



## House Commerce, Labor, and Economic Development Committee

March 12, 2019

Testimony by:  
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### ***Expanding the Culture of Entrepreneurship in Kansas***

Chairperson Tarwater, and members of the Committee, thank you for giving me time to provide some information on entrepreneurship in Kansas.

In 2014, the Center for Rural Entrepreneurship in Lincoln, Nebraska, published the book *Energizing Entrepreneurial Communities*. The book highlighted many initiatives implemented by the state of Kansas and NetWork Kansas. In the book, Don Macke, Co-Founder of the Center for Rural Entrepreneurship, said “We think that one thing that makes NetWork Kansas unique and more impactful is that in 2007 they committed to a ground game, or the E-Communities strategy”.

The program to which Don was referring is our E-Community Partnership. After eleven years, 60 Kansas communities partner with us. Over 6-9 months, our E-Community coaches work with the community to develop a local leadership team of 10-12 private and public sector volunteers. In these 60 E-Communities, there are almost 700 Kansas citizens who meet regularly to make progress on growing an entrepreneurial environment. Of the 60 leadership teams, virtually all of them have at least one banker and cumulatively, there are over 85 bankers representing over 80 local banks.

Through the E-Community Partnership, we increase access to capital and bring targeted entrepreneurship programming to the communities. At the core of the concept is a loan fund with decision making authority controlled by that local leadership team. Since inception in 2007, the E-Communities have collectively approved \$17.3 million of loans to 528 businesses. That \$17.3 million is only 17% of the funding that has gone into those 528 businesses. It’s leveraged more than \$83.5 million of city/county microloans, revolving loan funds, and over 420 of those deals have a bank involved as

well. 41% are startups and 35% are expansions. 28% are retail and 49% are service and over 47% of the businesses are in communities under 5,000 people.

Certainly, the ability to create this revolving loan fund is a reason the communities start the conversation with us. However, we view the money as the Trojan horse. It gives us a seat at the table with the local leadership team to talk about their entrepreneurial environment and implement ideas.

We partner with national leaders in entrepreneurship to make programs available that benefit different types of businesses. For example: to increase startups; it's Ice House Entrepreneurial Thinking. For strengthening existing main street businesses, it's Wichita State University's Growing Rural Businesses or a program called Destination Boot Camp. To help growth businesses, it's Economic Gardening, and to help communities build a maker space (to encourage STEM and innovation), it's Maker Space Boot Camp. Additionally, we're piloting a value-building program that aims to improve the successful future transition of cornerstone rural businesses.

Finally, many E-Communities are excited to encourage the next generation of entrepreneurs and invest in their youth. Starting with a handful of grassroots entrepreneurship competitions that were already happening in northwest Kansas, we've built a collaborative youth entrepreneurship competition series over the past six years. This year, we expect to work with over 1,000 students at 41 local competitions, culminating in a statewide championship for the best young entrepreneurs in the state, hosted at Kansas State University on April 30<sup>th</sup>.

Thank you for the chance to talk about the impactful way we partner with Kansas communities who have made entrepreneurship an economic development priority.

Thank you.

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