



# SMALL BUSINESS INSIGHTS

A Quarterly Summary of Business Assistance to Missouri Entrepreneurs

An ever increasing number of nonprofit and governmental agencies are talking about small business and entrepreneurship. New initiatives, conferences, and webinars for high growth entrepreneurship are popping up across the country. In the midst of the flurry, policy-makers and business development professionals need current, on-the-ground data to appropriately address the needs of small business owners.

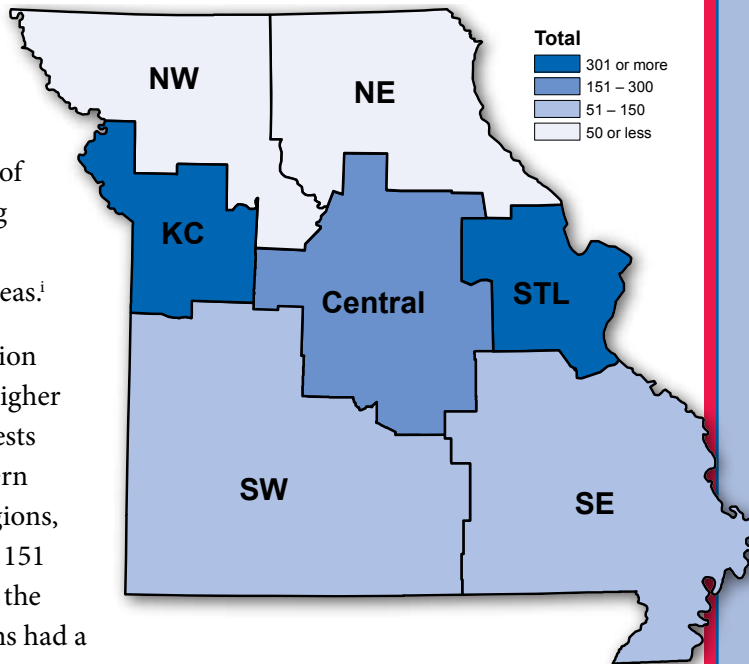
MOSourceLink collects the data needed to inform the discussion. Between June 1 and December 31, 2010, MOSourceLink received more than 1,500 requests for information on starting or growing businesses in Missouri. This briefing summarizes information received from those entrepreneurs and business owners.

## Requests by Region

MOSourceLink received requests from across the state, with the largest number of requests coming from the major metropolitan areas.<sup>1</sup>

The Central region experienced a higher volume of requests than the Southern or Northern regions, with more than 151 requests. While the Southern regions had a lower volume, 51-150 requests, the Northern regions had less than 50 requests.

MOSOURCELINK REQUESTS BY REGION



**MOSourceLink's mission is to help entrepreneurs and small businesses across the state of Missouri grow and succeed by providing them easy access to available resources.**

**MOSourceLink connects aspiring and established entrepreneurs and business owners with a network of more than 300 governmental and nonprofit resource organizations that provide relevant business information and business-building services.**

**MOSourceLink provides referrals to Missouri's entrepreneurs and businesses though a hotline and website.**

**Hotline:  
866.870.6500**

**Web:  
[www.MoSourceLink.com](http://www.MoSourceLink.com)**

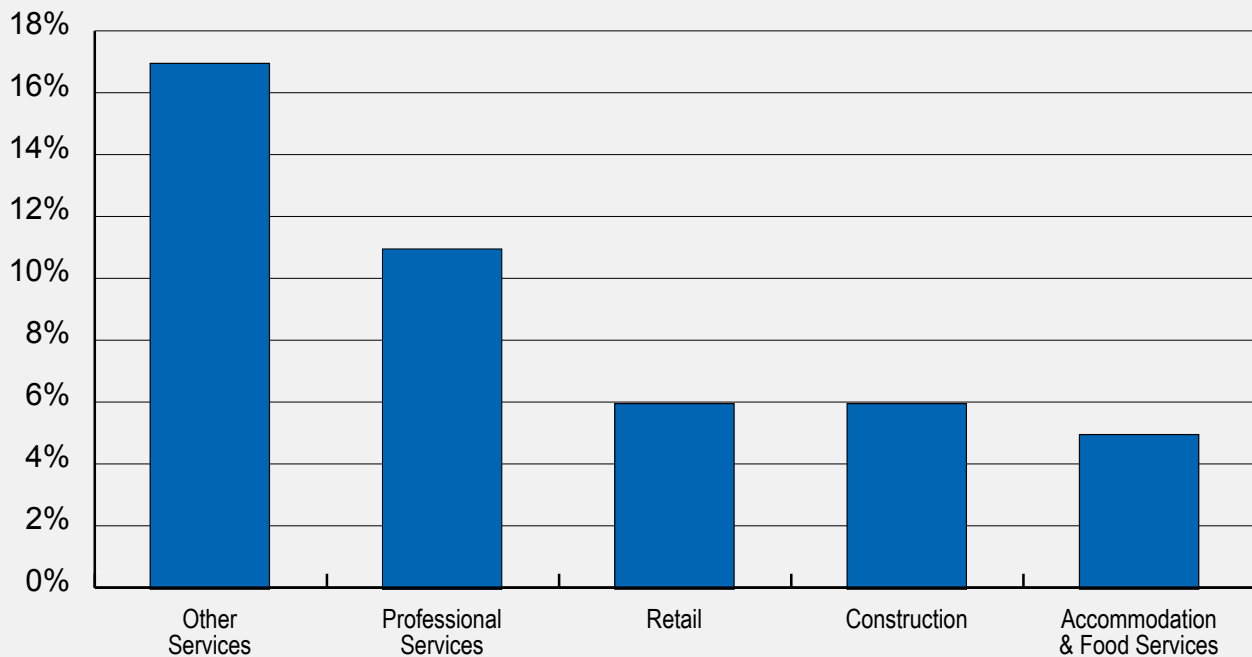


### Requests by Industry

On a statewide level, during the last two quarters of 2010, 33% of requests were from the Service-related industries (*Other Services* 17%, *Professional Services* 11%, and *Accommodation & Food Services* 5%). The requests from *Retail* and *Construction* industries was 6%, while the *Accommodation & Food Services* was 5%. These five industries account for 45% of all businesses contacting MOSourceLink in the last two quarters of 2010.

Many of the top industries requesting information from MOSourceLink match the top industries actually forming businesses in the state. The Missouri Economic Research and Information Center, or MERIC, tracked 2010 business formations and found that *Other Services*, *Professional Services*, and *Construction* account for just over half of all new employing businesses in Missouri.

TOP INDUSTRIES WITH REQUESTS



### Top Industry Descriptions

**Professional, Scientific and Technical Services:**

Includes legal services, accounting, bookkeeping and payroll services, architectural and engineering services, business operation consulting, advertising and marketing services

**Other Services:**

Repair and maintenance, including automotive, electronic equipment, and industrial repair. Also in this category are personal care services, laundry services and business associations

**Accommodation and Food Services:**

Hospitality-related industries, such as restaurants, food catering, bed and breakfasts, and hotels

**Construction:**

Residential and commercial construction

**Retail Trade:**

Most retail establishments fall within this category

### Industry Composition by Region

During the second half of 2010, requests for information by industry centered around two key industries across the state: *Retail* and *Other Services*, which includes *Repair and Maintenance* and *Personal Care*. The exceptions were the Northeast, where *Manufacturing* topped the list, and the Northwest, where the *Accommodation and Food* services were first. *Professional Services*, which often translates to professional consultants, held strong in Kansas City and increased in St. Louis but did not make the top 2. The *Retail* industry numbers were in the top 2 of every region, except the Northeast and Kansas City Regions.

### Requests by Business Stage

MOSourceLink classifies requests according to the business stage of the entrepreneur and/or business owner. The earliest development stage consists of people in the initial concept phase, progressing toward the higher end of the spectrum which includes businesses with annual revenues over \$1 million.

While the overall number of requests typically decreases in the fourth quarter, due to the holidays, requests from people thinking about starting a business grew from the previous report.

### Requested Business Assistance

Entrepreneurs continue to contact MOSourceLink primarily for business planning resources. However, requests for information about starting a business more than doubled, and there was a slight increase in both the number of requests for help with regulatory compliance and marketing. Requests for procurement and networking support increased as did people looking for additional help in increasing sales.

#### Top Industry by Region

Northeast	Saint Louis
1. Manufacturing	1. Other Services
2. Other Services	2. Retail
Northwest	Southwest
1. Accom. & Food Svcs.	1. Other Services
2. Retail	2. Retail
Kansas City	Southeast
1. Professional Services	1. Retail
2. Other Services	2. Other Services
Central	
1. Other Services	
2. Retail	

#### Statewide Request by Business Stage

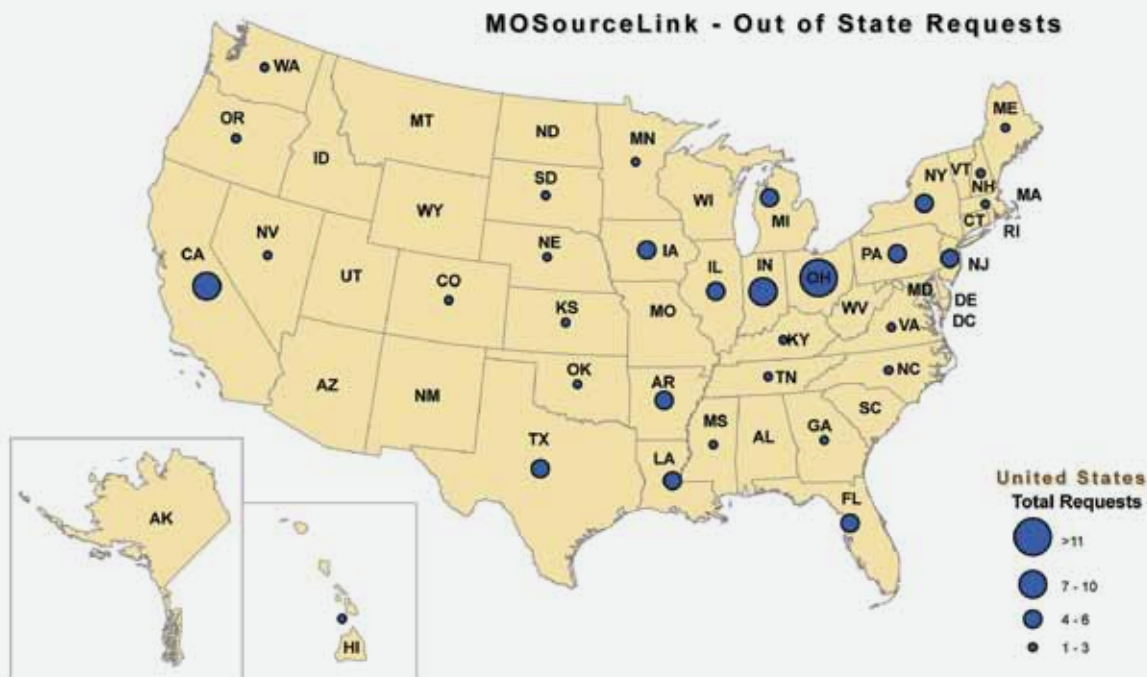
<b>Concept Phase:</b>	
Thinking of starting a business	41%
<b>Start-Up Phase:</b>	
In the process of starting a business	36%
<b>Established:</b>	
Already in business	21%
<b>Well Established:</b>	
Annual revenue above \$1 million	2%

Top Assistance Requested	Percentage of Total Requests
Business Planning	21%
Financial Resources	16%
Starting a Business	16%
Regulatory Compliance	10%
Marketing	6%
Procurement	3%

## OUT OF STATE REQUESTS

MOSourceLink provides critical information for startup and growth-oriented business owners within the state. The program also provides valuable assistance to out-of-state companies considering a move to Missouri or an expansion within the state.

MOSourceLink receives hundreds of requests each year, via hotline or website, from companies outside of the state wanting to either relocate or expand their operations to Missouri. As illustrated by the map below, requests were received from 32 states, including Hawaii. That request was from an individual who grew up in Nebraska, moved to Hawaii and called for information about starting a small business in Central Missouri.

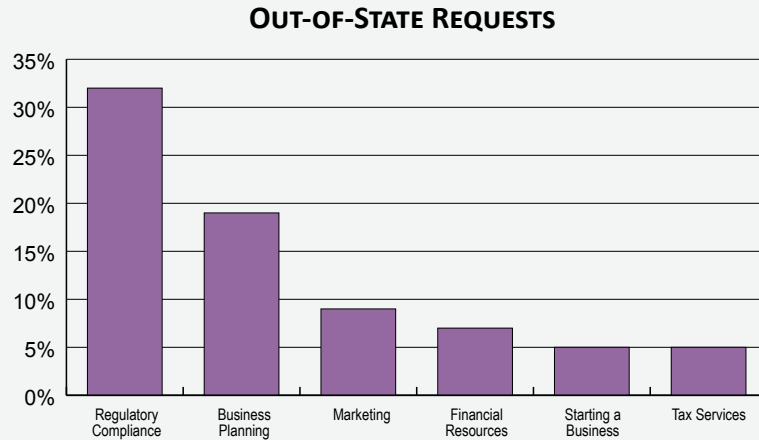


Ohio led the list with 13 requests, followed by Indiana with 11. MOSourceLink received between 1-7 requests from each of Missouri’s surrounding states. Businesses make changes based on their changing environment and MOSourceLink hears about the changes. A case in point: the day after legislation was passed in Illinois, redefining the tax structure, MOSourceLink received a call from a business owner in Springfield, Ill. looking to move to a location with a more favorable tax structure. He called to find out what incentives might be available if he moved across the state line to the St. Louis metro area. The business owner was referred to the appropriate economic development officials in that community.

**Out-of-State Business Requests**

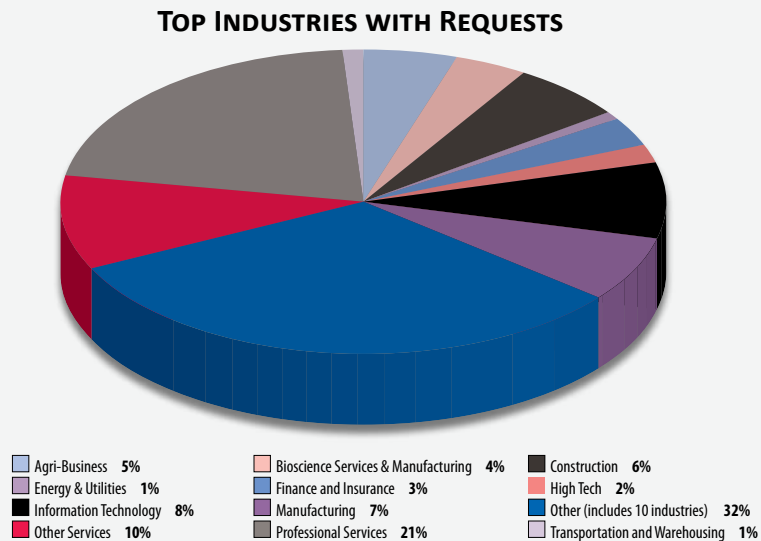
When a client from out of state contacts MOSourceLink, staff members are keenly aware of the importance of business attraction for the state. Great efforts are made to ensure that business owners are educated about the resources as well as relevant regulations.

Since licensing and registration can vary from state to state, and even by city, it is not surprising the top request from out-of-state companies is for information regarding regulatory compliance. When appropriate, MOSourceLink also refers these clients to the local economic developer or administrator to obtain market information, site location assistance, or learn more about possible incentives available.



**Industry Requests from Out of State**

The number of out-of-state industries contacting MOSourceLink varies significantly. However, a few industries, Professional and Other Services, account for one-third of the requests. Sometimes, the business owner is calling to relocate, or often times, he or she plans to open a satellite office in the state while keeping the headquarters out of state.



The Missouri Department of Economic Development currently targets its efforts to growing business in eight targeted industries. During the selected time period, MOSourceLink received requests from business owners within six of those industries: Agribusiness (5%), Energy & Utilities (1%), Finance & Insurance (3%), Information Technology (8%), Bioscience Services & Manufacturing (4%), and Transportation and Warehousing (1%).

### *Possible Opportunities*

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MOSourceLink is uniquely positioned to gather not just data on Missouri businesses but also concerns. One recurring theme is the difficulty in finding regulatory information on the various state websites. A few individuals have noted that the information is there, but difficult to access. They also find they must fill out separate forms for the various agencies, and consider this a duplication of effort.

Providing a more accessible online process for registration and licensing can help business owners focus their efforts on what matters most – doing business. Since more and more people gather information online, there may be an opportunity for the State of Missouri to streamline its current process to help business owners access the appropriate information in one location, provide the necessary data to auto fill the forms, and be directed to the applicable agencies if more information is needed.

<sup>i</sup> *MOSourceLink originated in the Kansas City region several years before being implemented statewide. Requests from the Kansas City region to MOSourceLink tend to be much higher due to a heightened level of awareness compared to the rest of the state.*

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*Small Business Insight Reports are developed by MOSourceLink in partnership with the Missouri Economic Research and Information Center (MERIC), Department of Economic Development*

