

# NetWork Kansas Story Updated

## *Best in Class*

### *Statewide Entrepreneurial Ecosystem-Building Initiative*

By Don Macke

For a number of years, e2 has made the case that NetWork Kansas is best in class in statewide rural entrepreneurial ecosystem building. It is the largest, broadest reach and deepest impact rural entrepreneurial ecosystem operating today in North America. For any regional or statewide entrepreneurial ecosystem-building initiative, there are important lessons to be learned by studying NetWork Kansas.

#### Introduction

Back in June 2017 e2 published our short story – [NetWork Kansas – Best in Class](#). This short story updated the Center for Rural Entrepreneurship’s NetWork Kansas Case Study – [Creating Entrepreneurial Communities in Kansas – Listen, Learning, Adapting](#) by Deborah Markley and Ahmet Binerer published in May 2014. Our plan is to update this case study in 2023.

This story updates the NetWork Kansas narrative, which continues to evolve and generate entrepreneurial outcomes and impacts.

For questions and additional information contact:

Don Macke – Senior Vice President  
e2 – Entrepreneurial Ecosystems by NetWork Kansas  
Cell 402.770.4987 - [don@e2mail.org](mailto:don@e2mail.org)  
[www.energizingentrepreneurs.org](http://www.energizingentrepreneurs.org)

#### 2014 NetWork Kansas Case Study

At both e2 and formerly, the Center for Rural Entrepreneurship, we have worked with and studied NetWork Kansas from its very beginnings in the early 2000s. In 2014, the Center for Rural Entrepreneurship curated a case study of NetWork Kansas:

[Learn More.](#)

**Background:** NetWork Kansas was founded in 2004 by an act of the Kansas Legislature and is now approaching 20 years of work. For many grant-funded entrepreneurial ecosystem initiatives, 20 years is a long run. Initially focused on reaching under-served rural entrepreneurs and communities, NetWork Kansas is now statewide, also working in urban and metropolitan communities. It is truly a statewide initiative and resource today. NetWork Kansas is likely the longest-running continuous statewide entrepreneurial ecosystem-building initiative in North America.

**To Learn More About NetWork Kansas**

To learn more about NetWork Kansas spend some time on its website at:

<https://www.networkkansas.com/>

**About NetWork Kansas**

Over the years, NetWork Kansas has expanded what it does to support community and statewide entrepreneurial ecosystem building and operation. We will not provide a comprehensive overview, but focus on some selected innovative impact areas. The following is from NetWork Kansas’s “About Us” website page:

“NetWork Kansas is devoted to the growth of entrepreneurship and small businesses throughout the state of Kansas. Our mission is to promote an entrepreneurial environment by providing a central portal that connects entrepreneurs and small business owners with the right resources—Expertise, Education and Economic Resources—when they are needed most. In pursuit of this mission, we partner with well-respected business development organizations and educational institutions that work with entrepreneurs and small business owners who have the vision and potential to succeed. The result is a seamless system that accelerates economic and community development in Kansas. Established by the Kansas Economic Growth Act of 2004 (KEGA) as the Kansas Center for Entrepreneurship, NetWork Kansas became operational at the beginning of the 2006 fiscal year. The NetWork Kansas portal is available statewide and currently enables entrepreneurs and small business owners to connect with 500+ NetWork Kansas partners throughout the state.

**NetWork Kansas Vision.** To be recognized nationally as a leading organization devoted to the establishment and growth of entrepreneurship and small business as a priority for economic and community development.

**NetWork Kansas Mission.** To promote an entrepreneurial environment throughout the state of Kansas by establishing a central portal that connects entrepreneurs and small business owners with the right resources—expertise, education, and economic resources—when they are needed most.

**NetWork Kansas History.** Established by the Kansas Economic Growth Act of 2004 (KEGA) as the Kansas Center for Entrepreneurship, NetWork Kansas became operational at the beginning of the 2006 fiscal year. The NetWork Kansas portal is available statewide and currently enables entrepreneurs and small business owners to connect with 500+ NetWork Kansas partners throughout the state.”

In the next section we overview four remarkable outcomes driven by NetWork Kansas.

NetWork Kansas' contributions to the field of entrepreneur-focused community economic development are on par with Economic Gardening, SourceLink, the Kauffman Foundation, Babson College and the work of the Edward Lowe Foundation. Based on e2's analysis there are four overarching outcomes worthy of deep study by any group pursuing entrepreneur-led development.

### Four Remarkable Outcomes

There are many innovative and pioneering NetWork Kansas initiatives we could focus on, but there are four over-arching outcomes worth spending time studying:

1. Entrepreneurial Capital Access
2. Entrepreneurial Communities Program
3. Youth Entrepreneurship Initiative
4. Supporting Entrepreneurs During the Pandemic

**NetWork Kansas's Capital Access System**  
 Foundational to NetWork Kansas's mission and success is increasing access to financing to underserved entrepreneurs across the Sunflower State. Check out e2's paper on NetWork Kansas's Capital Access System:

[Learn More.](#)

**Entrepreneurial Capital Access.** A "North Star" focus for NetWork Kansas is increasing access to financing for entrepreneurs and their ventures. Historically, capital access was limited to rural entrepreneurs and for-profit businesses. However, today NetWork Kansas works in underserved metropolitan communities and can provide gap financing for non-profit ventures such as community grocery stores, medical clinics and gyms. The latest September 2022 NetWork Kansas reporting indicates that it has \$207 million in active deal flow (e.g., both NetWork Kansas venture investment, bank loans and entrepreneur equity). The following provides a distribution by venture stage of current gap financing deals:

- Start Ups                      42%
- Expansions                    30%
- Successions                  2%
- Purchases                     23%
- Retentions                    3%

Since its founding, NetWork Kansas is approaching nearly \$1 billion in deal flow, making it the economic development driver in Kansas. To learn more checkout...

<https://www.networkkansas.com/capital>

**Entrepreneurial Communities Program.** e2's Podcast with Erik Pedersen focuses on NetWork Kansas's Entrepreneurial Community Program. The following provides an overview of this Kansas entrepreneurial ground game:

"A NetWork Kansas E-Community has made a commitment to cultivating an entrepreneurial environment by identifying and developing resources to help local entrepreneurs start or grow

businesses. Selected communities partner with NetWork Kansas to establish a locally-administered loan fund to assist entrepreneurs with capital, to increase connectivity to resources available to assist entrepreneurs and small businesses, to initiate activities to generate entrepreneurial development, and to participate in a statewide partnership with other E-Communities.

The E-Community partnership, now in its thirteenth year, has grown from six communities in 2007 to 66 in 2020. To date, E-Communities have provided \$21.5 million to businesses, leveraging an additional \$99.2 million (bank loans, owner down payment, resource partner loans, etc.).

#### *Goals of the E-Community Partnership*

- Grow a flourishing, sustainable entrepreneurial environment supportive of business startups and expansions
- Engage and/or develop entrepreneurial resources to meet identified community and business needs
- Create a revolving loan fund to provide matching loans to entrepreneurs and small businesses with local control of decisions and terms
- Forge a community vision centered around entrepreneurship as a tool for economic development

#### *Components of an E-Community*

A NetWork Kansas E-Community has made a decision to proactively pursue entrepreneurship as an economic development strategy. The following components are present in all 66 E-Communities:

- Local leadership teams, committed to meeting regularly to provide the overall direction and leadership for the E-Community and to discuss ways to create a flourishing environment
- Local financial review board, tasked with acting as the loan committee for E-Community loan applications
- Locally-controlled revolving loan fund
- Active engagement with local sources of public and private funding
- Access to a statewide network of over 500 partners, focusing on connecting entrepreneurs and small business owners to the education, expertise and economic resources they need
- Access to entrepreneurship programming designed to benefit different types of businesses
- A marketing fund to support the development and/or implementation of special projects and initiatives”

Source: <https://www.networkkansas.com/ecommunities/e/overview>, October 2022

Too often entrepreneurial resources tend to flow to those communities with the capacity to employ such resources. There is self-selection at work where often the communities with the greatest need do not benefit from these resources. Central to NetWork Kansas’ mission is finding ways to reach underserved entrepreneurs and communities. NetWork Kansas has a very innovative and successful track record in realizing this mission to reach the underserved. NetWork Kansas’ Entrepreneurship Community Partnership now has expansive geographic reach throughout Kansas. Figure 1 provides a map of all the current E-Communities in Kansas:

Figure 1. NetWork Kansas Entrepreneurial Community Partners



To learn more checkout...

<https://www.networkkansas.com/ecommunities>

**Youth Entrepreneurship Challenge.** An important addition to NetWork Kansas’s community-centered entrepreneurial ground game is its **Youth Entrepreneurship Challenge**. This youth-focused business pitch competition starts locally with teams and peaks with a statewide gathering and competition. The Challenge and programs like it across the globe make the case to young people and the adults in their life that becoming an entrepreneur is a viable, and possibly optimal, career choice. While relatively few Challenge participants may create lasting businesses, this process generates entrepreneurial culture and can serve as an “entrepreneurial accelerator” motivating adults in a community to take that step in becoming more entrepreneurial.

The Youth Entrepreneurship Challenge now has statewide reach and growing youth participation. It is a big deal in Kansas each year, surviving and thriving through the World Health Pandemic. The NetWork Kansas Youth Entrepreneurship Challenge team have created VentureDash, a great resource available to any group hosting business pitch competitions. Learn more about [VentureDash](#) and how this resource could support your youth business competitions.

Learn more the [Youth Entrepreneurship Challenge](#).

**Supporting Entrepreneurs During the Pandemic.** As 2019 approached the end of the year, information was surfacing about something called COVID-19. By the spring of 2020 we were all part of the largest

World Health Pandemic in modern history. COVID-19 killed many and created lock-downs that adversely impacted the economy and workers. Industries like airlines, retail and hospitality were particularly hard hit as people stayed home. During the Pandemic, NetWork Kansas and its remarkable networked infrastructure to deploy capital to businesses mobilized. Its statewide relationships and connections enabled it to target and deploy capital to impacted ventures quickly, efficiently and effectively. During the Pandemic, e2 curated some short stories focusing on NetWork Kansas's COVID response. Checkout the following Pandemic and NetWork Kansas response stories:

- [Spotlight on the Hospitality Industry Relief Emergency \(HIRE\) Fund in Kansas](#). May 2020
- [Restart Kansas County Loan Fund, New Emergency Assistance for Businesses](#). June 2020
- [Blue Cross Blue Shield of Kansas – NetWork Kansas Initiative, A Creative Solution for Producing PPE in Kansas](#)

#### **E2 is Now Hosted by NetWork Kansas**

For 25 years, the National Center for Rural Entrepreneurship was led by Deborah Markley and Don Macke. Today the Center is now e2 Entrepreneurial Ecosystems and hosted by NetWork Kansas leading work nationally. The following is from the NetWork website...

“In 2019, NetWork Kansas also became the home for **e2 Entrepreneurial Ecosystems**, which is led by Don Macke, who has more than 40 years of community economic development and policy experience. e2 Entrepreneurial Ecosystems helps communities and regions connect, learn, and share best practices for building sustainable entrepreneurial ecosystems across North America. The partnership between NetWork Kansas and e2 Entrepreneurial Ecosystems provides a platform to offer learning institutes, a consulting network, analytics support and mentoring to benefit the entrepreneurs, small businesses, resource partners and communities in Kansas as well as nationally.”

Every community, every state or providence and every country is unique. No single entrepreneurship strategy can be readily adapted to other places. However, every successful entrepreneurship initiative offers insights and lessons that can inform and guide entrepreneur-led development game planning. NetWork Kansas is a best in class learning opportunity.

### **Conclusion**

Over a quarter of a century ago, Brian Dabson with the Corporation for Enterprise Development made the case that entrepreneurship is the foundation for all economic development. At the time, this positioning by Brian was controversial. At best, in a business attraction dominated economic development field, entrepreneurship was a “small business” or marginal development strategy. Today, we know better; that entrepreneurship drives not only higher value, more competitive, diverse and resilient economies, it contributes to rooted wealth and more vibrant communities and regions. NetWork Kansas and its work from very rural villages to neighborhoods in Wichita and Kansas’ largest metropolitan areas, embraces entrepreneurship as the primary community economic development game plan.