

AGENDA

7:30 Breakfast and Registration

7:50 Opening Remarks / Moderator | Anand Desai / Jeremy Hill

8:00 *Building an Entrepreneurial Ecosystem in Wichita* | Bob Litan

8:25 Q&A and Roundtable Discussion

8:50 BREAK

9:00 *Entrepreneurship Trends Across Kansas* | Chris Broberg

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10:05 *Broadening the Stories: Ethnic Entrepreneurs in Wichita* | Sue Abdinnour and Jay Price

10:35 Q&A and Roundtable Discussion

11:00 Closing Remarks and Adjournment | Tony Vizzini

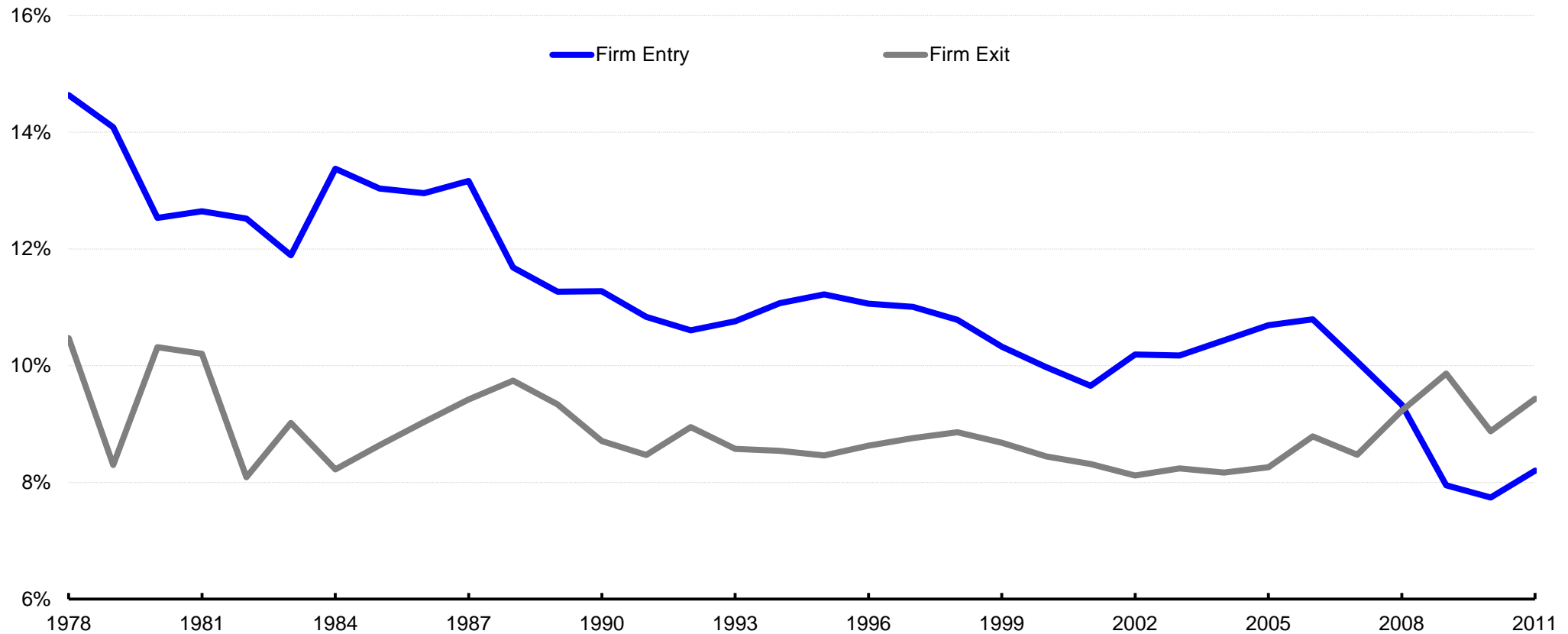


The Entrepreneurial Challenge:

What Can Wichita Do About It?

Robert Litan

Falling Startup Rates, Higher Exits



The Entrepreneurial Challenge; It's Not Just a National Problem

- 365/366 metro areas
- All 50 states
- All major 2 digit industries

Falling Startup Rate: Why Should We Care?

- Entrepreneurship as a drive of *disruptive innovation*, and hence productivity growth/improvement in living standards
 - Gordon thesis
- New firms driver of job growth

Why Has The National Startup Rate Declined?

- It's not Obama (30 year trend)
- Growing regulation at all levels a possible reason
- Differences across metros:
 - Differential Population Growth
 - Industry Concentration at the metro level
 - Recent *Economist* concentration survey at the industry level

National Solutions

- Various Startup Acts
(Moran, Rubio, Warner, Coons)
- STEM, Entrepreneur Visas (but national gridlock on Immigration)
- Regulatory Sunsets/BRAC style cleaning house
- Easier crowd-funding (JOBS Act)

Real Action at the City Level

- Cities built on entrepreneurial successes
 - Silicon Valley/San Francisco, Seattle, Austin, Boston, New York
- Entrepreneurial ecosystems exist at city level
 - Mentors, Angel Investor/Venture Capitalist, Lawyers, Accountants, & Talent
- Good government can help but other forces dominate
 - How about local BRAC regulatory house cleaning?
 - Low taxes may help, but no guarantee: look at Silicon Valley/San Francisco, Boston/New York
 - Virtuous cycle wins out

Can We Win in the Entrepreneurial Race?

- Where does Wichita stand?
- Austin – Raleigh – Boise – Boulder – Omaha – Fargo
- Our advantages:
 - Cheap real estate (Cowen)
 - Engineering talent, increasing college graduates
 - SNT Media move here a canary
 - Resurgent downtown (attracting millennials)

Wichita Efforts Under Way

- ETF, 30 community leaders
- e2e accelerator, Wichita Technology Corporation
- One Million Cups
- BREG: cooperation on innovation and workforce development

Leveraging Wichita's University-Business Collaborations

- Other cities have “come back” with universities as “connectors” but also with core technologies:
 - Pittsburgh (health)
 - Albany (nanotechnology)
 - Akron (polymers)
- WSU Innovation campus: Maker space, Airbus, Desso, possibly others
 - I-35 strategy: new blood
 - New coding academy
- WSU-WATC merger for workforce training
- Potential Health Innovation Ecosystem (June 1 Summit)
- Can we leverage aircraft, testing, manufacturing and emerging IT expertise in these and other industries (e.g. health)?

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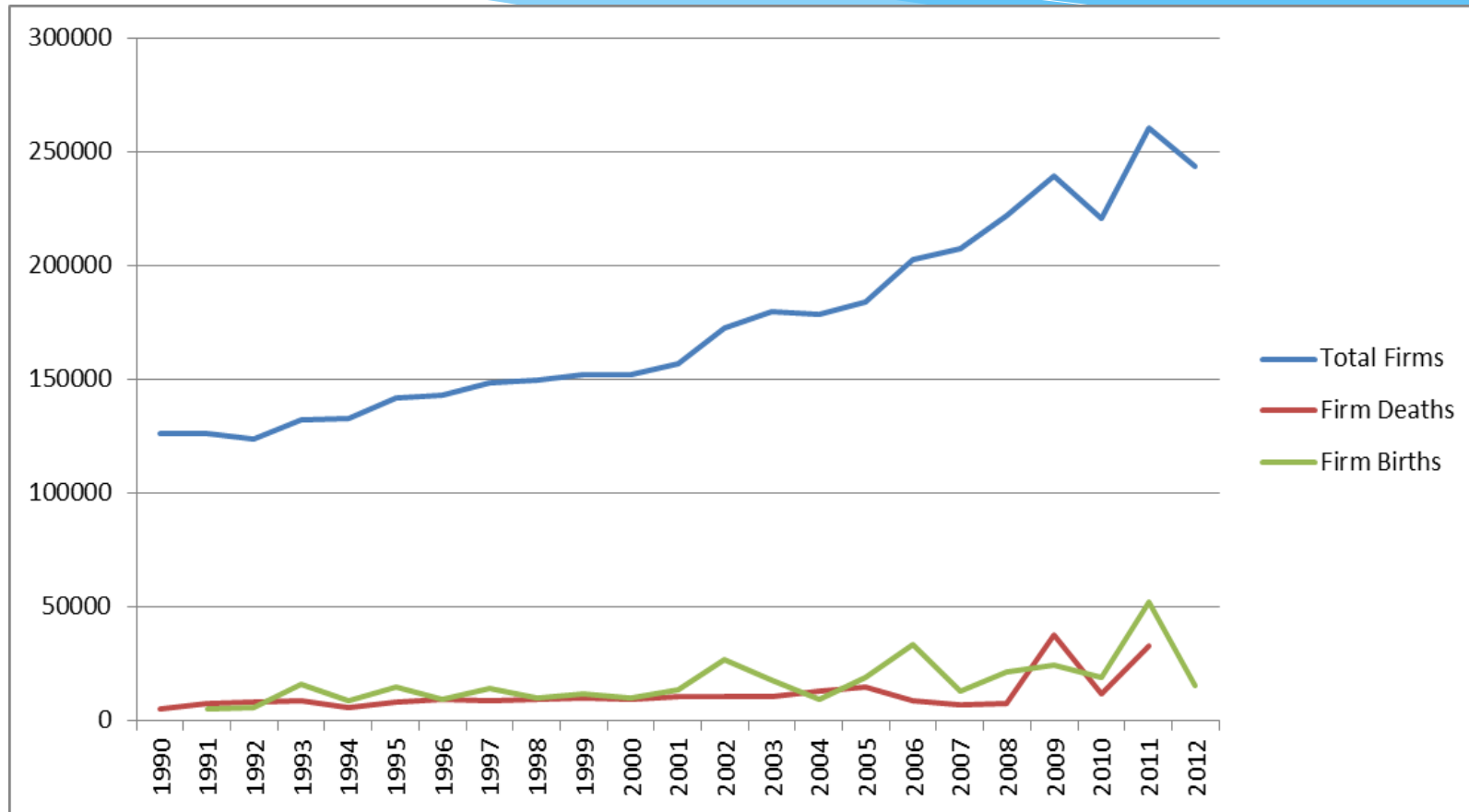
Entrepreneurship Trends Across Kansas: Environmental Factors and the Creation and Demise of Firms

Chris Broberg Ph.D.
Associate Professor of Entrepreneurship
W. Frank Barton School of Business
Wichita State University

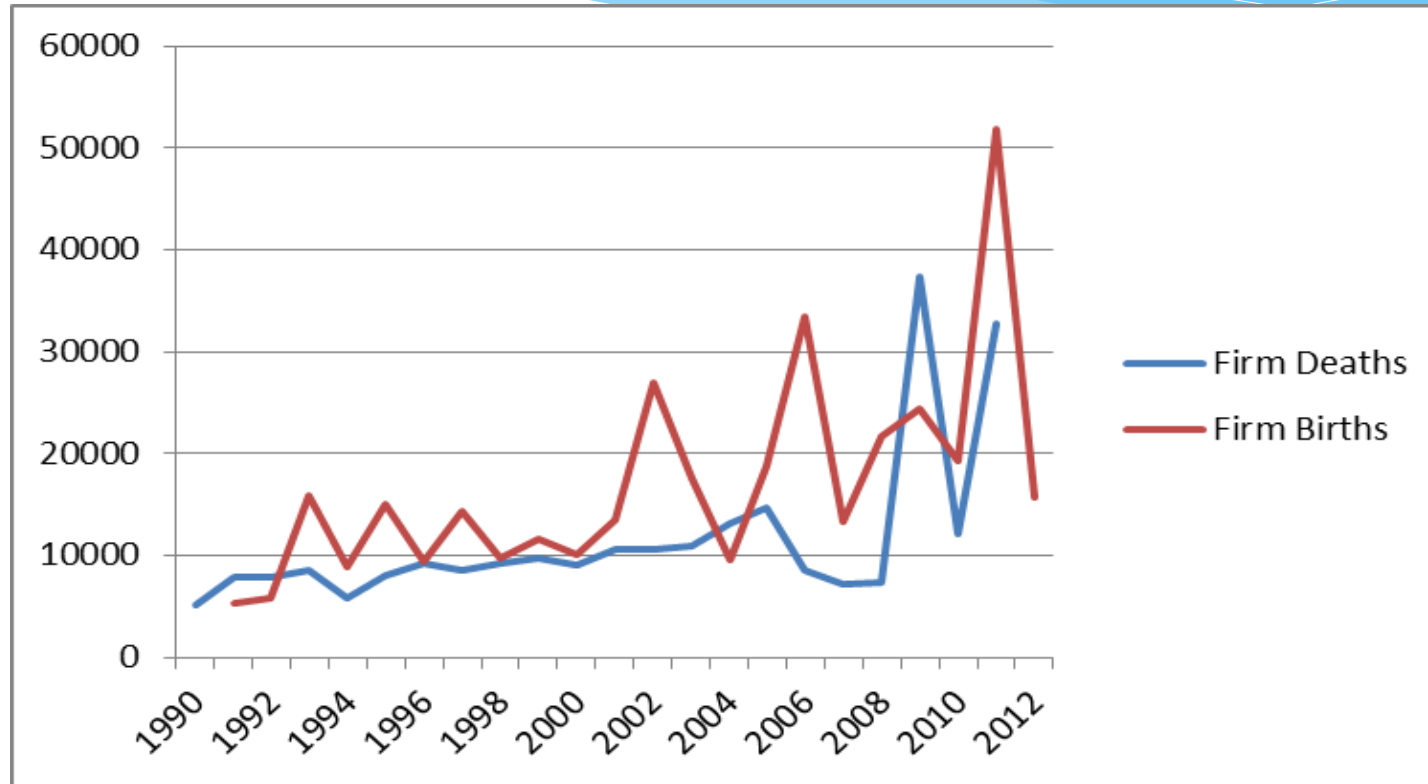
Data Sources

- * NETS (National Establishment Time-Series) Database
 - * Time series database that uses Dun and Bradstreet data
 - * Tracks number of business establishments from 1990 to 2012
- * U.S. Census Bureau Survey of Business Owners (SBO)
 - * Survey of U.S. business owners
 - * Collected every five years (ie., 1997, 2002, 2007, 2012)

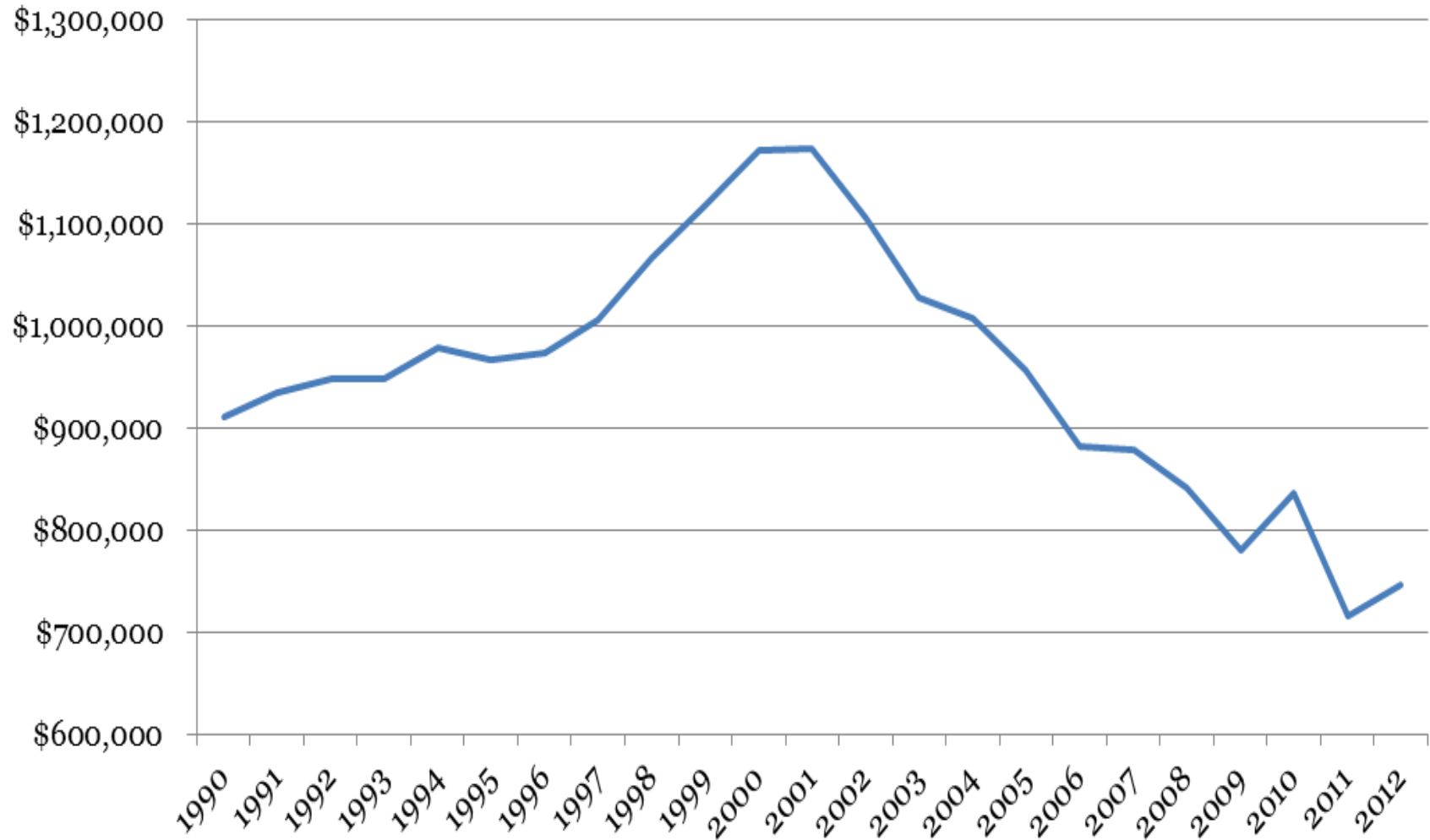
Kansas Firm Births & Deaths



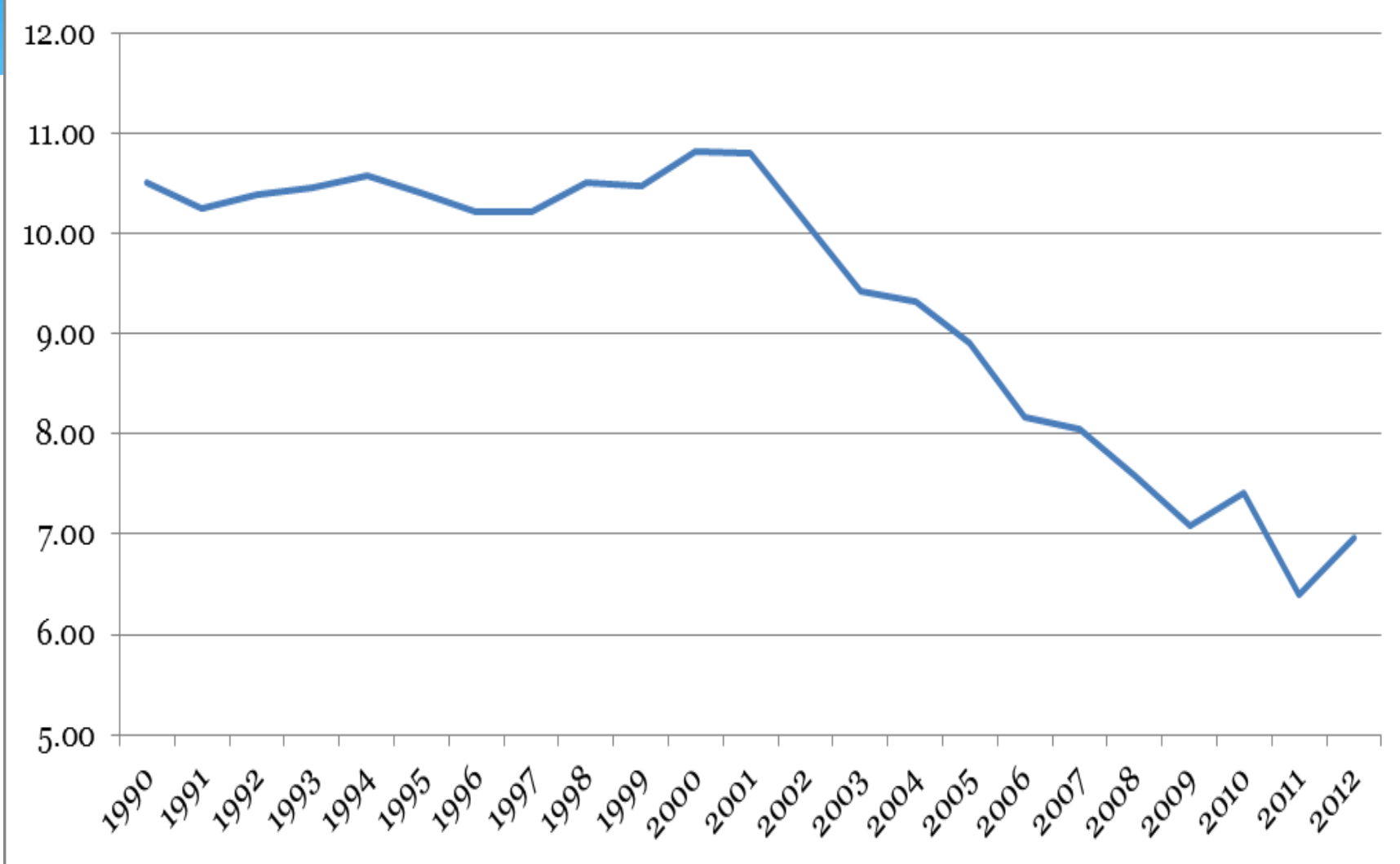
Kansas Firm Deaths and Births



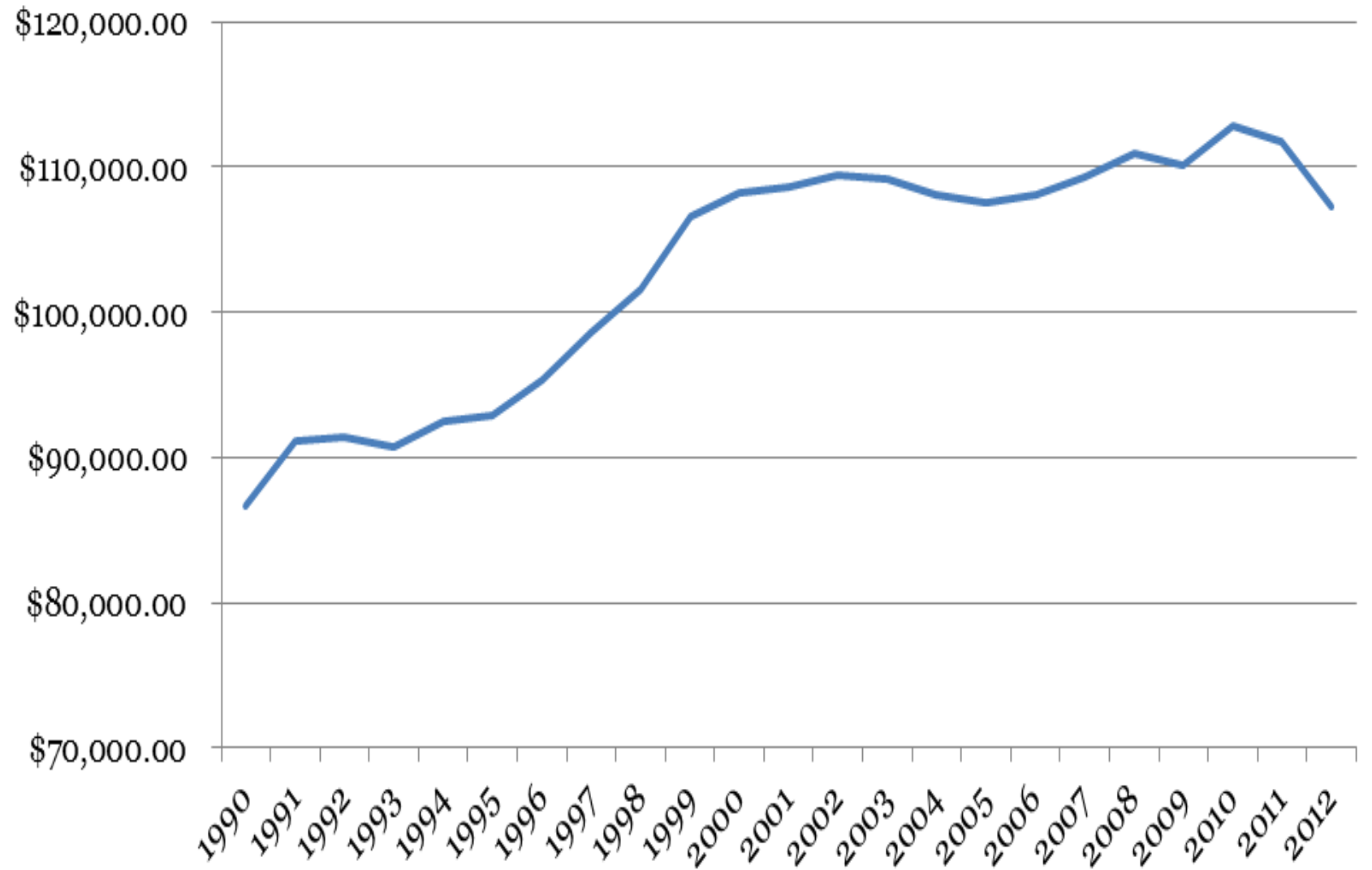
Sales per Kansas Firm



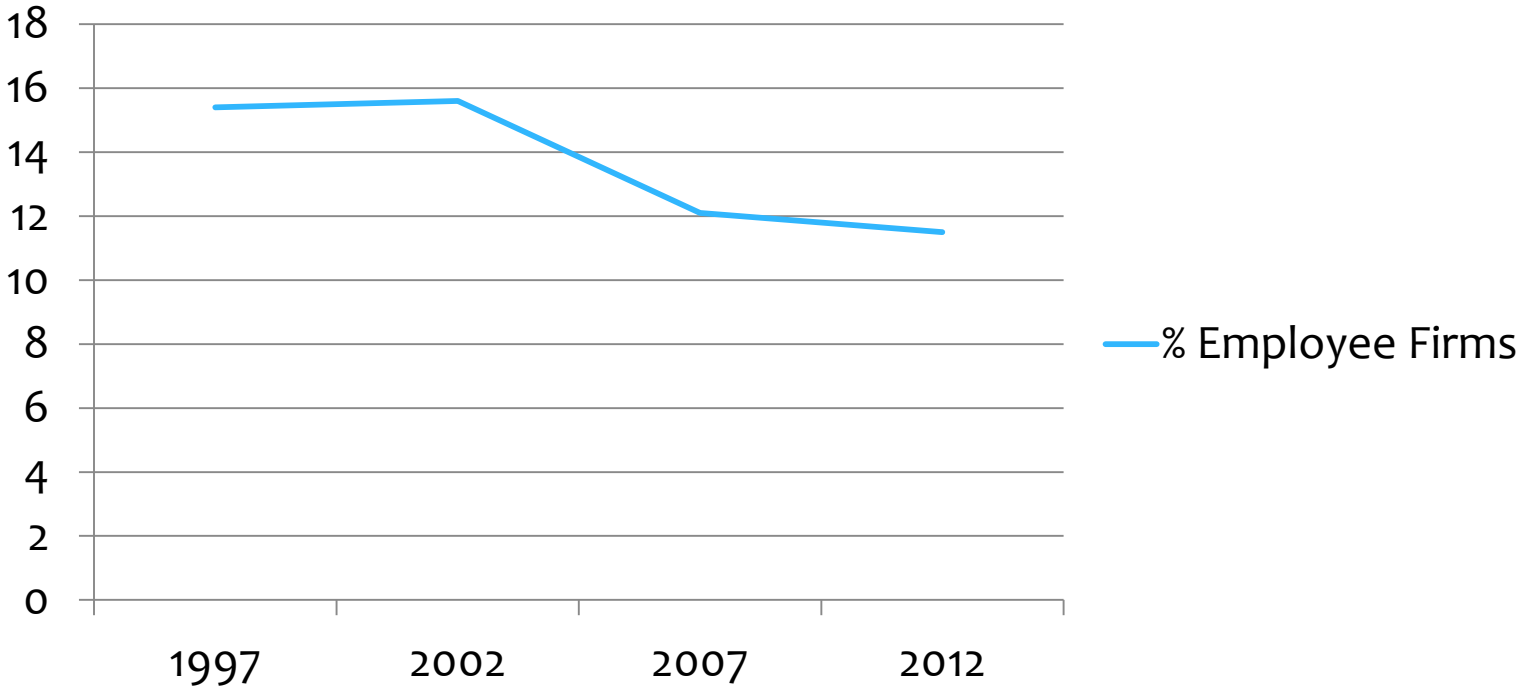
Employees per Kansas Firm



Sales per employee



Percent of Kansas Firms with Paid Employees



The Context of Entrepreneurship

- * The context(s) facilitates or constrains the economic behaviors associated with starting a business (Welter, 2011).
- * Geographic factors are especially important to differing entrepreneurial activity rates.

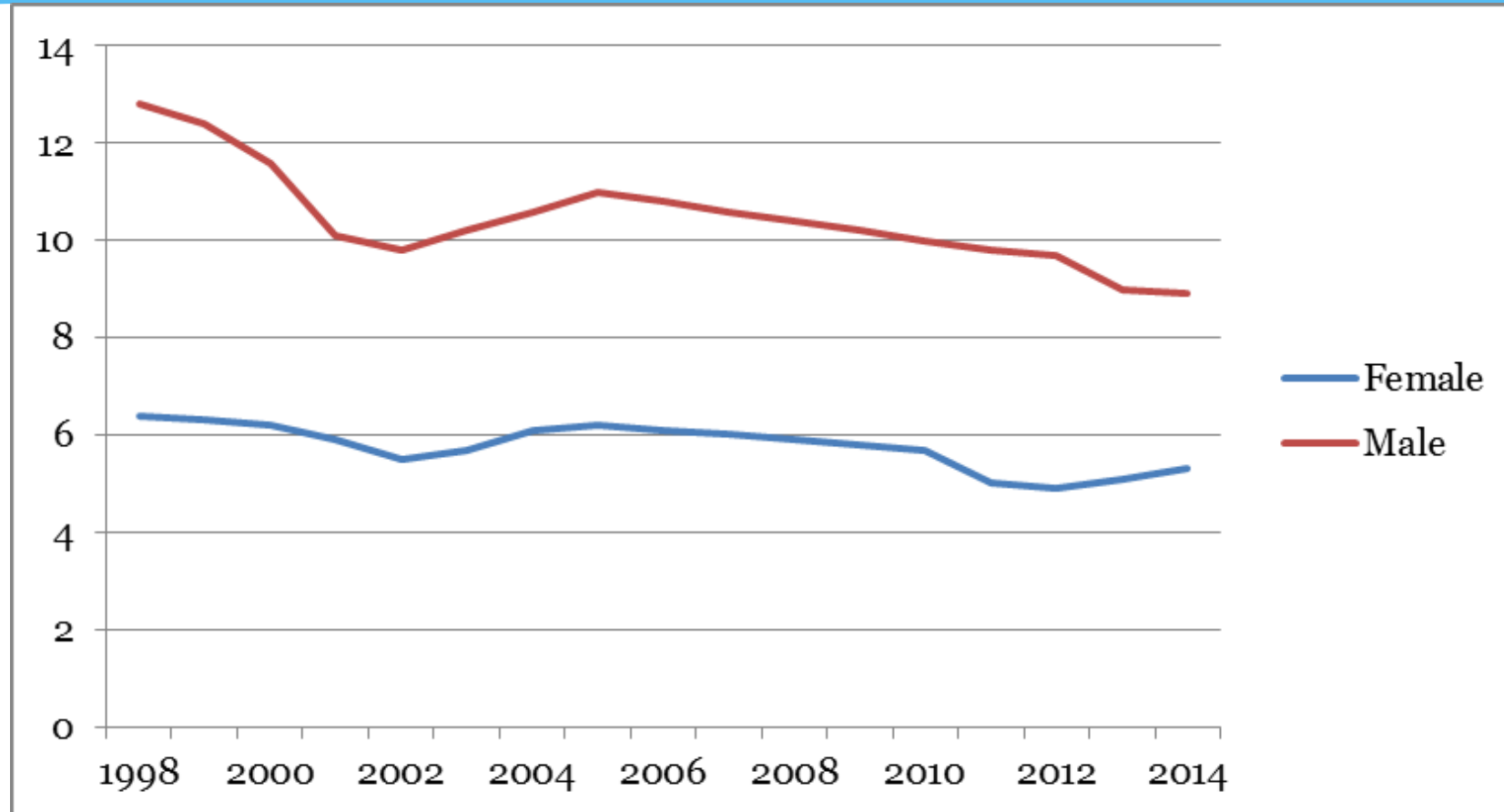
Urban- Rural Classification Scheme

	# Counties	Key Cities
Kansas City Metro	4	Overland Park, Lenexa, Olathe
Medium metro	6	Wichita & Topeka
Small metro	8	Lawrence & Manhattan
Micropolitan	18	Hays, Dodge City, Garden City, Pittsburgh, McPherson, Salina, Liberal, etc.
Rural	69	

1990 -2010 Growth Rates Across Kansas County Types

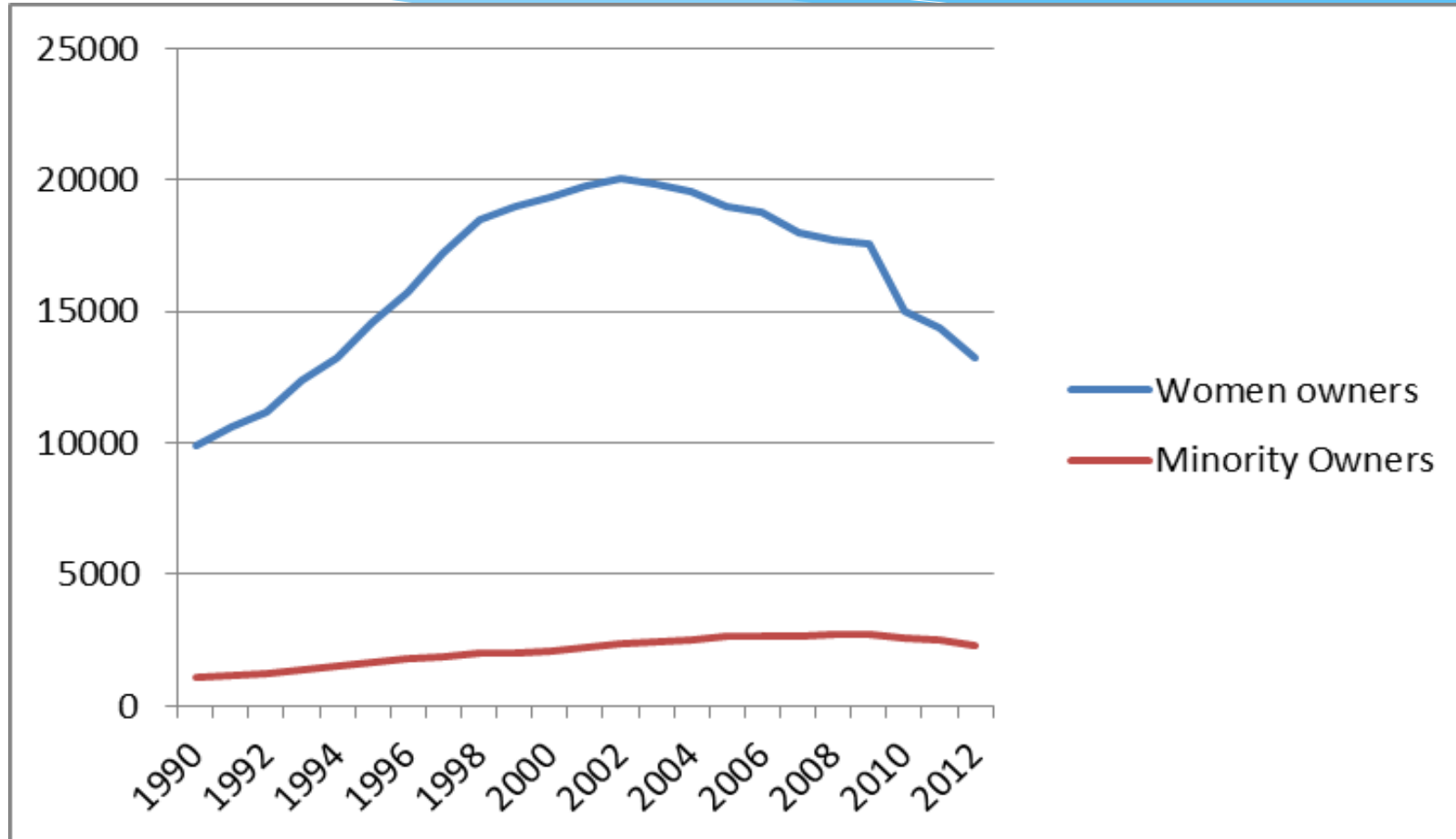
	KC Metro	Medium Metro	Small Metro	Micropolitan	Rural
Firms	120%	86%	108%	56%	41%
Employees	54%	10%	39%	11%	11%
Firm Sales	102%	44%	96%	36%	34%
Population	34%	19%	20%	6%	-7%

Rate of Business Owners by Gender*

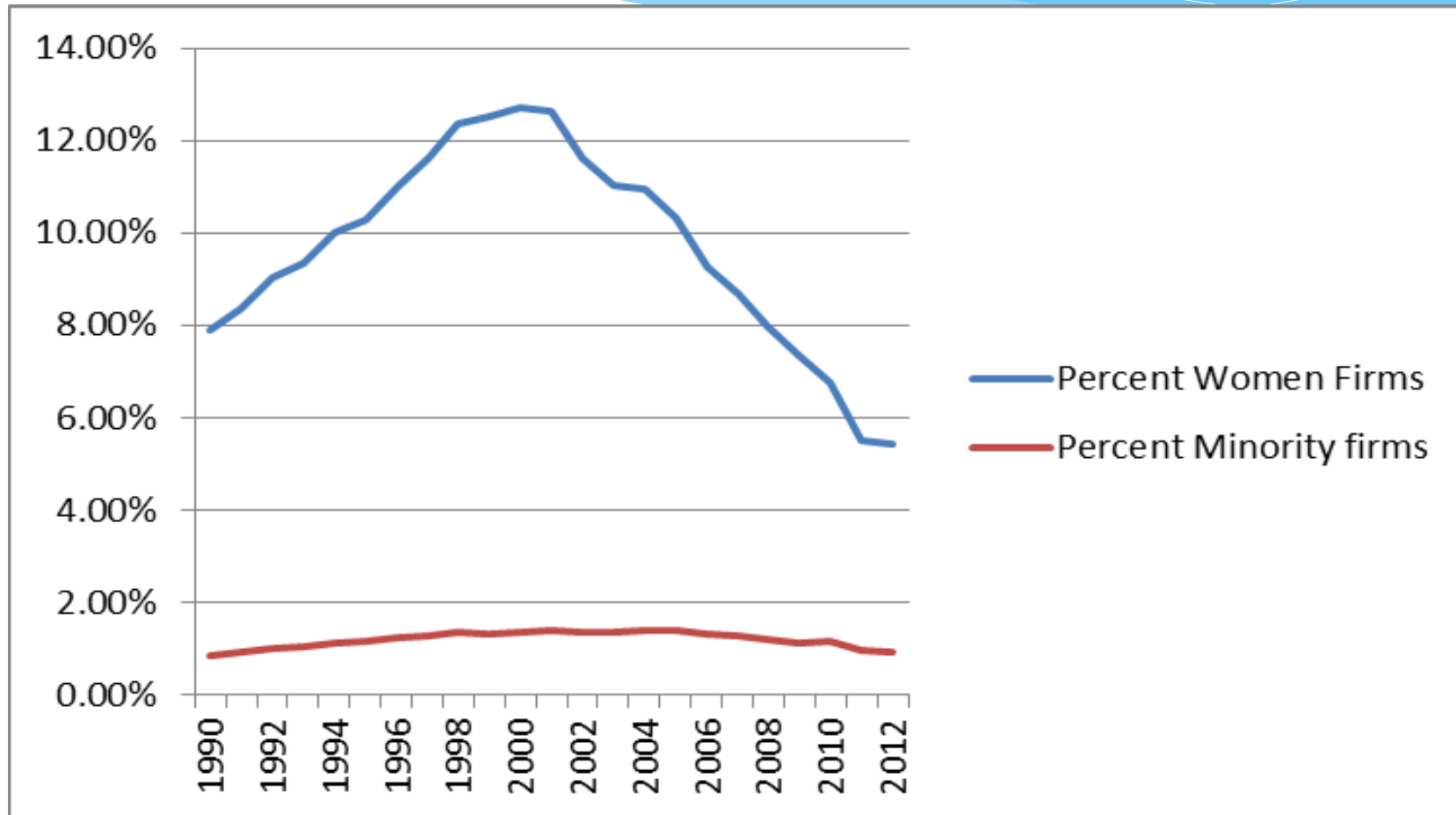


From the KAUFFMAN INDEX. Percent of adult population owning a business as their main job.

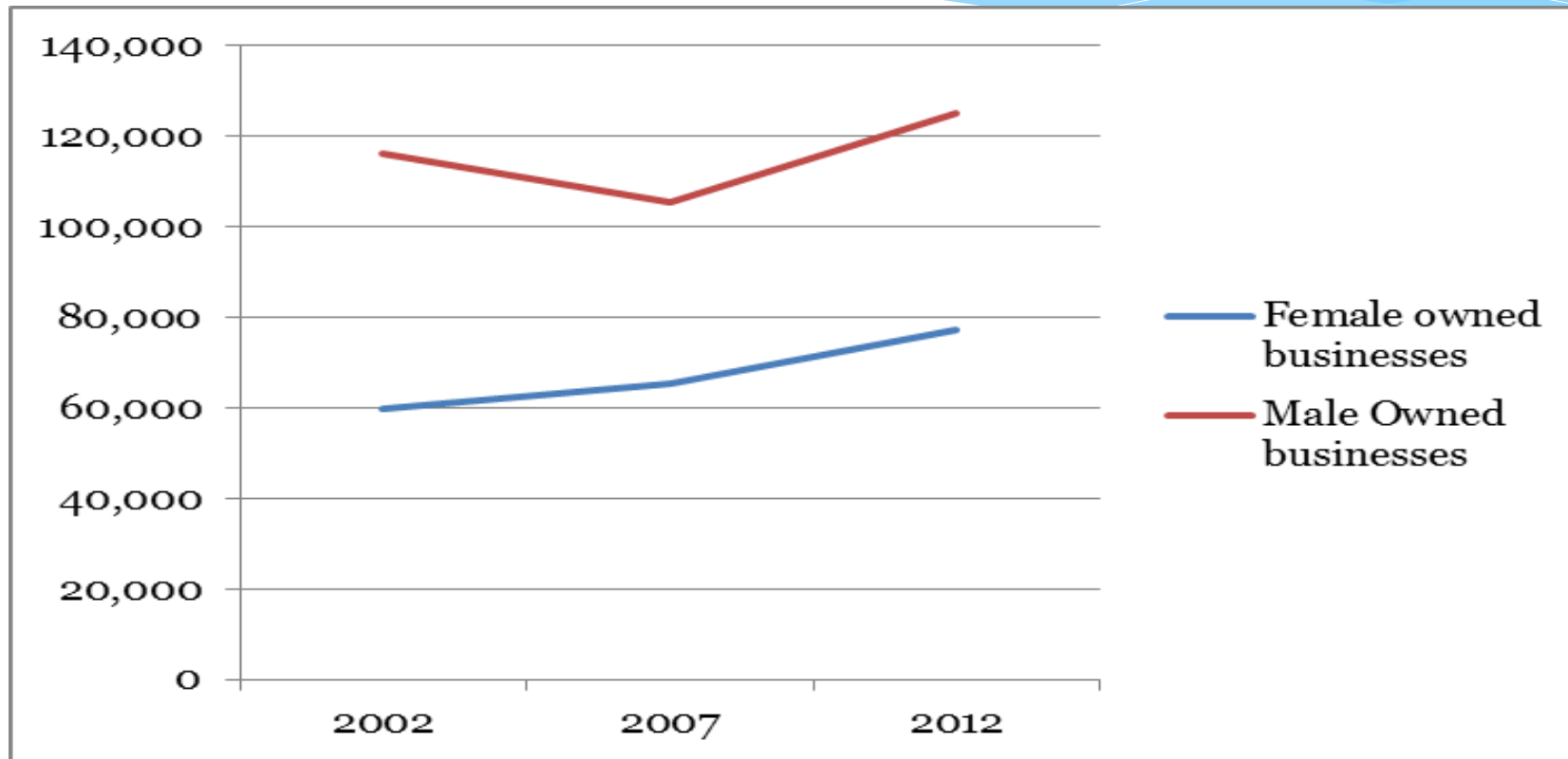
Women and Minority Owned Firms in Kansas



Percentage of Women & Minority Firms in Kansas

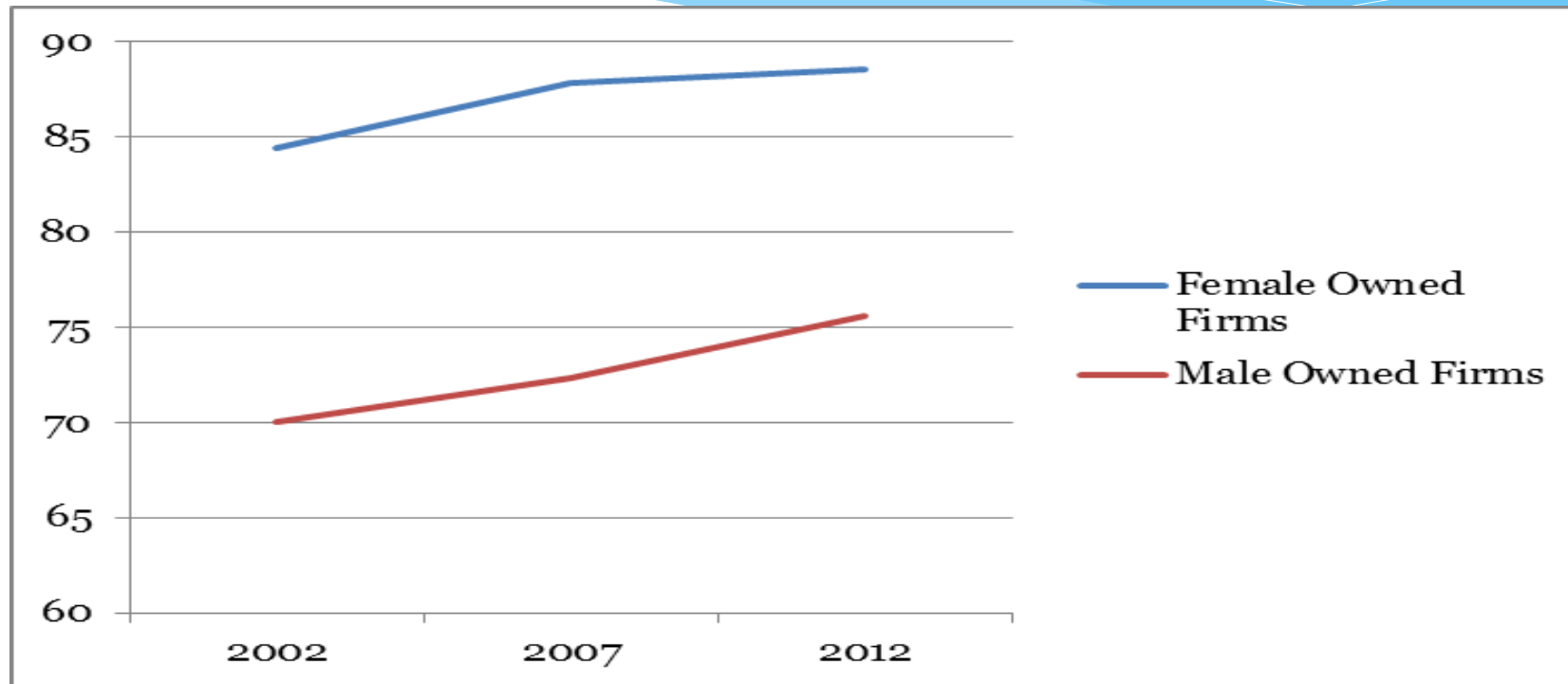


Number of Kansas Male and Female Owned Firms*

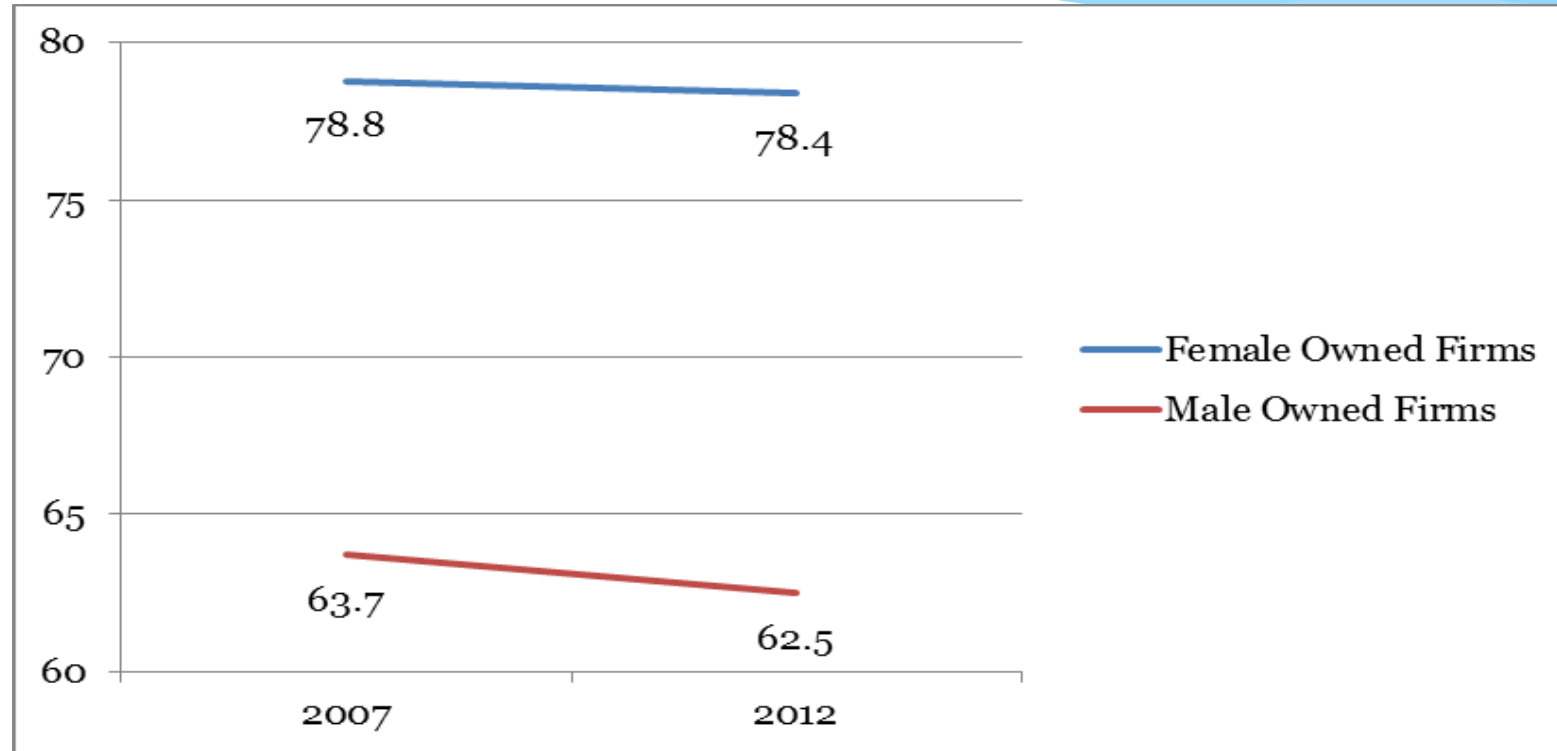


* Data from US Census Survey of Business Owners

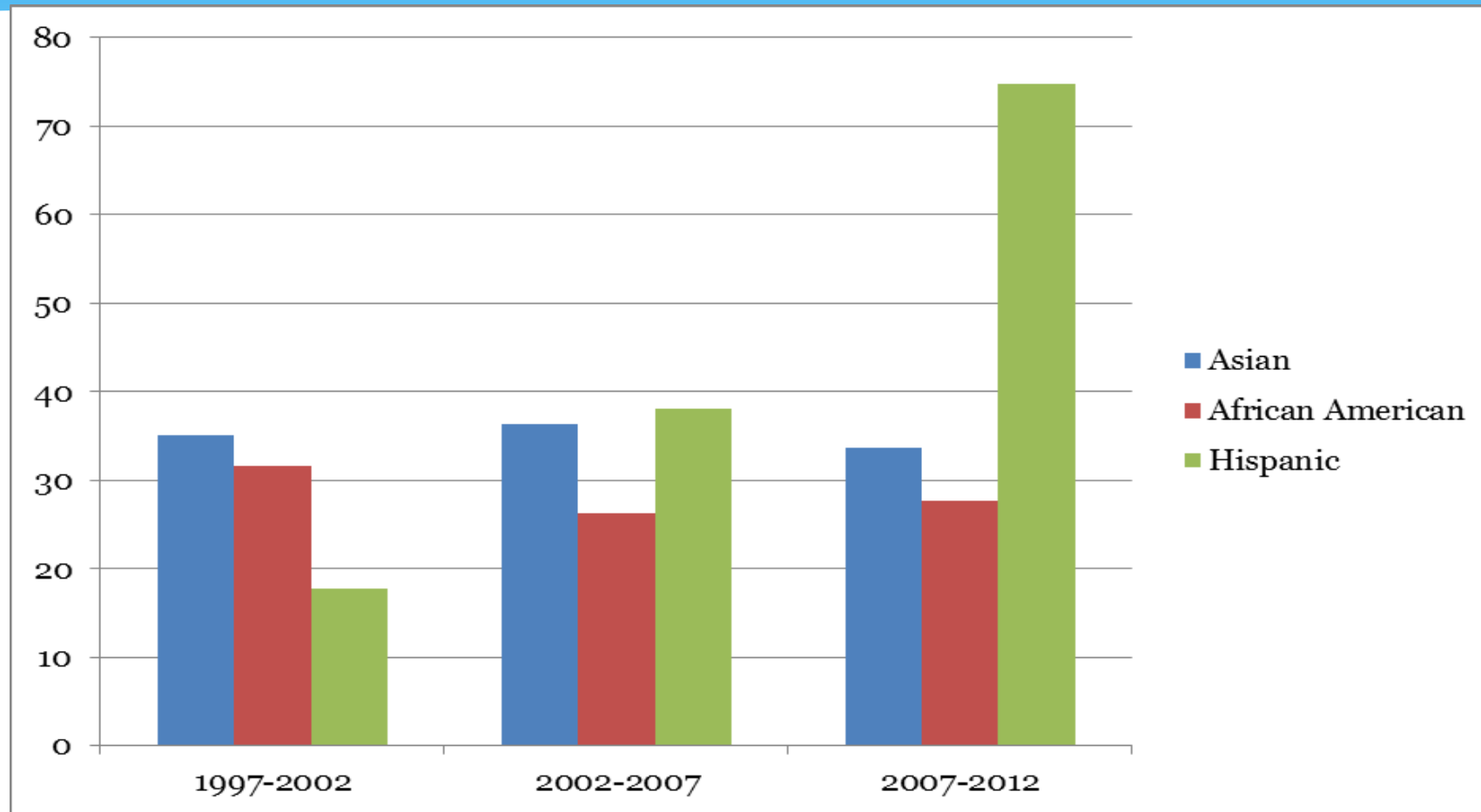
Percent of Female and Male Firms With Zero Employees



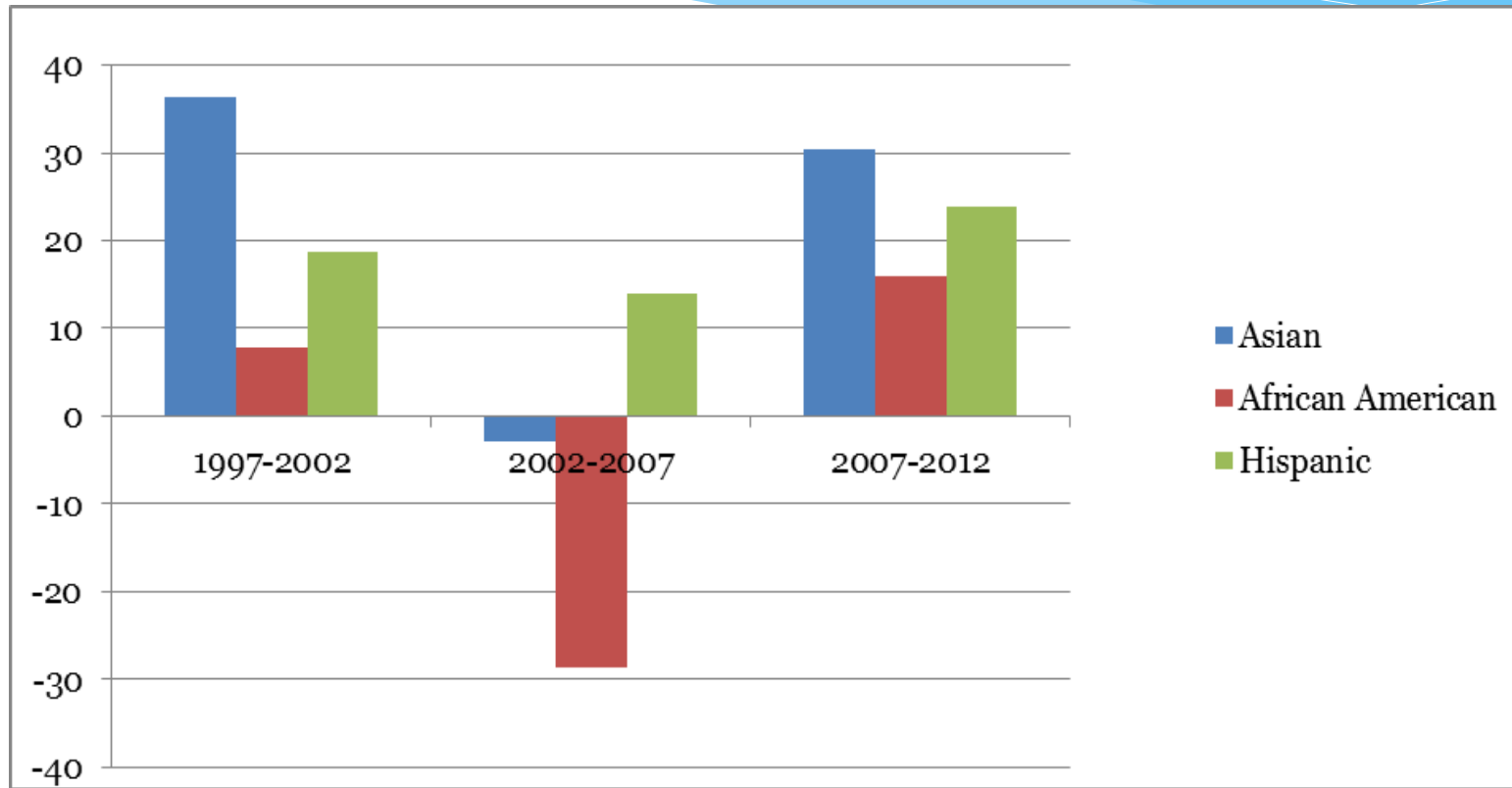
Percentage of Zero Employee Firms Earning Less than \$25,000 a Year



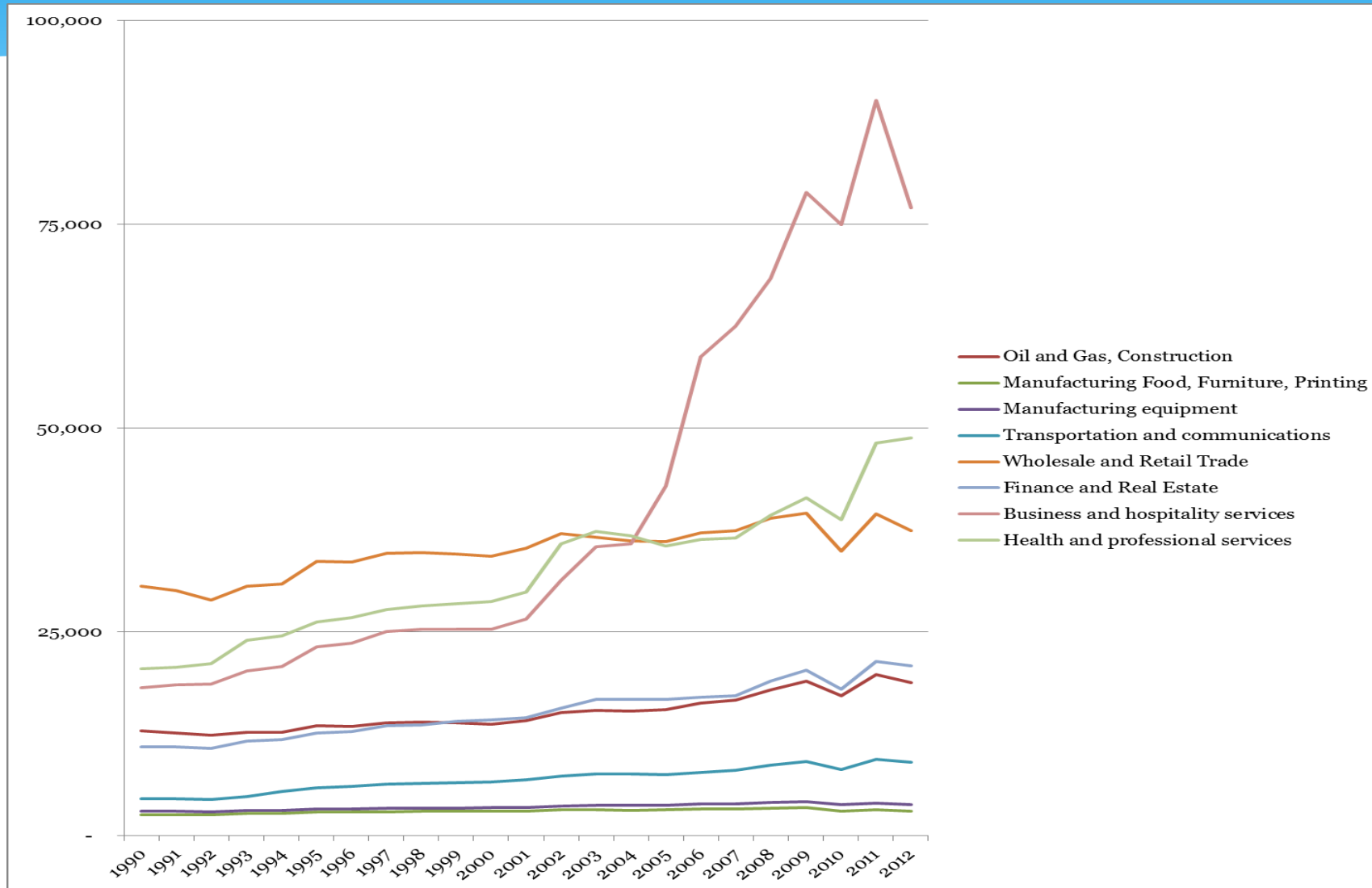
Percent Growth of Minority Owned Firms



Percent Growth of Minority Owned Firms with Paid Employees



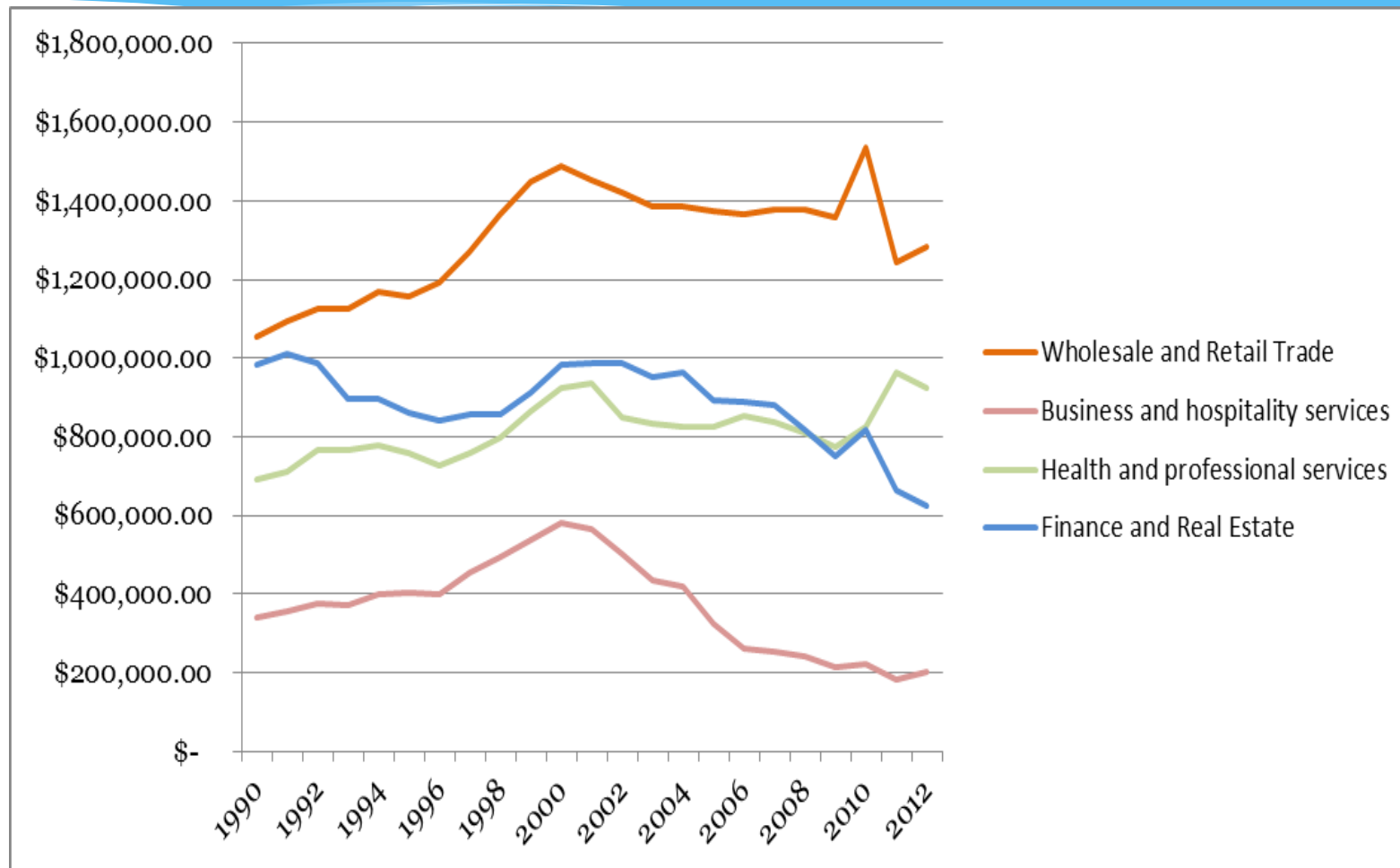
Total Kansas Firms by Industry Sector



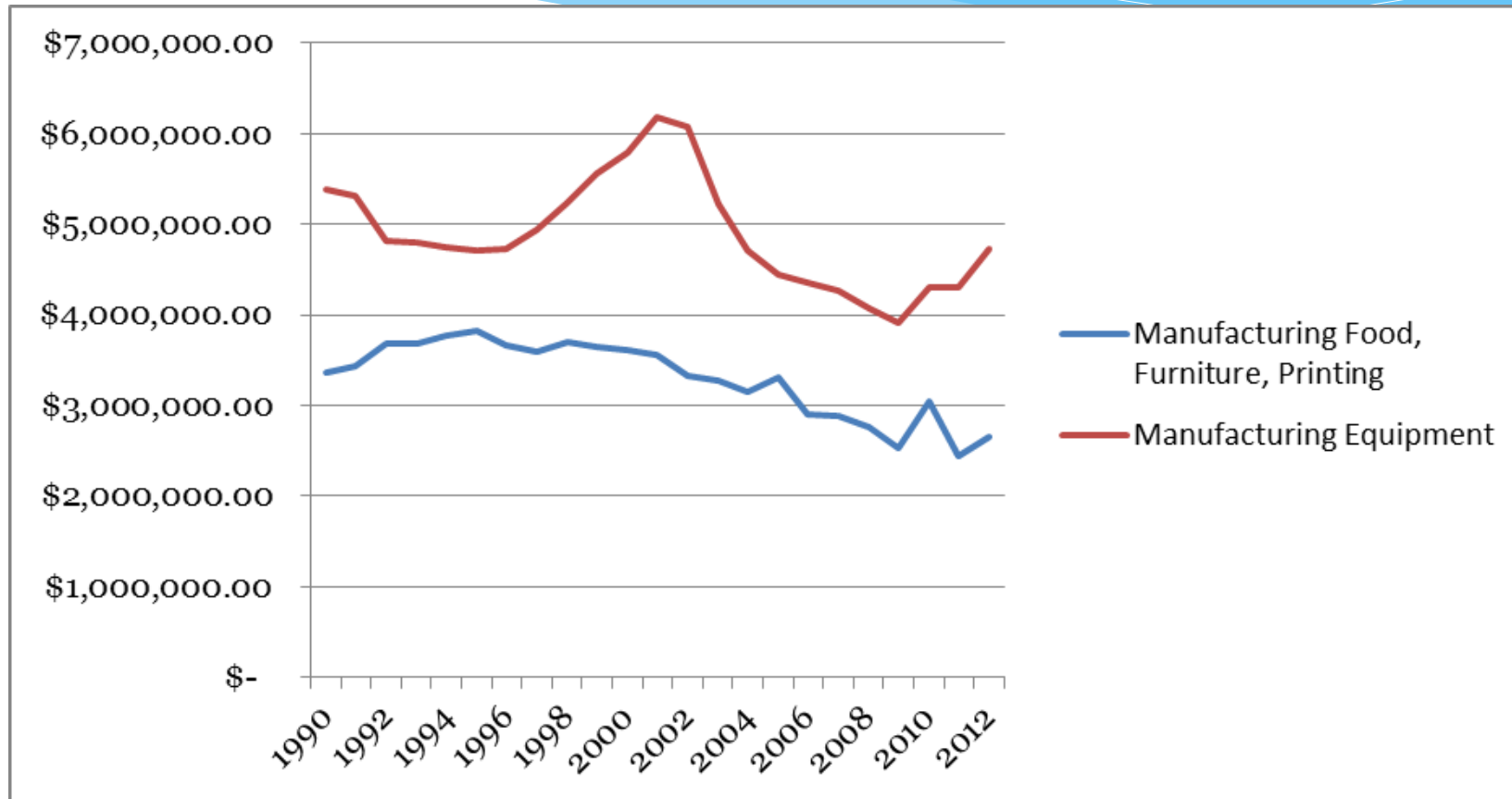
Industry Firm Changes 1991 - 2011

Industry Sector	Net Firms	Net Jobs	Sales Increase
Oil & Gas, Construction	5,505	24,024	34%
Manufacturing 1	88	-22,874	-13%
Manufacturing 2	477	-39,932	8%
Transportation & Communication	3,754	24,002	49%
Wholesale & Retail Trade	6,569	54,247	49%
Finance, Insurance, Real Estate	7,736	19,535	29%
Business & Hospitality Services	57,593	129,688	150%
Health & Professional Services	24,064	144,188	216%

Industry Sales per Firm



Industry Sales per Firm



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Broadening the Stories:

**Ethnic and Minority
Entrepreneurs in Wichita**



Consider...

“The youth of the state is becoming much more rapidly Asian and Hispanic.”

John Logan, Brown University and director of 2010 U.S. Census Project quoted in “A more diverse Kansas: Racial, ethnic profile dramatically changes,” *The Wichita Eagle*, March 4, 2011.

The Local Entrepreneurship Story...usually



call and examine my goods.
D. at J. ita.
1-ly
C. M. GARRISON,
87 Main street, Wichita, Kansas.

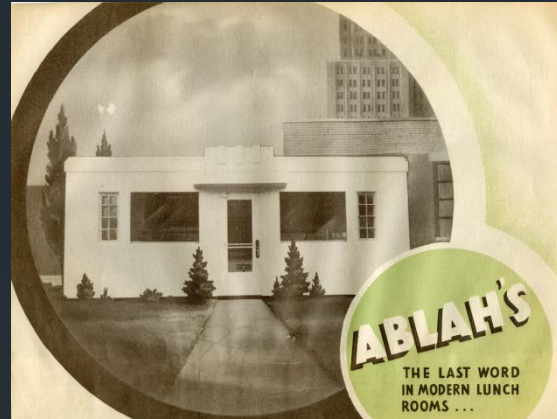
HOTEL.

TEXAS HOTEL,
No. 92 Main Street.,
WICHITA, KANSAS.
[Next to Hills & Kramer's Dry Goods Store,]
CORDEIRO & CO., Proprietors.
Day Board, \$5 00 per week; board and lodging, \$6 00.
Free Bus to and from the cars. 18-1f

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However...

- African American
- Jewish
- Lebanese
- Latino
- Asian
- Women
- Native American
- LBGT
- Disability
- International
- Regional (e.g. Southern Diaspora)



Key Terms

- Ethnic
- Immigrant
- Minority
- Necessity
- Opportunity



Courtesy Warren Farha

Issues, themes, and findings: Ethnic Entrepreneurs

- Role of family and extended family
- Target market can be focused or broad
- Location, location, location
- Evolution of business
- Sources of capital
- Succession planning
- Next generation?
- Identity



Issues, themes, and findings: Minority Entrepreneurs



Courtesy Kansas African American Museum

- Opportunities more complicated
- Ability to recover from downturns more challenging
- Market may be more focused...and more fluid

The Take Aways

- Needs more research!
- Many stories, not just one.
- Is part of the local story...and always has been!
- These are your customers, markets, and partners...and future!

El Perico Informador y Parlanchín Página 7

Mexico: The Second Largest Export Market of Kansas.

By: Marco A. Alcocer

Kansas International Trade

International trade is a vital part of Kansas economy. The Sunflower State averages 12 billion dollars in exports a year. Canada, Mexico, China and Japan are the top four markets for Kansas products and they represent more than half of that revenue alone.

Mexico a key component Mexico is the second largest export market of Kansas. In 2014, exports to Mexico reached about 1.8 billion dollars. According with the Kansas Mexico Office, most of the trade came from the sales of agricultural products, followed by aircraft, machinery and other various manufacturing industries. Exports from aircraft and aircraft parts reached the sum of 341 million dollars for that year solely. The total trade between Mexico and Kansas reached 2.7 billion dollars, a favorable balance for our state.

The Kansas Global Trade Services Last month, the Kansas Global Trade Services along with Scarbrough International, presented a seminar regarding Kansas Exports to Mexico at the settings of the beautiful Wichita Art Museum. The conference was addressed to corporate executives, international trade consultants, business owners and others interested in learning the latest regarding Mexican International Trade regulations, NAFTA compliance, Cross Border transactions and other industry updates.



Graphic © courtesy of Scarbrough-Int.com

Source: *El Perico* Courtesy Marco Alcocer

For example.....



Courtesy KMUW