Iowa State University: Bringing Commercialization Opportunities to Rural Iowa
ABOUT AMERICA’S SMALL BUSINESS DEVELOPMENT CENTERS IOWA

America’s Small Business Development Centers - Iowa (SBDC) is located in Iowa State University’s Research Park and is part of the university’s Office of Economic Development and Industry Relations. Established in 1981, SBDC provides no cost, confidential, customized, professional business advice in all 99 Iowa counties to entrepreneurs and existing small businesses. The organization also provides workshops that teach practical skills and techniques, market research, and access to subject matter experts in a variety of fields.

The SBDC and other business development programs in Iowa have developed a great reputation for supporting entrepreneurs across the state. However, there is an undeniable gap of resources specifically for rural innovation and technology entrepreneurs. To address this problem, the SBDC took an existing model from the Iowa State University’s Startup Factory and turned that model inside out to create Rural Business Innovators (RBI), a creative, scalable business planning and development solution for commercializing new ideas for Iowa entrepreneurs who live in rural places. RBI uniquely addresses rural access constraints in two ways:

1. Utilizing a web-based platform that brings the programming to their doorstep.
2. Putting a strong emphasis on one-on-one counseling built around the participant’s schedule and availability.

AN INNOVATIVE IDEA FROM A RURAL ENTREPRENEUR

The RBI program started with an ambitious and innovative rural entrepreneur who looked to the SBDC to help her take her idea to the next level. Sue Gehling is a mental healthcare professional who lives in a small town. She is the owner of Classroom Clinic, which provides rural schools with timely and convenient access to children’s mental health services through the use of telehealth technology and a
robust digital platform. Sue successfully completed ISU Start-up Factory and sought additional support to help her develop her innovative digital platform. With a prototype underway, Sue worked with the SBDC and RBI to strategize the next steps for Classroom Clinic. They helped Sue develop and refine a pitch presentation for the Proof of Commercial Relevance program offered by the Iowa Economic Development Authority. The SBDC and RBI team also helped Sue develop and refine a second pitch presentation for the Iowa Go-To-Market accelerator, another program offered by the Iowa Innovation Corporation, ISU Startup Factory, and VentureNet Iowa. With the SBDC and RBI’s assistance, Sue was successfully accepted into both programs, which have historically served urban-based entrepreneurs. She is now in the process of commercializing the Classroom Clinic business model and continues to help improve mental healthcare access to rural children across all areas of the state.

CONNECTING RURAL INNOVATORS TO THE STATEWIDE ENTREPRENEURIAL ECOSYSTEM

The SBDC took what was learned from the interaction with Sue and further developed RBI into a scalable accelerator model with the capacity to serve many more creative entrepreneurs in rural Iowa. The success with Sue led the SBDC to understand that customized counseling, next-step guidance, and exposure to a network of resources in the state’s entrepreneurial ecosystem is fundamental in helping rural entrepreneurs commercialize their innovative ideas. RBI is designed specifically around these concepts. It improves access to resources for rural entrepreneurs and helps create wealth in rural Iowa.

The RBI program adopts several methods from successful business development programs in Iowa. However, the delivery platform and emphasis on one-on-one counseling offered by SBDC staff makes this approach significantly different. Serving rural Iowans in communities of less than 20,000 residents typically presents logistical problems for both the presenters and the participants. Through the use of an interactive web-based platform, RBI has eliminated many of the logistical hurdles. The RBI design and use of the web-based platform shatters the barriers of access for people who live in rural places.

INNOVATIVE PROGRAMMING

The RBI program recognizes the challenges rural innovators have when participating in urban-based programs. RBI replicates the best and most successful practices from existing urban-based programs, but eliminates a variety of logistical and financial constraints that prohibit rural participation. By offering a hybrid
learning model with an emphasis on one-on-one counseling, the program is totally committed to offering the program when and where it is convenient for the rural participants.

RBI’s most innovative feature is not what happens during the formal training, it is what is done after the formal training program. The program instructors and partners recognize that receiving and listening to critical feedback is a talent that entrepreneurs need to learn at an early stage. Therefore, RBI instructors and partners are committed to being thorough and honest in their feedback. Every participant is provided a 3rd-party feasibility review of their project. This feedback is used to develop a “Next-Steps Plan” for due-diligence to improve the probability of success. The activities in this plan will likely be items that are often skipped or overlooked by new innovators. One significant reason for short cutting some of the fore-mentioned due-diligence is lack of financial resources, because every dollar is going into the business – not planning the business. RBI is addressing this issue by working with private sector partners to contribute to the planning stage. When the “Next-Steps” plan is completed, the partners assist with pre-approved expenses associated with strengthening the rural participant’s business model. Examples of next steps may include prototype development, software purchases, training, market analysis, deeper feasibility study, and professional engagement.

An RBI participant’s investment in time, efforts in building business model, presenting a professional pitch deck, and proactively addressing challenges and constraints to the success of their business idea are critical in helping them secure financial backing. The success is shown through metrics rural entrepreneurs reported to SBDC of an increase of 226% in capital infusion obtained and a 72% increase in sales in FY20 over FY19 due to the SBDC/RBI services.

PLACE IS IMPORTANT

RBI has grown into a program that focuses on connecting rural entrepreneurs across the state to the much larger entrepreneurial ecosystem. RBI goes where the support and assistance are needed most - the front doors of rural entrepreneurs.
LINKS TO FURTHER INFORMATION

- America’s Small Business Development Centers - Iowa
- Iowa State University Research Park
- Office of Economic Development and Industry Relations
- Rural Business Innovators
- Classroom Clinic
- Proof of Commercial Relevance Program
ABOUT APLU

The Association of Public and Land-grant Universities (APLU) is North America’s oldest higher education association. APLU is a research, policy, and advocacy organization dedicated to strengthening and advancing the work of public universities in the U.S., Canada, and Mexico. The association's membership consists of public research universities, land-grant institutions, state university systems, and affiliated organizations.

APLU's mission is to: expand access and improve student success to deliver the innovative workforce of tomorrow; advance and promote research and discovery to improve society, foster economic growth, and address global challenges; and build healthy, prosperous, equitable, and vibrant communities locally and globally.

Based in Washington, DC, the association's work is furthered by an active and effective advocacy arm that works with Congress and the administration as well as the media to advance federal policies that strengthen public universities and benefit the students they serve.

ABOUT THE IEP UNIVERSITIES PROGRAM

APLU and its Commission on Economic and Community Engagement (CECE) established the Innovation and Economic Prosperity (IEP) Universities Program to help higher education institutions codify, elevate, and advance their campus enterprise supporting economic and community development.

The IEP designation program recognizes institutions that have demonstrated a meaningful, ongoing and substantial commitment to economic and community development, growth, and economic opportunity.

The IEP awards program recognize exemplary and innovative projects in university-based economic and community engagement:

- **Talent** and workforce development
- **Innovation**, entrepreneurship, and tech-based economic development
- **Place** development through public service, outreach, and community engagement

Learn more at: [www.APLU.org/IEP](http://www.APLU.org/IEP)