

**Innovate Mississippi**  
**MDA – Innovate Mississippi (441-00)**  
**5 Year Strategic Plan**  
**FY2019-FY2023**

## **Mission Statement**

The primary mission of Innovate Mississippi is to drive innovation and technology-based economic development efforts with the end goal of facilitating wealth creation through higher paying, quality jobs.

## **Philosophy**

As the state's only group that assists companies in securing early-stage private equity, Innovate Mississippi grows the economy by providing valuable services to Mississippi's technology entrepreneurs and other entrepreneurs in high-growth innovation based ventures. With the customer's needs at the forefront, we work closely with Small Business Development Centers, MDA, and regional economic development organizations to seamlessly refer companies who fit each group's unique focus. Innovate Mississippi also focuses on converting the state's research capacity into viable Mississippi companies by working closely with universities and other research and development institutions

## **Relevant Statewide Goals and Benchmarks**

These Statewide Goals and Benchmarks below are pulled directly from the *Statewide Strategic Plan for Performance and Budgetary Success* and are highlighted here because they directly relate to the work of Innovate Mississippi. For most of the benchmarks listed, Innovate Mississippi is the primary group responsible for those metrics, but benchmarks marked with an asterisk (\*) are benchmarks where Innovate Mississippi is the only agency or publicly supported group that serves that mission:

### Statewide Goal #1: Economic Development

*To develop a robust state economy that provides the opportunity for productive employment for all Mississippians*

Relevant Statewide Benchmarks:

- *Number of new technology start-ups \**
- *Venture capital investments measured in dollars and number of deals \**
- *Number of jobs in each of the Mississippi Development Authority's seven targeted industries: advanced manufacturing, aerospace, agribusiness, automotive, energy, healthcare, and shipbuilding*
- *Number of jobs associated with new technology start-ups \**
- *Average pay and total payroll of jobs associated with new technology start-ups \**

*\* Innovate Mississippi is the only agency or publicly supported group serving these benchmarks.*

### Statewide Goal #2: Education

*To make available an accessible, quality public higher education at an affordable cost that prepares Mississippians to become productive, financially self-sufficient members of society while meeting the human resource needs of Mississippi and its employers, including the creation of new jobs through the commercialization of university-based research.*

Relevant Statewide Benchmarks:

- *Number of patents obtained by Mississippi public universities in emerging technologies that are commercialized*
- *Number of private sector companies created as a result of activities at Mississippi public universities*

### **Overview of the Innovate Mississippi 5 Year Plan**

Innovate Mississippi's 5 Year Plan doesn't differ materially from our current focus on innovative startups and existing industry innovation. Because of the 50% cut to our previous year (FY2017) budget, many of our programs were severely curtailed and limited at that time. The effectiveness of each program will continue to be closely monitored, but our current expectations are to continue our current successful programs even in limited form. Since our formation in 2001 to meet the recommendations of the legislatively endorsed State Science and Technology Action Plan, we have made small adjustments, but that plan outlined a responsive private-sector non-profit organization whose Board of Directors is comprised of leadership from the private, academic and public sectors in Mississippi. We remain under that structure today.

Our focus on close scrutiny of program deliverables over the last five years has brought us to our current structure and during that time period we have eliminated several major programs while adding several more to meet market needs. That process will continue over the next five years and we will continue to benchmark other state and regional programs around the country to determine if there are other high-impact programs that can be effective in Mississippi. In addition, external factors discussed below, such as potential crowd-funding (interstate and intrastate) and other incentive programs might also drive somewhat different activity.

In April 2017, we transitioned our major federal grant that funded *InnovateMEP Mississippi* to the Mississippi Manufacturing Association. That program focuses on manufacturing innovation and was a programmatic grant from the Department of Commerce's NIST MEP (Manufacturing Extension Partnership). We made the transition as one of the top ranked national programs, but the benefits to both organizations of having that program housed at MMA made the decision to move it worthwhile. FY2017 metrics include *InnovateMEP Mississippi* metrics, but FY2018 and beyond metrics do not include metrics from that program.

We are also exploring the creation of private non-profit coding academies to help fill the hundreds of coding and computer science openings at Mississippi companies, but as of this date no formal plans have been put in place for that program.

## **Innovate Mississippi's External / Internal Assessment**

- 1) Crowdfunding
  - Growth of approved portals under federal crowdfunding regulations by the Securities and Exchange Commission could open up tremendous new efficiencies and some pitfalls in the early-stage investment space and would definitely impact our approach to securing funding for Mississippi's deserving companies.
  - Intra-state crowdfunding regulations enacted in Mississippi in early 2015 are likely to enable and improve funding for early stage companies in Mississippi and plans are already in place to implement improvements to Innovate Mississippi's programs to utilize intra-state crowdfunding platforms.
- 2) Reliance on Federal Support: Previously all of our existing industry programs relied on federal support, including our *InnovateMEP Mississippi* Program (Department of Commerce), Make it in America (Department of Commerce), Innovation Deployment (Appalachian Regional Commission), MS-FAST (SBA) and E3 (Economy-Energy-Environment)/CHP (Combined Heat and Power) (USEPA/Department of Energy). This reliance on federal funding (& availability of state match) made these programs vulnerable as federal program priorities changed or as the availability of state match changed. For FY2019 and beyond, although we will continue to pursue federal funds, our only committed federal grant funding is for the MS-FAST Program through SBA.

Innovate Mississippi's organizational structure is designed to provide maximum flexibility in responding to market needs. Innovate Mississippi's board is predominantly private business CEO's and entrepreneurs but also includes the presidents of the four research universities, IHL, and the State Community College Board.

Our organizational structure ensures a connection to the market, while our measurement and operational systems ensure that programs are cost effective in achieving the desired results. We track all clients through our process and report to our Board of Directors on metrics for operational efficiency. We also measure job creation, investment and other major outcome criteria through surveys and direct interaction with companies. All of these metrics are reported and discussed with our Board of Directors quarterly. The effectiveness of each program drives decisions about the continuation, suspension, or dropping of programs relative to the funding available.

### **Goals, Objectives, Strategies and Measures by Program**

#### **Program #1: Entrepreneurial Development**

Goal A: Provide world-class coaching and connections for Mississippi entrepreneurs that will guide them through successful development of their businesses.

Objective A.1: Provide a strategic development framework for entrepreneurs that successfully guides them through the development process – balancing technical and business considerations

- Output: # of companies engaged in entrepreneurial development
- Outcome: # of jobs created from entrepreneurial companies
- Outcome: Payroll from new jobs created
- Efficiency: State cost per job created

Strategy A.1.1.: Utilize the organization’s collective experience and expertise to assist all engaged entrepreneurs in utilizing the tools within Venture Capital Tools ([www.venturecapitaltools.com](http://www.venturecapitaltools.com)) for each entrepreneurial client.

- Outcome: # of new entrepreneurial companies
- Outcome: # of companies engaged in the entrepreneurial development process
- Outcome: # of companies becoming “investor ready” and moving on to the capital formation team

Objective A.2: Provide connections to mentors, service providers and public pitch opportunities for entrepreneurs to get direct feedback.

Strategy A.2.1: Connect appropriate mentors and service providers and organize public events as forums for company pitches.

- Outcome: # of mentors in mentor network
- Outcome: # of public pitches by Mississippi entrepreneurs

Goal B: Inspire business development and self-employment through providing opportunities for Mississippians to engage in entrepreneurship

Objective B.1: Cultivate opportunities for Mississippians to hear about and to engage in entrepreneurial activities

Strategy B.1.1: Speak to groups about entrepreneurship opportunities in Mississippi, including civic, school, college and others. Secure earned media.

Strategy B.1.2: Utilize Startup Weekends, Startup Days, Cleantech Open and other formats to engage Mississippians in entrepreneurship

- Output: # of events held
- Output: # of Mississippians participating

**Program #2: Capital Formation**

Goal: Connect appropriate investment capital to investor-ready companies

Objective: Connect eligible companies to investment capital

- Outcome: Direct investment into companies
- Outcome: Payroll from new jobs created from direct investment

Strategy 1: Enroll investors from Mississippi and surrounding states in the Mississippi Angel Investor Network and connect them with qualified entrepreneurs

- Output: # of company pitches to investors

- Output: # of investors added to the statewide investor network
- Output: # of investors meeting with companies
- Output: # of companies funded

Strategy 2: Connect qualified companies to the Mississippi Seed Fund and assist them in securing the approval of the Mississippi Seed Fund Investment Board

- Output: # of companies funded
- Output: # of jobs created through funding (included in jobs figure above)

### **Program #3: Innovation Deployment**

Goal: Develop connections between Mississippi entrepreneurs, existing businesses, inventors and large OEM's to facilitate job creation in Mississippi and help existing manufacturers grow.

Objective: Connect Mississippi companies to new product production opportunities and market opportunities with large OEMs and facilitate the growth of existing manufacturers by helping them develop new markets, products, processes, and services

Strategy 1: Help existing manufacturers grow by helping them develop new markets, products, processes, services, or services through *InnovateMEP Mississippi* growth services projects with manufacturers as follows:

- Output: Number of new innovation deployment projects
- Outcome: New innovations from Innovation Deployment

Strategy 2: Connect Mississippi companies to inventors and researchers nationwide in order to facilitate Mississippi production of new markets, products, processes, services, or services.

Strategy 3: Connect Mississippi companies to large OEM's to facilitate Mississippi production of new products

**Attachment: Outputs, Efficiencies, & Outcomes**

| <b>Outputs</b>  | FY2017<br>Actual | FY2018<br>Estimate | FY2019 –<br>FY2023<br>Goals |
|---|------------------|--------------------|-----------------------------|
| Number of new entrepreneurial companies   |                  |                    |                             |
| Number of active, engaged entrepreneurial companies   |                  |                    |                             |
| Number of mentors in network  |                  |                    |                             |
| # of public pitches by MS Entrepreneurs   |                  |                    |                             |
| # of Startup Weekends held  |                  |                    |                             |
| Startup Weekend Participants  |                  |                    |                             |
| # of company pitches to investors   |                  |                    |                             |
| # of investors meeting with companies   |                  |                    |                             |
| Number of Angel Investors added to network  |                  |                    |                             |
| Number of InnovateMEP Manufacturing Clients   |                  |                    |                             |
| Number of new innovation deployment projects  |                  |                    |                             |
| Number of Companies with documented impact from InnovateMEP projects                          |                  |                    |                             |
|   |                  |                    |                             |
| <b>Efficiencies</b>   |                  |                    |                             |
| State Cost per documented InnovateMEP job created   |                  |                    |                             |
| State Cost per documented and estimated entrepreneurial & InnovateMEP job created             |                  |                    |                             |
| State cost per company impacted through InnovateMEP projects                                  |                  |                    |                             |
| Documented new sales for client companies per state dollar spent                              |                  |                    |                             |
| New documented investment dollars for client companies per state dollar spent                 |                  |                    |                             |
| Documented cost savings for client companies per state dollar spent                           |                  |                    |                             |
|   |                  |                    |                             |
| <b>Outcomes</b>   |                  |                    |                             |
| Documented new jobs created directly attributed to InnovateMEP services. (trailing 12 months) |                  |                    |                             |
| Cumulative Entrepreneurial jobs created   |                  |                    |                             |
| Documented jobs retained for client companies directly attributed to InnovateMEP services     |                  |                    |                             |
| Number of new MS entrepreneurial ventures   |                  |                    |                             |
| Companies becoming “investor-ready”   |                  |                    |                             |
| Companies funded through Angel Investor Network   |                  |                    |                             |
| Investments made in entrepreneurial companies   |                  |                    |                             |

|   |  |  |  |
|---|--|--|--|
| Documented investment dollars for client companies directly attributed to InnovateMEP services. |  |  |  |
| Documented cost savings for client companies directly attributed to InnovateMEP services.       |  |  |  |
| Documented new sales for client companies directly attributed to InnovateMEP services.          |  |  |  |
| New innovations from Innovation Deployment  |  |  |  |
|   |  |  |  |