

MTC

IMPLEMENTATION PLAN

Fiscal Year 2025



Catalyzing Innovation

Strategies for Supporting
Entrepreneurs and Fostering
Innovation in Missouri



Core Values

Integrity

Honesty and candor are the foundation on which MTC builds long-term, trusting relationships with stakeholders.

Transparency

MTC is committed to openness in its operations and active communication with stakeholders.

Accountability

MTC recognizes that it holds a position of public trust and is the steward of public funds. MTC makes informed decisions, takes responsibility for its actions, and tracks the outcomes of its investments.

Independence

The governance, policies, programs, and funding decisions of MTC are nonpartisan and merit-based.

Collaboration

Meaningful partnerships can produce game-changing results for Missouri. MTC is committed to actively collaborating with strategic partners.

Mission

Our mission is to provide leadership and make strategic investments that help entrepreneurs create and grow technology-based Missouri businesses.

Vision

Our vision is to transform Missouri through the power of entrepreneurship by serving as a catalyst for technology-based innovation to achieve sustainable economic growth.

Executive Summary

Missouri Technology Corporation (MTC) is a public-private partnership created by the Missouri General Assembly to catalyze innovation and entrepreneurship within the State of Missouri by fostering the growth of Missouri-based high-tech companies. Through direct appropriations from the state budget and access to federally funded programs, MTC receives public funding to fulfill its mission of making strategic investments that help create and grow Missouri-based technology-based businesses.

The organization saw continued growth in public funding in FY24, including another year of a strong state appropriation and continued access to the federal SSBCI 2.0 program funds. For FY23 and FY24, MTC received over \$43.5 million in state funding, a significant increase from the \$3 million in FY22 and \$1 million in FY21. This allowed MTC to award over \$23 million in funding in FY24, a significant increase from previous years. Specifically, MTC awarded over \$11 million in IDEA Fund investments to over 35 Missouri-based high-growth potential companies and awarded nearly \$12 million through over 30 grants intended to expand the state's entrepreneurial capacity.

Additionally, the increase in state funding in the last two fiscal years has allowed the organization to launch new grant programs ([Physical Infrastructure](#) and [Regional Node](#)). Through these programs, MTC has distributed over \$4.5 million in grants, accounting for nearly 10% of total programmatic funding and nearly 50% of core grant funding overall.

Furthermore, the introduction of new grant programs has enabled MTC to significantly increase its grant-based support during the period, awarding grants to new organizations and expanding their reach to enhance the state's entrepreneurial capabilities, including increased funding to southern and central Missouri.

In the upcoming fiscal year, MTC will receive approximately \$8.25 million in funding from the state's FY25 budget. This support will enable MTC to launch new programs and initiatives, including an Angel Investor Education grant program, a Proof of Concept direct investment program, and programs to enhance early-stage startups 'investor readiness' across the state.

The ongoing support from increased state funding will enable MTC to sustain financial support for its core grant programs [MOBEC](#), [Physical Infrastructure](#), and [Regional Node](#). Additionally, continued access to the federally funded SSBCI program will allow MTC to continue its state-sponsored venture capital activities ([IDEA Fund](#)) and collaborate with Justine PETERSEN to launch a Loan Participation Program (IgniteMO). These programs have a strong history of driving economic development in Missouri.

MTC is enthusiastic about upcoming opportunities and dedicated to optimizing public funding to improve the efficiency, sustainability, and inclusivity of the entrepreneurial ecosystem. By working with stakeholders, engaging with the community, and strategic planning, MTC will continue to drive economic development by promoting innovation and entrepreneurship in the state.



The Missouri Technology Corporation (MTC) released a report titled "Catalyzing Innovation: Strategies for Missouri to Drive Innovation and Entrepreneurship" in February 2022. The report developed by TEconomy Partners, LLC (TEconomy) was informed by a robust, six-month planning process with guidance from a 16-member statewide steering committee and engagement from over 500 individuals across the state through a digital survey and virtual regional and statewide engagement meetings. Based on a data-driven analysis of the insights collected, TEconomy identified five bold and compelling strategies. They recommended a total of 16 action items*, categorized under five strategic approaches, to catalyze the state's innovation and entrepreneurship ecosystems to drive economic development over the next decade.

Additionally, TEconomy's analysis revealed that MTC has been an essential asset in driving economic development through entrepreneurship over the last decade. The organization's success resulted from strategic planning and execution surrounding the

promotion of entrepreneurship and innovation within the state's agrotechnology and biosciences industries and emerging high-growth technology markets. For Missouri to continue to maximize the economic development gains from the state's entrepreneurs, MTC proposes to lead the state in determining how to promote entrepreneurship and support the advancement of innovation and technology to continue to drive economic growth through the next decade.

This Implementation Plan outlines how MTC will execute the strategies suggested by TEconomy. It considers available resources, capabilities, and alignment with the organization's mission. MTC will lead some actions and provide support to others. The plan will be publicly released and updated annually for transparency and accountability.

**While there are a total of 16 action items recommended by TEconomy, it should be noted that not all of these actions will be led by MTC or prioritized for FY25.*



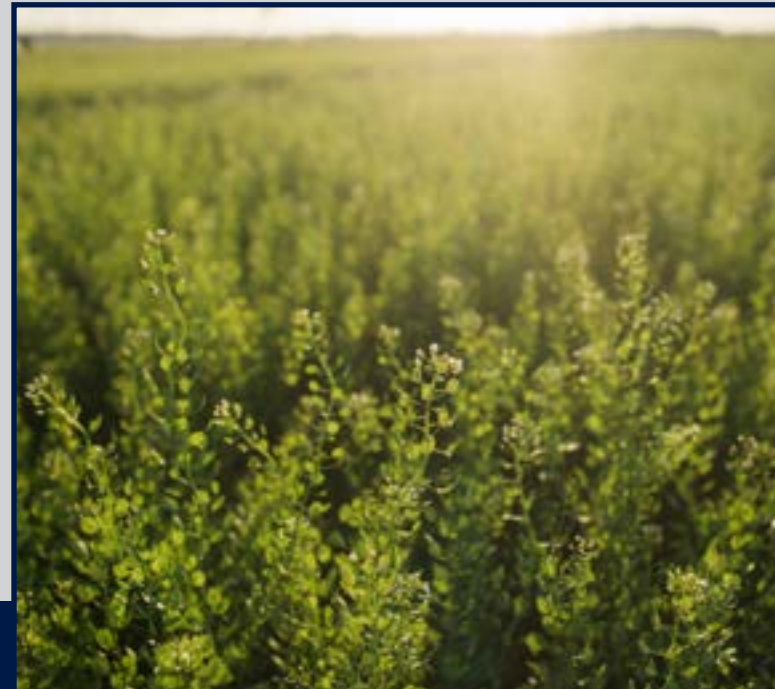
STRATEGY 1: FUND

Deploy greater investment capital to help meet the demands of the growing entrepreneurial base.

Overview

While recognizing that the amount of risk capital dollars invested in Missouri has grown, it is also important to note that the number of deals has declined. This suggests a shift toward larger, later-stage investments and away from early-stage deals, making it difficult for many entrepreneurs across Missouri to access risk capital. Outreach across Missouri's innovation and entrepreneurship ecosystem revealed a range of challenges.

Photo Source: CoverCress



FY 2024 HIGHLIGHTING SUCCESS

Driving Progress & Delivering Results

To facilitate the distribution of risk capital across the state, MTC plans to leverage the federal State Small Business Credit Initiative (SSBCI) program. Originally established in 2010 as a recovery program during the previous recession, the initiative allocated around \$27 million to Missouri in 2011, with \$24 million specifically designated for MTC's state-sponsored venture capital program. Under the American Rescue Plan Act, the Biden administration has authorized \$10 billion for the program's reauthorization (SSBCI 2.0). This funding can only be utilized for five specific program types, including state-sponsored venture capital programs. This program is the sole federal relief program authorized to support venture capital activities.

On behalf of the State of Missouri, MTC worked with the Department of Economic Development (DED) to develop a proposal for the deployment of the state's \$95 million allocation from the federally funded SSBCI 2.0 program. In 2022, MTC's state-sponsored venture capital program ([IDEA Fund Co-Investment Program](#)) was approved by Treasury to deploy the federal funding. In May of 2024, the IgniteMO Loan Participation program, operated by Justine PETERSEN, was approved by Treasury to deploy the federal funding. The IgniteMO program was officially launched the following September.

Missouri's SSBCI 2.0 allocation was approximately \$95 million and is expected to be deployed over eight to ten years starting in FY23. In FY24, MTC awarded nearly \$11 million in SSBCI-funded equity-based investments to 36 Missouri-based high-growth potential early-stage companies. Through FY24, MTC has closed nearly \$4 million of the investment allocations into over a dozen early-stage companies.

Additionally, MTC continued to provide feedback and support for the Angel Tax Credit Bills that were passed by both the House and Senate during the 2024 legislative session.





ACTION	FY 2025 DELIVERABLES
1. Catalyze additional investment capital funds across the capital stack.	<ul style="list-style-type: none"> MTC will continue to manage the federally funded State Small Business Credit Initiative Program on behalf of the State of Missouri. <ul style="list-style-type: none"> MTC anticipates awarding \$8-10 million worth of equity-based investments to approximately 30 Missouri-based high-growth potential early-stage companies. MTC anticipates the launch of a \$15 million SSBCI-funded loan participation program that will provide access to more traditional growth capital to support businesses owned and controlled by socially and economically disadvantaged individuals (SEDI-owned businesses). MTC will deploy proof of concept funding through a pilot program that will award equity-based investments of \$50,000 or less to the state's most promising high-growth potential companies that are at the earliest stage of seeking external capital to fund the initial commercial development of their products or services.
2. Incentivize angel investments.	<ul style="list-style-type: none"> MTC will launch a pilot grant program for the purpose of funding 'investor education' programs throughout the state. Enhancing access to risk capital-specific educational programs for Missouri-based active and prospective Angel Investors should lower the barriers for new Angel Investors entering the market and increase early-stage investment activity within the state.
3. Evaluate the creation of Missouri Rural Vitality Funds to provide collateral for entrepreneurial loans.	<ul style="list-style-type: none"> MTC will continue to assess the program's feasibility, identify potential partners, and develop a framework for a proof of concept pilot program.



STRATEGY 2: GROW & SCALE

Increase access to quality entrepreneurial support services throughout Missouri to ensure companies are able to grow and scale.

Overview

Over the past decade, Missouri has experienced a significant startup formation rate of traded-sector firms. Although Missouri has made many strides in recent years to support these new establishments, there are many concerns that the entrepreneurial support assets and resources are not always equally available. Those Missourians living in rural areas and those considered underserved entrepreneurs, including women, veterans, immigrants, rural entrepreneurs, and LGBTQIA+ individuals, face challenges in accessing essential ecosystem services.



FY 2024 HIGHLIGHTING SUCCESS

Driving Progress & Delivering Results

MTC increased its programmatic budget to improve access to high-quality entrepreneurial support services in Missouri in FY24. The organization transitioned the pilot Physical Infrastructure Grant Program into a core grant program, providing affordable workspaces for entrepreneurs statewide. MTC also launched the Regional Node Planning Grant Program to assist regions in developing nodes to support innovation and entrepreneurship through partnerships among service organizations. Following this, MTC introduced the full Regional Node Grant Program, adding a third core grant program to its annual activities. This program funds the creation of regional front doors (nodes) to help entrepreneurs access resources and expand the state's entrepreneurial capacity. Both grant programs were developed based on recommendations from the Catalyzing Innovation Report.

In FY24, MTC awarded nearly \$12 million through over 30 grants, predominately to entrepreneurial support organizations and institutions of higher education, to expand entrepreneurial capacity throughout the state. This represents a significant increase compared to the \$1 million average awarded between FY20 and FY22.

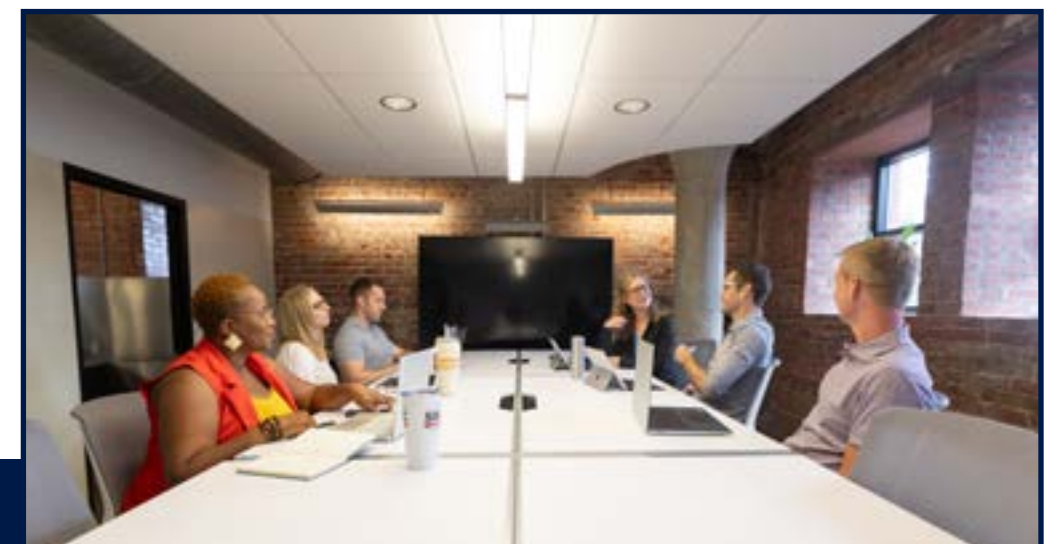


Photo Source: efactory





ACTION	FY 2025 DELIVERABLES
4. Develop a statewide Entrepreneurial Pathways Program.	<ul style="list-style-type: none"> MTC will continue to review the current landscape of commercially available online platforms to support an Entrepreneurial Pathways Program and review platforms developed and managed by peer organizations.
5. Foster regional efforts to provide quality entrepreneurial support services to high-potential, high-growth, traded-sector startups.	<p>Competitive Grant Programs</p> <ul style="list-style-type: none"> MTC will continue to develop and pilot new competitive grant programs designed to enhance entrepreneurial capacity throughout the state. MTC will establish the Investor Education Grant Program to increase the number of active early-stage investors in Missouri by providing grant-based financial support to facilitate angel investor-specific education and training programs. MTC will seek to introduce programs to enhance early-stage startups' 'investor readiness' across the state. <p>Entrepreneur in Residence (EIR) Program</p> <ul style="list-style-type: none"> MTC will evaluate the practicality of implementing Entrepreneur in Residence (EIR) Programs on a statewide or regional level. In FY25 or beyond, based on the feasibility assessment, an EIR Program will be designed and piloted.
6. Connect Missouri's corporate partners and anchor institutions with startups, thereby creating a "stickiness" to Missouri for the entrepreneurial endeavor's ultimate success.	<ul style="list-style-type: none"> MTC will identify best practices by studying similar programs. In FY25 or beyond, after conducting a feasibility assessment, MTC will initiate a pilot program.



STRATEGY 3: LAUNCH & CULTIVATE

Take advantage of Missouri's research strengths by converting the intellectual assets into market opportunities.



Overview

Developing a vibrant environment that encourages basic and applied research at colleges, universities, and within industry is essential if Missouri is to catalyze further innovation-led economic growth. It is also critical that Missouri can transfer the intellectual property developed at its colleges and universities into new products, services, and businesses, and ultimately, into new jobs and investments. There is untapped innovation and entrepreneurial potential within Missouri's research institutions.



FY 2024 HIGHLIGHTING SUCCESS

Driving Progress & Delivering Results

The Research Alliance of Missouri (RAM) Committee was established in 2003 with the aim of fostering collaboration between businesses and universities in Missouri. Its primary goals were to coordinate research efforts and enhance technology accessibility for local businesses. After a period of inactivity, the Committee was briefly reconvened in 2017. Throughout its history, the RAM Committee has been led by the Executive Director of the MTC, who plays a crucial role in advancing the Committee's mission and goals.

In July of 2022, MTC organized a meeting with the Vice-Chancellors for Research (or equivalent) from Washington University, University of Missouri - Columbia, Saint Louis University, University of Missouri - Kansas City, University of Missouri - St. Louis, and Missouri State University. The purpose of the meeting was to explore the revival of the RAM Committee. As a result, it was determined that the RAM Committee will meet twice a year with the mission of providing the leadership and strategic vision required to develop and support efforts to effectively convert the intellectual assets of Missouri's research institutions into market opportunities.

The members of the RAM Committee believe that by working together they have the ability to unlock the untapped innovation and entrepreneurial potential within Missouri's research institutions allowing innovation to prosper and drive economic development.

ACTION	FY 2025 DELIVERABLES
7. Reenergize the Research Alliance of Missouri (RAM) as a mechanism for bringing together the major research institutions of the state to solve common innovation continuum challenges.	<ul style="list-style-type: none"> In FY25 and beyond, MTC will continue to facilitate and manage the RAM Committee.
8. Leverage the federal I-Corps program and provide startup services statewide to encourage commercialization activity.	<ul style="list-style-type: none"> MTC will conduct further research on the existing I-Corps Programs in Missouri, as well as other statewide I-Corps programs, in order to identify best practices for possible implementation.

STRATEGY 4: INSPIRE

Encourage more Missourians to participate in innovation and entrepreneurship.

FY 2024 HIGHLIGHTING SUCCESS

Driving Progress & Delivering Results

The efforts made in FY24 laid the groundwork for greater visibility and engagement, with plans to improve MTC's image and storytelling in FY25. In FY25, the focus will be on detailed storytelling, continuing quarterly newsletters, and introducing a new quarterly newsletter specifically highlighting MTC funding opportunities. To increase visibility, FY25 will explore new external visual communications such as website redesign and rebranding.

Overview

Few things are as vital to the long-term prosperity of Missouri's entrepreneurial ecosystem as having access to the talent needed to grow and scale high-potential, high-growth firms. Interviews with key stakeholders suggest that not enough Missourians participate in innovative and entrepreneurial endeavors, either because they have never been connected to these firms and are unaware that they exist, or because they believe they are not a fit for an entrepreneurial opportunity. Developing these connections will be critical in the state's efforts to support the formation and growth of entrepreneurial firms.

ACTION	FY 2025 DELIVERABLES
10. Improve access to entrepreneurial programming for students in middle/high school and at community colleges and universities.	<ul style="list-style-type: none"> MTC will conduct research on potential partner organizations and evaluate the possibility of providing funding for mentorship opportunities. These opportunities aim to connect students with accomplished entrepreneurs, enhancing their learning experience.
11. Fund an internship program that connects startups to talent.	<ul style="list-style-type: none"> MTC will conduct research on the best practices and compile an inventory of existing internship programs that specifically emphasize entrepreneurship in the state of Missouri.
13. Enhance Missouri's storytelling capacity to encourage more Missourians to be entrepreneurial.	<ul style="list-style-type: none"> MTC will utilize digital platforms and social media to increase and enhance storytelling capabilities statewide. MTC will research new branding and communication initiatives, including redesigning the website to serve as a centralized online platform showcasing entrepreneurial resources and functioning as a hub for entrepreneurs. MTC will finalize an impact-based storytelling project that will capture the stories of how MTC has catalyzed and supported entrepreneurship throughout Missouri for more than a decade. MTC will launch a digital storytelling project showcasing state-sponsored venture capital's role in the growth of Missouri's biotech and agtech sectors, highlighting MTC's impact on innovation and entrepreneurship.

STRATEGY 5: CONNECT

Overcome physical and cultural barriers to better connect Missouri's communities with each other and with the world.

Overview

Connectivity is missing between the various components of Missouri's innovation and entrepreneurial ecosystem, literally (e.g., broadband) and figuratively (e.g., perceived competition and siloed efforts). Over the last ten years, while Missouri has made significant strides in entrepreneurship/innovation, there is still a sense that the state is not reaching its full potential due to a range of disconnects and other environmental factors that impede further growth.

ACTION	FY 2025 DELIVERABLES
14. Realize One Missouri: Improve connectivity within and between regions.	<ul style="list-style-type: none"> In FY25 and beyond, MTC will leverage the Regional Node and Physical Infrastructure Grant Programs to establish and pilot peer working groups aimed at fostering connections and facilitating the exchange of best practices among ecosystem partners and stakeholders.



Photo courtesy of the Federal Reserve Bank of Kansas City

MTC