

DEAR NETWORK KANSAS E-COMMUNITIES

Welcome to 2018! What a great 2017 we had! Together, 59 E-Communities made tremendous progress and we thank you. We have gathered a few statistics to highlight that success:

E-COMMUNITY LOAN STATISTICS

2017 E-Community Loan Statistics

- **94** E-Community loans awarded totaling **\$3.69M** – Growth of **102%** in total loan funds awarded and **44%** in number of loans
- **36** E-Communities approved at least one loan during 2017 (*30 the previous year*)

E-Community Loan Statistics for 2007-2017

- **441** E-Community loans awarded (to **424** businesses) totaling **\$12.71M**
- E-Community funding leveraged an additional **\$63.5M** in resource partner loans, bank financing, owner investment and down payment

E-COMMUNITY LOAN CHARACTERISTICS

Business Industry	
Service	47%
Retail	27%
Restaurant	20%
Mfg	6%

Business Composition	
Startups	46%
Expansions	34%
Other (purchases, succession managements, and retentions)	20%

Population of Business Location:	
<1K	12%
1-5K	36%
5-10K	5%
10-25K	23%
25-50K	16%
Urban/Distressed	8%

2017 BOARD CERTIFIED PROGRAMS

NetWork Kansas board certified programs continued to be a popular way for E-Communities to cultivate entrepreneurship activity. To grow a startup culture and teach entrepreneurial problem solving, it's the Ice House Entrepreneurship Program. For strengthening existing businesses, it's Growing Rural Businesses and Destination Boot Camp. To help high growth businesses take it to the next level, Economic Gardening is a great program. Our most popular program is the homegrown Youth Entrepreneurship Challenge Series, which gets young people involved in hands-on entrepreneurship. Our board of directors approves these as top-notch entrepreneurship programs that E-Communities may use loan funds to help pay for.

GROWING RURAL BUSINESSES

This eight-week program provides practical and applied information necessary for small businesses to thrive in rural communities. The course is taught in the community by faculty and presenters from Wichita State University's Center for Entrepreneurship. The following E-Communities hosted Growing Rural Businesses during 2017 for a total of 40 participants from:

- Cowley County (24)
- El Dorado (16)

DESTINATION BUSINESS BOOT CAMP (DBC)

This 2 ½ day training course in Longmont, CO is taught by Jon Schallert for businesses that would like to become a dominant "destination business" preferred by customers. This course uses a 14-step strategy and features in-depth instruction and tactics about how to accomplish this goal. DBC provides inspiration and real-world data to help business owners make manageable, inexpensive modifications that can have a key impact on their small business. Ten E-Communities sent at least one business to DBC and used NetWork Kansas funding during 2017 for a total of 64 businesses from:

- Atchison (11) (Also took advantage of the Community Reinvention Program [CRP])
- Clay County (4)
- Hodgeman County (1)
- Marion County (1)
- Montgomery County (12) (Also took advantage of the CRP)
- Pottawatomie County (8) (Also took advantage of the CRP)
- Reno County (7) (Also took advantage of the CRP)
- Rice County (11) (Also took advantage of the CRP)
- Scott County (3)
- Wichita Urban (6) (Also took advantage of the CRP)

ICE HOUSE ENTREPRENEURSHIP PROGRAM

Ice House develops an entrepreneurial mindset and skills like critical thinking, communication, problem solving, and other key assets crucial for success in business and life. Seven E-Communities hosted an Ice House Entrepreneurship Program using NetWork Kansas funding during 2017 for a total of 91 participants from:

- Cherokee County (10)
- Greeley County (14)
- Hodgeman County (10)
- Montgomery County (10)
- Pawnee County (16)
- Rice County (23)
- Rooks County (8)

The Ice House Entrepreneurship Program expanded as a board certified program during 2017 to also include Ice House facilitator training, Resource Partner boot camps, and ELI community-based Ice House facilitator trainings. Montgomery County hosted Kansas' first ever ELI training in May, bringing Gary Schoeniger to Independence, KS to train new Ice House facilitators.

ECONOMIC GARDENING

This program is for mature, second stage businesses that have the intent and capacity to grow. It works by connecting business owners with a team of research experts in the areas of generating sales leads, market research and search engine optimization. The target is businesses that have been in Kansas for 2+ years with

annual revenues ranging from \$600,000-\$50 million, and 5-100 employees.

- 4 businesses from 4 E-Communities took part in the program
 - › Wichita Urban – 1
 - › Phillips County – 1
 - › Anderson County – 1
 - › Wichita e2e – 1

YOUTH ENTREPRENEURSHIP CHALLENGE SERIES

A NetWork Kansas program now having completed its fourth year, the YEC series is a series of youth entrepreneurship competitions that works to encourage and develop the next generation of entrepreneurs and help communities invest in their youth. The goal is to expose Kansas middle school and high school students to entrepreneurship by encouraging them to explore a business idea and get experience planning that business and pitching the idea. The results for this past year are as follows:

- 21 local competitions representing 26 E-Communities
- 454 students (almost doubled from last year for the second year in a row)
- 29+ schools represented
- State Championship organized by NetWork Kansas and held at FHSU had 49 participants and awarded \$11,000 in prizes.

MAKERSPACE COMMUNITY BOOT CAMP

The NetWork Kansas board of directors approved a new board certified program in December intended to teach the skills for a community to start its own entrepreneurship-driven maker space. The first class takes place February 2018 at the Fab Lab ICC in Independence, Kansas.

Pilot Programs

- LaunchPrep
- E-Leadership Team Coaching
- Facebook Marketing
- Community Opportunity Assessments
- KSU Online Entrepreneurship Module with high school student groups
- New-Media Marketing Boot Camp

E-COMMUNITY MARKETING/ ADMIN FUNDS

E-Communities also utilized their “marketing/admin” funds to make progress on growing an entrepreneurial ecosystem in unique ways:

- Meals at lender round-tables and banker luncheons
- YEC prize money, oversized check, banner, goodie bags, and meals for the event
- Attorney fees to pursue past-due loans
- Marketing videos, brochures and radio advertisements
- Purchase of loan processing software to assist in the administration of loans
- Sponsorship for businesses to attend Destination Business Boot Camp
- Loan closing and/or packaging fees
- Chit Chats and empty building tours - advertising and refreshments
- Registration fee to attend MakerSpace Community Boot Camp
- Purchase of D&O (Directors & Officers) insurance policy for leadership team and financial review board

E-COMMUNITY PARTNERSHIP GROWTH

We now partner with 61 communities throughout the state of Kansas. The two new communities are doing a great job of creating an inclusive leadership team and committing to meet regularly.

WELCOME E-COMMUNITIES FOR 2018

Morton County – has hit the ground running with early discussions about their loan application process and already have lenders interested in how they can work with the E-Community. The team has identified Destination Boot Camp as an early priority and is looking forward to sending a team later in 2018. They’re already reaching out to school champions across the county to prepare for YEC 2018-2019!

Neosho County – is completing their loan application and administrative agreement along with a one-page project information worksheet to vet interested entrepreneurs through their E-Community process. Collaborating countywide has given this group the extra synergy to actively seek out ways to partner and they are eager to learn more, particularly about our YEC series.

THANK YOU FOR HELPING US GROW THE E-COMMUNITY PARTNERSHIP. WE LOOK FORWARD TO WORKING WITH ALL OF YOU IN 2018!

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