Preparing Your Rural Region for Build to Scale

A Guide for Rural Communities applying to the U.S. EDA's Build to Scale Venture Challenge

Disclaimer

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About CORI

The Center On Rural Innovation

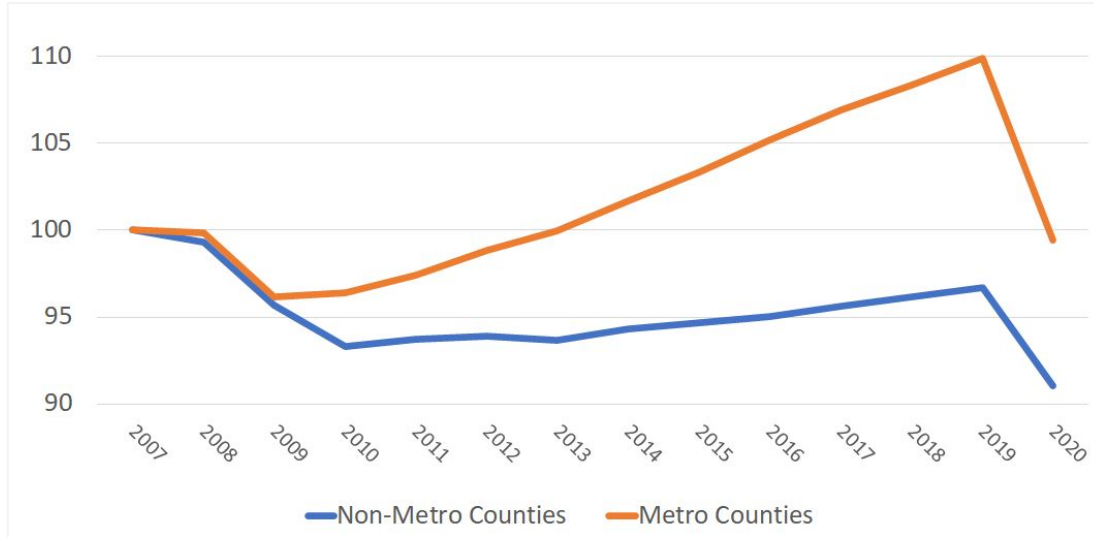Advancing inclusive rural prosperity through digital economy ecosystems that support scalable entrepreneurship and tech job creation.

The Growing Rural Opportunity Gap

Rural vs. Metro area job growth (2008-2019)

Employment relative to 2008 levels

Source: BLS

We are facing the largest rural opportunity gap in history

How Did This Happen?

Automation

Globalization

Decline in
Entrepreneurship

The Future Is Digital

Rural Communities Can Share in Digital Economy Growth

- Digital economy grew 4x faster than overall economy between 1997 and 2017

- Harnessing technology for local and sustainable wealth creation is fundamental to solving rural America's economic crisis

Scalable Tech Startups Help Build Stronger Communities

- Venture-backed companies experience significantly higher than average job growth, producing more tech jobs for a region

- Rural-grown scalable tech startups can thrive with the right mix of support, capital, and belief

Tech Jobs are Flexible and Pay Well

- Tech jobs can be done anywhere that has a good internet connection

- Median annual wage for computer and information technology occupations was $88,240 in May 2019, more than 2x median annual wage for all occupations

Rural America's Digital Economy

Non-Metro Share of Computer & Math Occupation
Employment - 2018

Our target

Non-Metro Share of Computer &
Math Occupations

Non-Metro Share of Total
Workforce
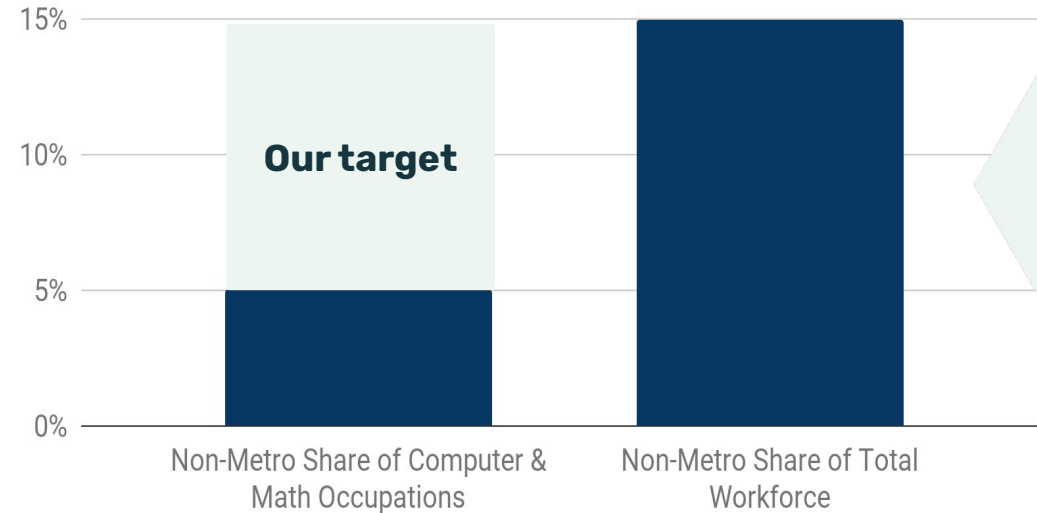
Rural America accounts for 15% of
the nation's workforce, yet only
5% of tech workers live in rural
America.

Our goal is to bridge this gap so
that 15% of tech jobs are located in
rural communities.

Our Communities

- 20 communities across 17 states

- Covering a population of 1.2 million people—equal to the population of Dallas, TX

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

Map labels:
- INDEPENDENCE
- WATERVILLE
- RANDOLPH
- SPRINGFIELD
- MARQUETTE
- RED WING
- NORTH IOWA
- TRAVERSE CITY
- DURANGO
- CEDAR CITY
- TAOS
- EMPORIA
- PORTSMOUTH
- SHENANDOAH VALLEY
- CAPE GIRARDEAU
- PIKEVILLE
- WILSON
- ADA
- PINE BLUFF

About EDA's Build to Scale Venture Challenge

About EDA's Build to Scale Program

Under the **Build to Scale (B2S)** Program, EDA manages a portfolio of grant competitions that further technology-based economic development initiatives that accelerate high quality job growth, create more economic opportunities, and support the future of the next generation of industry leading companies.

Venture Challenge: Overview

The Venture Challenge seeks to support entrepreneurship and accelerate company growth in communities, regions, or combinations of regions.

You can view the FY20 Venture Challenge grantees here.

Venture Challenge: Criteria and Terms

The Venture Challenge awards grants to intermediary organizations such as accelerators, universities, and non-profits supporting new business ventures that are:

- Scalable by nature
- Challenging the status quo of established markets
- Commercializing technologies
- Furthering job creation

- 1:1 match funding requirement

- Two available funding levels

- Grant period is 3 years

- Funds support organizations supporting scalable entrepreneurs, NOT entrepreneurs themselves, companies, individuals, or construction

Rural's Competitive Advantage

Venture Challenge: Funding and Awards

- Recent increase in Build to Scale funding to $38M

- **40% of funds are dedicated to rural communities**

- First-time applicants made up 50% of 2020 awardees

- OIE will provide feedback to applicants who are not granted an award after announcements are made

Available Funds BY YEAR

$38M Available

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |

B2S
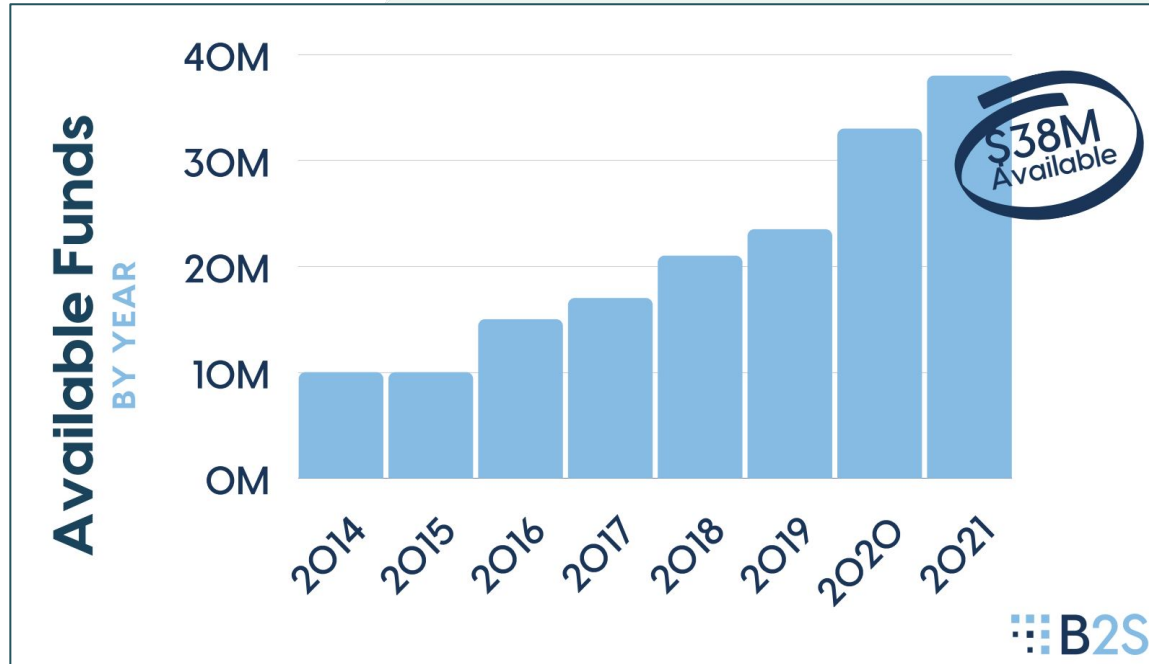
B2S Can Be Transformative for Rural Communities

"Southwestern Wisconsin has a history of innovation, and this program will further cultivate entrepreneurial inventiveness by providing a framework for development and growth. This is a win for the entire region and another reason for start ups and existing businesses to choose Wisconsin." - *Troy Maggied*

University of Wisconsin Platteville

"This grant will allow the Central Maine Growth Council to scale our organization and projects while executing on an economic development model that works to educate and train local residents in digital skills, employ them in new economy jobs, and empower them to launch startups that will drive digital economies." - *Garvan Donegan*

Central Maine Growth Council

"To receive this award from the EDA is a tremendous opportunity for a small town. It's very validating that the work we've done over the last several years has been noticed and there are dollars to continue to enhance and build on what's been started." - *Neela Mollgaard*

Red Wing Ignite

B2S Winner: Traverse City, MI

- **Award year and details:**

  - 2019

  - **Federal share:** $749,914 | **Local match:** $749,914

- **Organization:**
  20Fathoms (innovation hub founded in 2018)

- **Project:**
  Establishing Northern Michigan's Home for Technology and Entrepreneurship

  - Project will provide access to collaborative workspace, mentorship and investor events, and professional services that entrepreneurs need to commercialize emerging technologies and scale startups

  - Project will utilize a user-centric start-up concierge to connect relevant resources in the region and run a 12-week accelerator program focused on health technology innovation

B2S Winner: Cape Girardeau, MO

- **Award year and details:**

  - 2019

  - **Federal share:** $746,000 | **Local match:** $1,483,600
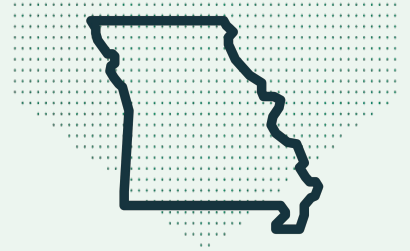
- **Organization:**
  Marquette Tech District Foundation, with Codefi as partner

- **Project:**
  The Rural Delta Tech Innovation Network and Technical Talent Consortium

  - The RDTIN will use economies of scale to: plant innovation hubs to service startups and tech workers in rural communities, develop connections and opportunities between hubs and investors, and host special events showcasing regional tech progress

  - Technical Talent Consortium will provide affordable technical talent to early-stage ventures, provide a path to employment for newly trained computer programmers, and define industry-wide problems and form founder/technical teams around them to build solutions

Innovation Driving Entrepreneurship Accelerator (IDEA Hub) of Southwest Wisconsin

The IDEA hub will strengthen scalable technology entrepreneurship across the rural region between Madison, WI, and Dubuque, IA, by developing a pipeline of entrepreneurs, accelerating ventures into scalable tech businesses, and inspiring a culture of innovation.

Outcomes: 15 scalable technology businesses; 20 new entrepreneurs; 55 new jobs in three years

Federal share: $538,426 **| Local match:** $538,426

Dirigo Labs: Fostering Innovation and Collaboratively Supporting Maine-Based Entrepreneurs

Dirigo Labs (DL) will transition Central Maine's post-manufacturing economy utilizing local assets, including the world-class Colby College and Bricks Coworking & Innovation Space to:

- Build a startup accelerator, generating $15M in sales

- Cultivate a 30-mentor network

- Facilitate access to investment capital and deal flow that raises $10M

Federal share: $599,969 **| Local match:** $602,910

Build to Scale Readiness Check

Organizational Eligibility

Eligibility

Is my organization one of the following eligible entities?

- A State

- An Indian Tribe

- A city or other political subdivision of a state

- An entity whose application is supported by a state or a political subdivision of a state and that is:
  - A nonprofit organization
  - An institution of higher education
  - A public-private partnership
  - A science or research park
  - A federal laboratory
  - A venture development organization, or an economic development organization or similar entity
  - A consortium of any of the immediately aforementioned entities

Organizational Capacity

Experience
● Do I have someone on staff with experience writing federal grants?   ● If no, consider obtaining support from an ecosystem partner or feedback from a professional grant writer   ● But remember: you don't need external support to write a successful grant

Capacity
● Do I have staff capacity (5 to 15 hours a week) to dedicate to writing this proposal and getting partners on board?   ● Do I have grant management and/or financial reporting experience on my team?

Project Alignment

- Does my project concept meet the goals of the Build to Scale Venture Challenge program?

- Does my project concept align clearly with one of the two Venture Challenge funding levels?

- Do the outcomes of my project relate to the types of outcomes the Venture Challenge is looking to achieve?

Evaluation Criteria Alignment

Would my project concept score highly based upon the Venture Challenge Evaluation Criteria?

Summary Criteria
Evaluations reviewed against 6 equally weighted criteria: • Ecosystem resources and assets • Proposed solution • Use of partner entities • Measurable goals and sustainability • Budget and staffing plan • Alignment with B2S program goals

Read more about the criteria [here](#).

Regional Alignment & Rurality

The Regional Case: Be Clear It's Place Based

- Can I make a strong case that my project concept is explicitly based upon my region's assets, gaps, and opportunities?

- "Successful applications are place-based, bottom-up, and specific to your needs."

- Don't try to be the "Silicon Valley" of your region

Rural Status

- Is 50% or more of my region considered Rural according to the Census Bureau?

- Check out CORI's Rural Opportunity Map to explore different definitions of "rural"

Regional Partnerships

EDA Landscape

- What has EDA funded in my region?

- Do I have an Economic Development District (EDD)? What are its priorities?

- Have I discussed this work with my Economic Development Representative (EDR)?

Strong Partnerships

- Are local partners aligned on and supportive of my project concept and the outcomes it will produce for my region?

- Demonstrate this through customized letters of support that speak to unique relationships to the partners

- If a match commitment, make sure the letter clearly states how the partner is engaged in the project's scope of work

Budget Alignment

- Who are my potential match partners?

- Am I confident that I can raise 50% of the project cost as match (in-kind and cash) for project specific activities?

- Does the match funding meet EDA's criteria?

EDA provides applicant resources, including a template budget, here.

Tip: *Think of your budget holistically to support the project. Both match and federal funding are all part of the same overall budget to implement the work.*

Ready, Set, Build!

Readiness Assessment

Our Readiness Assessment designed to point out areas of strength for your potential application, giving you an indication of your readiness to apply.

- The <u>Readiness Assessment</u> will help you assess your strengths and identify areas you may need to bolster for a full application

- Fill it out with your partners and team to get the fullest look at your regional assets and gaps

Next Steps

- **Learn more about EDA**
  - [About the EDA](#)
  - About [Build to Scale](#)
- **Review winning Rural B2S projects for inspiration & guidance**
  - [Platteville WI](#)
  - [Waterville ME](#)
- **Review EDA B2S materials**
  - [2021 NOFO](#)
  - [Applicant Resource Page](#)
  - [Venture Challenge website](#)

- **Explore the Rural Opportunity Map**
  - [Decode whether your region is classified as rural](#)
  - Identify notable local assets
  - Discover EDA investments nearby
- **Connect with EDDs/EDRs**
  - **Your** [Economic Development Representative](#) **can also direct you to other appropriate funding for your ecosystem**
  - [Directory of all Economic Development Districts](#)

Thank You

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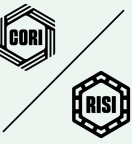802-436-4100

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Disclaimer

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