



- Kelly Scanlon: Joining us on this episode of Banking on Kansas City is Maria Meyers, the vice provost and executive director of the UMKC Innovation Center and the founder of SourceLink. Maria is passionate about building entrepreneurial communities and we're going to talk with her today about some of the initiatives that are underway to do just that. Welcome Maria.
- Maria Meyers: Hi Kelly. Great to be here.
- Kelly Scanlon: Well, there's just so many places that we could start this conversation, but let's start with SourceLink. That's really where it all began. It's where I first got to know you. Give us an overview of SourceLinks mission.
- Maria Meyers: SourceLinks mission is pretty darn simple. Just make entrepreneurship easier. Really what we want to do is help communities develop an infrastructure that just makes it easier to be an entrepreneur, helps entrepreneurs get all the resources that they need to start and grow and develop businesses.
- Kelly Scanlon: Tell us a little bit about how you go about doing that though through SourceLink. You've got a really pretty elaborate website of resources and you've got the navigator, which is central to pulling all those resources together. Describe that for us a bit.
- Maria Meyers: Well, one of the things that we think you need to do in a community to get started is just identify everything that's there. We often find that there's a lot there and people can't find it.
- Kelly Scanlon: Exactly.
- Maria Meyers: You really have to make what's there visible to the community and to the resources that are there themselves. How do you connect them together and make them visible? Helping the resources and the entrepreneurs work together starts to develop connectivity between the groups and then you can begin to see that there's actually a path through a system of resources that can help get a business started and help them grow.

Kelly Scanlon: Kansas City is amazing, how many are we up to now in terms of resources here that actually have helping strengthening entrepreneurship as their mission?

Maria Meyers: Today in Kansas City, KC SourceLink is a network of 240 plus organizations that are supporting entrepreneurs here. We have a very active and vibrant entrepreneurial community here in Kansas City.

Kelly Scanlon: No question. I travel a lot, as you do too, and I go into larger cities and meet with business people and I tell them what we have here and they're just awestruck. They're like, "Oh, we wish we had something like that here," and I'm sure you get the same thing.

Maria Meyers: We do. It's really interesting. Then people say, "Wow, everybody there seems to know what each other is doing and that you're connected and that you're all collaborative [crosstalk 00:02:24] collaborative and on the same page and working forward to help your entrepreneurs. It's hard to find that."

Kelly Scanlon: Yeah. If I'm a business owner, because as you say, there are so many that are out there still struggling, going in alone and don't need to be. If I'm a business owner and as a result of this podcast, I go out and look up SourceLink and find the navigator, what will I find? How would I use it to get in touch with the resources I need?

Maria Meyers: Well, there's lots of ways to use KC SourceLink. You can go to kcsourcelink.com and you'll find all kinds of information there. How do I get started? How do I get funded? What are the resources that are out there that can help me with my particular issue is? We have that. On the website itself, you can sort of sign up and say, "I'd love a personal action plan. Here's where I am with my business, and if you could send me the resources that will most help me," you can sign up for that.

Maria Meyers: You can also call us on our hotline number and we have people on the phones all day long that help people understand what the resources are. They're going to really help them where they are at this moment.

Kelly Scanlon: Yeah. As you say, 240 some out there all waiting to help small businesses, entrepreneurs. It's a great resource. Since founding SourceLink, you've been involved via SourceLink, through UMKC, and other organizations that you're a part of with other initiatives that bolster and track entrepreneurial related activity because it's great to have all these resources, but then you have to measure the activity in Kansas City.

Kelly Scanlon: There's six in particular that you've focused on to measure Kansas City's progress toward the KC Chambers goal of making Kansas City America's most entrepreneurial city. Let's start with capital because I know that's one that you've really doubled down on.

Maria Meyers: Sure. We took a look at as you mentioned when the Chamber said let's make Kansas City America's most entrepreneurial city, we took a look at what is that going to take.

Kelly Scanlon: Right.

Maria Meyers: We got to go somewhere. What does that mean? What does it take? We talk to our resources, and we talked to our entrepreneurs, and we talked to people and said, "So what do we need here?" One of the strongest things that came out was, access to capital. Our entrepreneurs needed to know where they could go to get the funding to start and grow their businesses. We were kind of in that situation where people were saying, "Hey, there are no good deals," from the investor side and from the entrepreneur side and saying, "There were no good investors."

Kelly Scanlon: Yeah.

Maria Meyers: We needed to figure that out. We needed to figure out how we were going to bring these groups closer together and develop some good funding for them. What we found was that there's kind of a continuum of capital and it doesn't matter what kind of business you are when you're starting you need startup capital.

Kelly Scanlon: Exactly.

Maria Meyers: And when you're growing you need growth capital.

Kelly Scanlon: Exactly, and there is a difference.

Maria Meyers: There's a big difference.

Kelly Scanlon: Yeah.

Maria Meyers: Then capital's depending on what kind of business you're running as well. Some people will trade ownership, equity for investment, and others are really better off with the banks.

Kelly Scanlon: Right.

Maria Meyers: And the system of loans that can happen. We looked at what would it take to build this continuum of capital that we needed from startup to growth for debt, grants, equity, all of it to see what would happen. We actually put a report together back in 2015 that said, "Wow, here's what's missing, here's what we need to do, and these are the things we need to do to make this better."

Maria Meyers: What was really interesting about that report was that we had good investors, we had good deals, the connection between them just didn't exist.

Kelly Scanlon: Exactly and so you've been integral in making the introductions, I guess.

Maria Meyers: That's right.

Kelly Scanlon: Yeah.

Maria Meyers: The other thing that was really cool about this particular effort was once we released the report, we had so very many people in Kansas City step up and say, "Hey, we're going to do something about this."

Kelly Scanlon: That leads me to something else, which is corporate engagement. You mentioned six initiatives. You knew that the capital part was weak, that there was a need there, a gap there, but corporate engagement also had some issues that you needed to look into. So talk to us about what you're doing in that area.

Maria Meyers: Sure. Corporate engagement is an area that we found was weak, just like the capital to begin with. We've watched as we've tracked capital of people now the perception is, yes, we're moving along nicely in capital, got some ways to go, but we're getting there.

Maria Meyers: In corporate engagement is still continues to be perceived as weak. The question there is what does corporate engagement mean?

Kelly Scanlon: Exactly, right.

Maria Meyers: How are we going to define what corporations look at?

Kelly Scanlon: How they can plug in?

Maria Meyers: How they can plug in?

Kelly Scanlon: Yeah.

Maria Meyers: And where they play? We've done some work in the past year to really take a look at that issue, and we will have another report coming out here soon called, "We Create Corporate Engagement."

Kelly Scanlon: You do a lot of reports, but as you said, you have to measure. Yeah.

Maria Meyers: So, but it'll help create sort of a framework of discussion and what we do know is corporations are certainly involved quite a bit in Kansas City and entrepreneurship. They're everything from sponsoring events, and we have a lot of great partners that are helping to bring people together through the events that variety of groups run in Kansas City, but also we're seeing them engage in accelerators.

Kelly Scanlon: Yes.

Maria Meyers: And programs that are working directly with trying to find companies that can help solve their problems. We see that. We see them investing in companies. There's actually quite a bit.

Maria Meyers: One of the areas that is intriguing to me because all of those sound like they cost money is the fact that what entrepreneurs could really use is some of the industry knowledge that sits inside of those corporations.

Kelly Scanlon: They paid the big bucks to do the research.

Maria Meyers: That's right.

Kelly Scanlon: Yeah, absolutely.

Maria Meyers: What are some of the big things that are coming down the pike in five to 10 years that people would love to know.

Kelly Scanlon: Exactly. Now you have four other areas. You mentioned talent a little bit when you talked about the jobs. Tell us what the other four are and I know that the capital and the corporate engagement have been your top priorities, but what are the other four? How have you started to address those?

Maria Meyers: Sure. The other four are talent, pipeline of innovation, awareness, and resources. Resources we've been attacking since 2003 when we started KC SourceLink and Kansas City has a well-connected and perceived to be good from our entrepreneur perspective, a really good group of resources. We are lucky to have the Kauffman Foundation here in our area as well as all the many different resources that support the entrepreneurs. That's been helpful.

Maria Meyers: Awareness of Kansas City as an entrepreneurial market is fascinating because in 2013 we did not meet or make any of the top 10 lists in the country and now you can't read a top 10 list that we haven't been in recently.

Kelly Scanlon: Oh, I know it seems like every other month there's a new list that comes out [crosstalk 00:09:25] and Kansas City's right there. Yeah.

Maria Meyers: Yeah. We are in the number one top city for millennial entrepreneurs, for example right now. We've really made the world aware that Kansas City is a place to do entrepreneurship in a very short period of time. We're excited to see that and that is really a lot of help and work from a lot of people in the community that are really talking about entrepreneurship.

Kelly Scanlon: Exactly.

Maria Meyers: And talking about it here, but also as they're traveling, they're talking about it outside of our community as well.

Kelly Scanlon: No question. What's this pipeline of innovation?

Maria Meyers: So pipeline of innovation is interesting. A lot of people say, "Oh, we should measure how many patents are being delivered out of a market to decide if the market is innovative." We're taking a look at it a little bit differently. We actually threw whiteboard to boardroom, which is a program that connects about 21 research institutions to entrepreneurs is there. We can actually see the projects that are coming out of the universities and some of them are research institutions and we can track those and better understand what innovation is really not only there, but it's being commercialized.

Kelly Scanlon: Yeah, and I don't know how many people are aware of it, but if you look at the SBA stats, you see that it's entrepreneurs. It's small companies that are getting the most patents. You usually think about that in the big research and development departments of corporations, but it's a smaller businesses that are really driving the patents and the innovation. Whether you define it as you do or in other ways.

Maria Meyers: That's right, Kelly. It's amazing how many patents come out and also you'll find that a smaller company will tend to be developing that patent whereas a larger company may have it on the shelf, but it's not hitting the priority of the development at the time and so you will see a lot of activity in those small businesses.

Kelly Scanlon: Exactly. How are you measuring the progress? You said you measure everything and you have these reports, but what goes in? What do you analyze for those reports?

Maria Meyers: We pick up information about entrepreneurs from a lot of different places in order to put it into the reports. From the jobs perspective, we have a data set that comes from the states of Kansas and Missouri that we're able to do some analysis on to see where the jobs are coming from. We run a hotline and we get primary information from a lot of people that call the hotline and we'll probably work with 2,500 to 3,000 entrepreneurs a year [crosstalk 00:11:49].

Kelly Scanlon: It's a good sample.

Maria Meyers: It's a good sample and there we can really hear the needs. People calling in and saying, "I need help with business planning, or I need financing." Lately, what's really come up a lot lately is, "I'd love a mentor." So mentoring is really becoming a buzzword in this world.

Kelly Scanlon: Let's talk a little bit about the different types of entrepreneurs. We just talked about launch versus growth. There are various types of entrepreneurs and given that diversity, how do you ensure that all of these many hundreds of programs that are available support that group? That there's not too many of one and

that there aren't gaps where there's some stages that are completely left out. How do you work within that?

Maria Meyers: Sure, we really look at four different kinds of entrepreneurs. This is developed, it's been our taxonomy that's kind of developed over time based on looking at resources and listening to the people that are calling us or that we're talking to. Basically the four types are, we have our micro enterprises, which are, they start small and they stay small.

Maria Meyers: It might be a daycare in the home or it might be somebody who's left a larger company and has started a consulting firm and they are great businesses, but they're not going to hire lots and lots of people [crosstalk 00:13:07] a.

Kelly Scanlon: And they don't want to.

Maria Meyers: They don't want to.

Kelly Scanlon: Right.

Maria Meyers: That's really about 74% of our businesses, so it's a very large percentage of the businesses out there. Then we have our main streeters, which are lining the streets of our city, and our towns, and they're independent restaurant, retail, doctors offices, lawyers offices.

Kelly Scanlon: Primarily services.

Maria Meyers: Services.

Kelly Scanlon: Yeah.

Maria Meyers: They grow to wherever the owner wants to grow them to and that's about 24%. So you're looking between the 74 and the 24 that's a lot of businesses out there.

Kelly Scanlon: Yeah, covers most of them yeah. What that leaves 2%? [crosstalk 00:13:39].

Maria Meyers: Not much. [crosstalk 00:13:40].

Kelly Scanlon: The last two stages that you're going to talk about. Yeah.

Maria Meyers: Right. So, second stage companies or the companies that have figured out their processes. They might have 10 to 99 employees, five to 50 million in revenue, and they just have owners who are ready to grow. They're just going to grow that company and they're an excellent group to have in your community because jobs are being created rapidly. They're the ones that are getting some additional financing and they're moving forward.

Maria Meyers: Then the 1% of innovation ladder, the tech company that we all talk about is really only about 1%. We also talk a lot about venture capital and equity, but it's only about 1% of that 1% of the companies. We talk a lot about innovation led companies, tech companies, and we do have a great set of resources to support that. Those companies can start small and grow very, very rapidly. They're of great interests.

Kelly Scanlon: Yeah, they tend to do one of two things, don't they? They either grow rapidly and perhaps get bought out by a larger firm, or stay and continue to grow, or they fail pretty quickly.

Maria Meyers: That's right. They fail, they pivot, they change.

Kelly Scanlon: Right.

Maria Meyers: People are ready to try it and if they can't hit the market or the market shifts or something and they'll move out of it rapidly.

Kelly Scanlon: We have four stages of businesses, but as I said, they all have different needs. How do you ensure that among the hundreds of resources that we have here, the one market, or not one market, but one stage isn't being over served, and then there's a gap with another stage?

Maria Meyers: What we found, Kelly is honestly that resources cluster around the type of business that they serve. There really are different lines if you will, of support depending on what kind of business you are. You'll find tech businesses hanging around, researchers and equity funding, and events that are pulling together. Other technical people you will see that.

Maria Meyers: Versus a small micro enterprise or a main streeter where they're really working with the banks and the micro lenders and a whole different set of financing for instance. Also, a different set of resources because the leadership needed to run say a second stage company is going to look different than the leadership needed on a smaller company. What we really find is that, and we've developed the resource rail to prove this.

Kelly Scanlon: Right.

Maria Meyers: Is that depending on what kind of business you are, you can take a different track through the infrastructure that exists to support the entrepreneur.

Kelly Scanlon: Yeah. What I'm hearing you say is that the resources are out there. It's like what you said earlier, you need to make sure that they just get connected. The right groups need to get connected with the right groups, it's there.

Kelly Scanlon: What are we talking about in terms of numbers with those last two groups? You know 2% between the two of them and accounts for about 2% of businesses, small businesses in Kansas City, but in terms of actual numbers.

Maria Meyers: We actually have about 3000 of each of them. It's a good size and actually Kansas City runs a little bit higher than the regular markets. They're at about 3% tech. We actually are seeing a lot of tech companies developing here in the region compared to some other places, and we have about 6,000 of those.

Kelly Scanlon: Okay. So, a good number there. You and Kate Hodel wrote a book on building entrepreneurial communities. It's called, "Beyond Collisions: How to Build Your Entrepreneurial Infrastructure." What's a message of that book? Why'd you write it to write to?

Maria Meyers: Why did we write the book? Because Kate made me, no.

Kelly Scanlon: Yeah, you didn't have enough of other things to do, did you?

Maria Meyers: That's right.

Kelly Scanlon: Yeah.

Maria Meyers: What we found is that there is kind of a process for doing this and we thought it might be good to put that in a book. We've worked with lots and lots of different communities and so we got to interview those communities and stick it them in the book. It's a pretty quick read, but we believe that you can identify your assets, connect them together, understand what the gaps are, empower people to fill the gaps, and then measure what you do. It's a really nice process for trying to figure out and measure what is in your community and we think everything needs to link together.

Maria Meyers: This is about somewhat the messiness of making people link together, but also some processes around how to build that infrastructure for your entrepreneurs. We captured it in a book and like I said, there's some great stories of people in the work that they've done and how they got the work done.

Kelly Scanlon: Yeah, and this is holding true no matter what kind of a community it is. No matter what size it is or the mix of businesses within the community, it still holds up?

Maria Meyers: It does. It's actually quite interesting. We tell people you need to kind of win where you stand. What do you have in your community that you can build upon? Once you kind of take a look at that, what are the strengths of your community? What is significantly important to your community? Then start building from that. Then we see that this actually works quite well. We're actually using the same methodology in some other communities of interest right now as well.

Kelly Scanlon: Such as?

Maria Meyers: Experiential learning. We just helped map.

Kelly Scanlon: So education. [crosstalk 00:18:47].

Maria Meyers: Education, affordable housing, autism caregiving. There are a lot of communities of interests that have organizations that are collectively trying to work together to make a change.

Kelly Scanlon: Yeah. [crosstalk 00:19:01]. The model you've created crosses over industry.

Maria Meyers: It does.

Kelly Scanlon: That's amazing. Yeah.

Maria Meyers: Yeah, it does.

Kelly Scanlon: Your work in Kansas City, as you have said, has become a model for other cities and as I've learned today, even a model for other industries. Tell us about how your model is being adopted in other places? The outcomes, I know your book addresses some of this, and how that expansion into other communities is actually raising up Kansas City?

Maria Meyers: We've had a lot of fun going around the community and right now we're active in about 50 different communities around the country and everyone is different, and everyone has just amazing people and passionate people around building their community. We go in always the same way, let's see what your assets are and let's see how we can pull them together.

Maria Meyers: We do say, win where you stand quite a bit. We have a lot of fascinating affiliates that we work with. Colmena 66 is our partner down in Puerto Rico. It covers the whole commonwealth of Puerto Rico and they got hit by hurricane.

Kelly Scanlon: Exactly. I was going to say, you guys probably had a lot of work to do there after that. Yeah.

Maria Meyers: It was interesting because we had gotten the system in play prior to the hurricane and they were one of the very first groups that was able to respond to what was needed after the hurricane. One of the very first things that they did across the commonwealth was simply that put a list on their website of the businesses that were actually open because nobody knew who was open.

Kelly Scanlon: Right.

Maria Meyers: And who wasn't open. They've been a fantastic partner with us and affiliate. They have some fantastic work that they're doing on their measurements. Their

annual report is amazing to take a look at and it's been a really fun group to work on.

Kelly Scanlon: Yeah. So the last part of my question, as you go out and engage in these communities, how is that actually raising up Kansas City?

Maria Meyers: Well you know what's interesting is as we're out engaging in the communities, people know that this is emanating from Kansas City. That there's something going on in Kansas City because the thought leadership is sitting in Kansas City. People are beginning to look at Kansas City as the place to go find out how do you do entrepreneurship?

Maria Meyers: We certainly have the Kauffman Foundation, which is a great thought leader as well. All of this begins to make Kansas City look like it's the place for entrepreneurship. When you're in as many communities, for instance, as we are in, there are other efforts coming out of Kansas City as well, the economic developers really look at that and go, "Well, Kansas City's making this happen here and there," and so you're really talking to a lot of economic developers across the country, letting them know that, "Hey, we know what we're doing here in Kansas City and people are listening."

Kelly Scanlon: Yeah, and your reports bear it out.

Maria Meyers: Right.

Kelly Scanlon: You're doing great work here in Kansas City and abroad in many different industries now it sounds like. If someone wants to get a copy of these reports, do you need to get on a list? Can they go find them online somewhere? How do they do that?

Maria Meyers: Our reports are at wecreatekc.com.

Kelly Scanlon: Okay.

Maria Meyers: You can download all of them and read all about it.

Kelly Scanlon: Wecreatekc.com go on out there, download the report and get into the nitty gritty detail because there's some fascinating outcomes that have been happening. Thank you Maria, for everything that you've been doing for Kansas City, you and your team, and we really appreciate you stopping by today to be on this episode of Banking on Kansas City.

Maria Meyers: Thank you.

Joe Close: This is Joe Close, president of Country Club Bank. As Maria says, SourceLinks mission is darn simple, to make entrepreneurship easier. Throughout KC and in

other cities, they work to ensure there are accessible resources for all different kinds of entrepreneurs in hopes of creating a collaborative community.

Joe Close:

With the multitude of diverse businesses, whether they are tech, main street, second stage, or micro enterprise, and a multitude of resources available to serve them. A central point of collaboration, help strengthen businesses and accelerate growth. If you are an entrepreneur trying to get your small business off the ground, or expanding your business, check out SourceLinks website at www.joinsourcelink.com and find out how to join their network of ecosystem builders. Thanks for joining us this week. We're banking on you Kansas City. Country Club Bank member, FDIC.