood, he’s wanted to open a restaurant. Years of planning, including a degree in food and restaurant management from Northwest Missouri State, led him to start the engine on his dream in 2010 with Jazzy B’s BBQ food truck. And just weeks ago, he opened a brick-and-mortar restaurant in Lee’s Summit.

The road to restaurateur wasn’t without speed bumps. Brandon curbed the challenges with help from KC BizCare and the Kansas City Food Truck Association (which he co-founded). And he’s taking other foodpreneurs along for the ride. Brandon leads a class for aspiring food-truck operators for Mid-Continent Public Library and the Ennovation Center.

BECAUSE OF YOU, KANSAS CITY IS ALREADY RECOGNIZED AS ONE OF AMERICA’S MOST ENTREPRENEURIAL CITIES.

Nationally and in just this past year alone, our city has been recognized as the tenth fastest-growing startup scene, the seventh best city in the nation for women-owned businesses, the fourth hottest startup city, the third top digital city, the second best city (second year running) for women in technology and the number one city to keep on your radar. To top it off, Kansas City ranks among the top 10 cities for beer, burgers, BBQ, coffee and picnics—along with art, creatives, downtowns, fashion, jobs and technology.

BE PROUD OF WHAT YOU’VE CREATED.

It took deep roots. It took deliberate planning. It took intentional collaboration and outreach. And it continues to demand courage.

AND IT WILL CONTINUE TO TAKE ALL OF US.

Because, in the beginning, in the end and only together do WE CREATE KC.

Brandon Simpson
Lee’s Summit, Missouri

JAZZY B’S

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Who are our entrepreneurs?

Curious about who powers the Kansas City economy? We are, too. That’s why we survey who’s starting businesses and who’s making strides, so we can better serve the small businesses that grow our economy.

Maps show companies that have hired their first employee.

Number of Firms Hiring First Employee

WHERE ARE KC STARTUPS LOCATED?
Maps show companies that have hired their first employee.

Number of Firms Hiring First Employee

Source: Data compiled by UMKC Center for Economic Information, 2016. Quarterly Census of Employment and Wages for Kansas and Missouri.

WHAT KINDS OF ENTREPRENEURS POWER KC?
It takes all types of entrepreneurs to sustain a vibrant economy.

WHAT DO KC ENTREPRENEURS LOOK LIKE?

REVENUE RANGE OF BUSINESS

AGE OF OWNER

HOW MANY COMPANIES ARE GROWING IN REVENUE?
In 2015 40 Kansas City companies made the Inc. 5000, ranked by growth of annual revenue over a three-year period.

Top industries of those KC companies in the Inc. 5000

Source: Inc. 5000

HOW DO KC COMPANIES FUND THEIR BUSINESSES?

Source: KC Entrepreneurship Survey, 2016

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Funding Early-Stage Businesses

Why are microloans important? Microloans fuel early-stage and Main Street businesses unable to secure funding from traditional lending institutions, helping them fund working capital, inventory or supplies, furniture or fixtures, machinery or equipment.

OPPORTUNITIES

wecreatekc.com/weavegotcha

Sources: U.S. Small Business Administration, www.sba.gov/content/microloan-program; Justine PETERSEN

KANSAS CITY’S MICROLINAN PROGRAMS

In We Create Capital, we set a goal to increase the availability of alternative loans to $10MM by 2020. We’re making progress.

The KC Microloan Collaborative, formed in 2015 by Justine PETERSEN, OneKC for Women, AltCap and the Hispanic Economic Development Corporation, will cross-market loan products, provide monthly financing workshops and potentially raise a future loan fund.

Launched by OneKC for Women in 2015, WE-Lend is establishing its lending infrastructure to help leverage an additional $5MM to $10MM in lending.

The Hispanic Economic Development Corporation, Kansas City’s leading bilingual microlender, created its IMPACTO Fund to expand access to financial mobility.

AltCap was granted a 501(c)(4) CDFI status and launched focused funds for artists and for women and minority contractors.

Justine PETERSEN continues to be a leader in Kansas City’s microlending space since it came to town in 2012, filling a critical need in the market.

WHAT IS A MICROLOAN?

Small loans averaging $10,000 with terms of 8-12% over 3-5 years (U.S.)

WHAT DOES MICROLENDING LOOK LIKE IN KC?

Since 2012, Justine PETERSEN has performed as the area’s lead microlender.

445 LOANS

AVERAGE LOAN SIZE $11,000

MORE THAN $5 MILLION

DEFAULT RATE <3%

61% WOMEN

56% MINORITIES

Top 5 Industries for KC Microloans

18% Construction
12% Consultant/Professional
10% Retail
10% Real Estate
8% Childcare/Adult Day Care

Sources: U.S. Small Business Administration, www.sba.gov/content/microloan-progress; Justine PETERSEN

WE CREATE KC

Second Stage | Main Street | Money

Kelly Wilson
Kansas City, Missouri

WEAVE GOTCHA COVERED!

Kelly Wilson dreams big. And she’s ready to bring others with her.

Ten years ago, Kelly lost everything. She found a minimum wage job at a fabric store and soon after leveraged her skills to open her own custom drapery and furnishings business.

Kelly steadily grew Weave Gotcha Covered! from $12,500 in revenue its first year to over $700,000 in 2015 through strategic partnerships, ScaleUP! KC mentoring and $29,000 from the WE-Lend Initiative, a microloan fund administered by the Women’s Business Center. A social entrepreneur as well as a business owner, she hires women through the 100 Jobs for 100 Moms initiative and is building a community Sewing Lab, all to help other women weave bigger dreams.

wecreatekc.com/weavegotcha
For many startup entrepreneurs, coming up with a great idea is the easy part. Figuring out how—and when—to raise money is the challenge.

Chris, Randy and Kevin bootstrapped blooom, an online platform that helps average Americans manage their 401(k)s, until they realized that to truly flourish the business needed more than their personal resources would allow. They defined the next milestone, perfected their pitch and landed a $4MM Series A round, another $50,000 from a Launch KC grant and the $10,000 grand prize in the Kauffman Foundation’s One in a Million contest.

For blooom, patience and perfection literally paid off.

**NEW FUNDING SOURCES**

Since the release of We Create Capital, several new sources of funding have entered the KC market or have strengthened their presence.

- **Royal Street Ventures**, a Utah-based VC firm, announced its new office in Kansas City. The $25MM seed fund will target $100K to $500K investments.
- **Northland Angel Investor Network**, established in 2015, works in concert with the Clay County EDC, but looks at early-stage deals across the metro.
- **iiM** began investing in early-stage animal health, human health and agribusiness companies, targeting investments of $50K to $300K.
- **The Collective** is a new seed stage VC fund leveraging social capital and active investment techniques.
- **Flyover Capital**, a Kansas-based, tech-focused VC company, made its first six investments, providing support in the $1MM to $3MM range.
- **Mid-America Angels** opened a chapter in St. Joseph to encourage more regional participation in angel investing.
- **Angel Capital Group** transitioned to a managed fund that targets early-stage investments of $100K to $1MM in science and technology.
- **KC Rise** began raising a $20MM fund for growth-oriented entrepreneurs that will invest alongside VC deals.

**GRANT AND EQUITY FUNDING**

Number of deals by dollar range, by year

Angel investing had a banner year in 2015, up more than 25% from 2013

![Graph showing Angel investing trends](https://example.com/angel-investing-graph)

Sources: Mid-America Angel Alliance, Women’s Capital Connection
Almost 70 percent of people in Haiti own cellphones, yet only 12 percent have access to electricity. As the entrepreneurial fates would have it, Conner Hazelrigg—inventor, entrepreneur and change agent—learned about this while completing an internship at St. Joseph’s Sunshine Electric Display. There, she built a sustainable and safe solution: the Sunshine Box, a solar-paneled cell phone charger.

With the help of Whiteboard2Boardroom, the UMKC E-Scholars Program, her mentors at William Jewell College, a student grant from the Kauffman Foundation and a third place win at the 2015 Regnier Venture Creation Challenge, she turned that box into a business. Today, her startup 17°73° has deployed Sunshine Boxes in Haiti, Honduras and rural Bahamas.

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**Building a Pipeline for Innovation**

Amazing ideas are nothing without a team that can execute and the funding to fuel development. KC has developed resources recently to move ideas through the pipeline from concept to commercialization.

**Digital Sandbox KC**
- 10 Software
- 7 Drug Development
- 6 Medical Device
- 2 Consumer
- 2 Drug Delivery
- 2 Solar
- 1 Bodyscan
- 1 Diagnostic
- 1 Engineering
- 1 Power
- 1 Water Purification

**LaunchKC**
- 19 Software
- 7 Drug Development
- 6 Medical Device
- 2 Consumer
- 2 Drug Delivery
- 2 Solar
- 1 Bodyscan
- 1 Diagnostic
- 1 Engineering
- 1 Power

**SBIR**

Whiteboard2Boardroom projects in the pipeline show the diversity of innovations percolating in regional labs and minds.

**LOOKING FOR A JOB? YOU MAY WANT TO DEVELOP THESE STEM SKILLS**

<table>
<thead>
<tr>
<th>Top skills looked for in STEM postings, 2015</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer Systems</td>
<td>28%</td>
</tr>
<tr>
<td>Information Technology (IT)</td>
<td>27%</td>
</tr>
<tr>
<td>Computer Testing</td>
<td>27%</td>
</tr>
<tr>
<td>Computers</td>
<td>26%</td>
</tr>
<tr>
<td>Maintenance and Repairs</td>
<td>25%</td>
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<tr>
<td>SQL Programming</td>
<td>14%</td>
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<tr>
<td>Language</td>
<td>13%</td>
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<tr>
<td>Hardware</td>
<td>11%</td>
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<tr>
<td>Methodology</td>
<td>10%</td>
</tr>
<tr>
<td>JAVA Programming</td>
<td>10%</td>
</tr>
<tr>
<td>Language</td>
<td>10%</td>
</tr>
<tr>
<td>Software Development</td>
<td>10%</td>
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</tbody>
</table>

**Sources:** Whiteboard2Boardroom, Digital Sandbox KC, various public sources and private databases

**STEM TALENT**

IS KC DEVELOPING THE TALENT TO DRIVE THESE INNOVATIONS?

**STEM JOB POSTINGS**

Job openings in STEM have nearly doubled from 2014 to 2015, underscoring the high demand for STEM talent.
Men-owned and multicultural businesses are the fastest growing segments in Kansas City’s entrepreneurial ecosystem. And yet, these businesses historically lack access to capital and confront higher obstacles.

The Multicultural Business Coalition, sparked by a discussion at a KCSourceLink Resource Partner meeting and shepherded into reality by Adrienne B. Haynes of the Blue Hills Contractor Incubator, aims to change that. Through purposeful outreach, the 29 participating organizations are committed to increasing the entrepreneurial engagement and the community’s awareness of multicultural businesses.

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