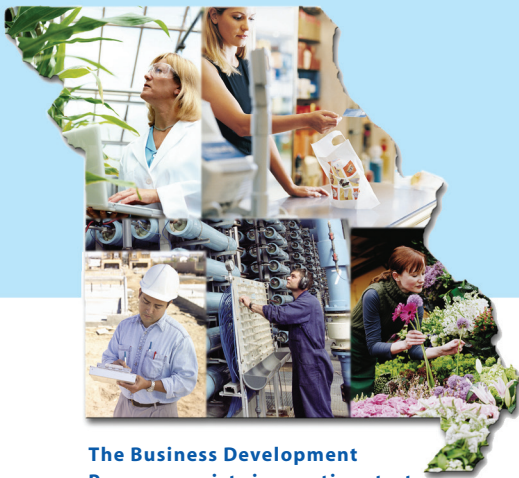


University of Missouri Extension Business Development



The Business Development Program assists innovative start-up and existing entrepreneurs from all industry sectors in creating companies, jobs, sales and investments. Centers across the state ensure that services are available at the point of client need.

The Business Development Program (BDP) at the University of Missouri is a well-designed, responsive and efficient program that enhances quality of life and leads to wealth creation for Missourians. This program is dedicated to helping entrepreneurs reach their goals through individualized business management consultation and educational experiences. We provide the tools, the resources, the networks and the expertise; the business owners provide the hard work, sweat equity and dedication to make their dreams come true.

The BDP consists of the following named programs: the Missouri Small Businesses Development Centers, funded in partnership with the U.S. Small Business Administration (SBA); the Missouri Procurement Technical Assistance Centers, funded in partnership with the Defense Logistics Agency; Career Options, funded through the Missouri Department of Economic Development; the Missouri Federal and State Technology SBIR/STTR Assistance Centers, funded through various grants; and the EDA University Center funded through the Economic Development Administration. The Business Development Specialists are a critical component to providing these programs. Extension funding is leveraged nearly four times through these various grants.

The state's business owners are blessed with ideas, ingenuity, creativity, drive, determination and commitment to make their dreams reality. They provide the jobs, the main street businesses, the innovation and new technologies, the community resources and re-investments and the well-trained workforce on which our state's wealth creation depends. From us, they seek guidance, counsel, resources, occasional course corrections and encouragement. We provide that on a daily basis to equip these unique individuals with the skills they need to bring their ideas to fruition.

Current Program Goals

The BDP has served thousands of businesses that contribute to the economic growth of the state. In FY 06, the BDP plans to serve approximate 3,000 entrepreneurs in counseling and 10,000 learners in training through more than 600 training events. The BDP work is projected to increase Missouri company sales by more than \$140 million, increase sales to the government by more than \$100 million, enhance equity and loan investments by more \$100 million and increase the direct number of quality jobs by more than 2,500. The BDP also will work with technology-based companies to increase government research opportunities by \$10 million.

Approximately 50 percent of the BDP's clients request assistance with starting a business. 88.44 percent of BDP clients are white; 8.13 percent are African-American; and 3.43 percent are Asian, Hispanic, Native American, Hawaiian or other. The percentage of assistance provided to pre-venture clients is 56.53 percent; the percentage of assistance provided to existing business owners is 43.47 percent.

Emerging Trends

As entrepreneurship gains in prominence, entrepreneurial networks are becoming increasingly important. In Missouri, 97.6 percent of the businesses are small, with fewer than 500 employees. According to SBA, in 2002 those businesses created 44,100 jobs. Of that, businesses with one to 19 people created 29,200—or two thirds—of the jobs. The small business industries that employ the largest number of people are healthcare, social assistance, transportation and warehousing, manufacturing, hotels and food and beverage establishments. New companies account for 50 percent of all job growth in the U.S.

accessible education for:
economic viability
empowered individuals
strong families and communities
healthy environments

With the risk of new businesses failing within the first four years, programs and services targeting this audience must be tailored to meet the range of different needs the firms present. The BDP's research identifies the following as the top 10 problems presented by entrepreneurs:

1. Control of their own time
2. Cash flow
3. Finding/retaining good employees
4. Cost-effective advertising
5. Delinquent accounts
6. Competition from large companies
7. Insufficient sales
8. Identifying new opportunities
9. Business use of the internet
10. Obtaining a long-term loan

The issues around rural entrepreneurship are becoming more prominent. In Missouri, there were 209,851 active entrepreneurs in 2000. However, in 1999, 11.9 percent of active entrepreneurs in rural Missouri had an income below the federal poverty line. In 2000, 57 Missouri counties were categorized as having some level of economic distress. More than 30 of those counties are located in southeast and south central Missouri; 12 of those counties are located in rural northern Missouri; the remainder were in west central or the southwest region.

The role of universities in innovation is increasing. They must be engaged in regional and state economic development and technology transfer, support spin-off companies and partnerships with private enterprise and move toward an award system that supports this leadership role.

Strategic decisions that support the strongest resource investments are necessary. The continuing decrease in public funds to support entrepreneurship assistance requires focused and systematic decisions to apply the precious resources to

endeavors that will get the best returns. Partnerships with the private sector; blending funding streams; and providing cutting-edge, proven, research-based programming will be even more important in the future.

The most significant problems Missouri's entrepreneurs and small business owners face regardless of the length of time in business are related to human resources—finding, retaining, motivating and leading employees to enhanced productivity.

The face of entrepreneurship is changing. A 1994 national Gallup survey found that about seven in 10 youths surveyed expressed interest in starting their own business, compared with a little more than half of the general public. In Missouri, there are about 120,000 woman-owned businesses representing \$25 billion in sales. Missouri ranks 20th in states for the number of women-owned firms. In terms of percent of growth, Missouri ranks 22nd in the number of women-owned firms. African-American women represent 5.4 percent of all women-owned businesses, and Latinas represent 2.2 percent of all women-owned businesses in Missouri. From 1997 to 2002, the firm growth rate for African American women is 22 percent and 84 percent for Latinas, ranking both groups 11th among all states.

Finally, entrepreneurship is amenity-driven. The knowledge economy has spawned an increasing number of highly skilled business owners and entrepreneurs who insist upon amenities in their locale. While quality of life still means education, housing, environment, crime prevention and transportation, it also means diversity. The mobility of much knowledge work provides Missouri with an impetus to engage in the social and community aspects of business development along with the more traditional roles.

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