

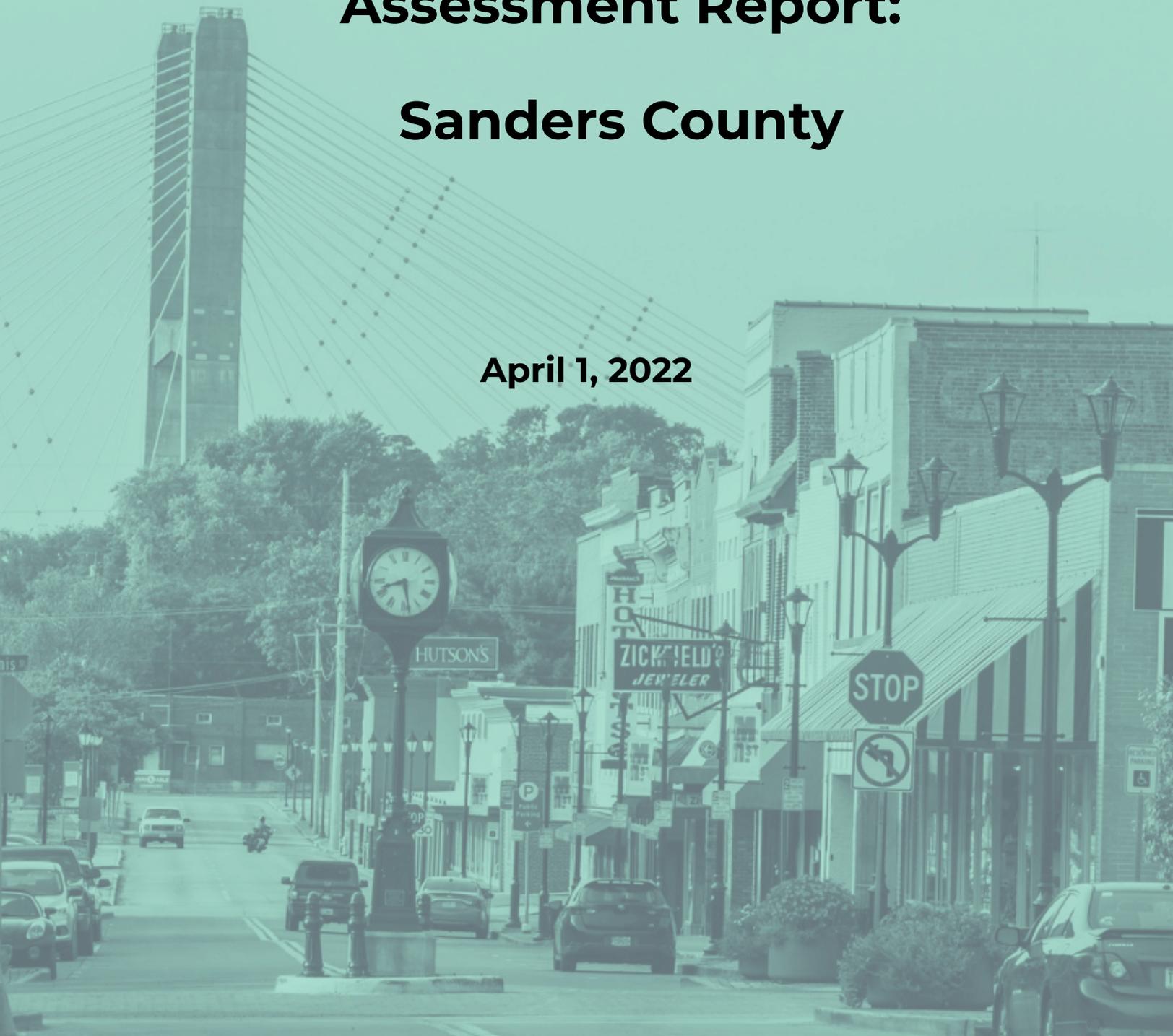


Center  
on Rural  
Innovation

# Digital Economy Ecosystem Assessment Report:

## Sanders County

April 1, 2022



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# Acknowledgments

In close partnership with communities, the [Rural Innovation Initiative](#) and the [Center on Rural Innovation \(CORI\)](#) conduct assessments of digital economy ecosystems as part of a collaborative and iterative process to identify regional strengths and assets, challenges and opportunities, and actionable strategies for scalable growth and development. Thank you to the following individuals who each contributed to this effort:

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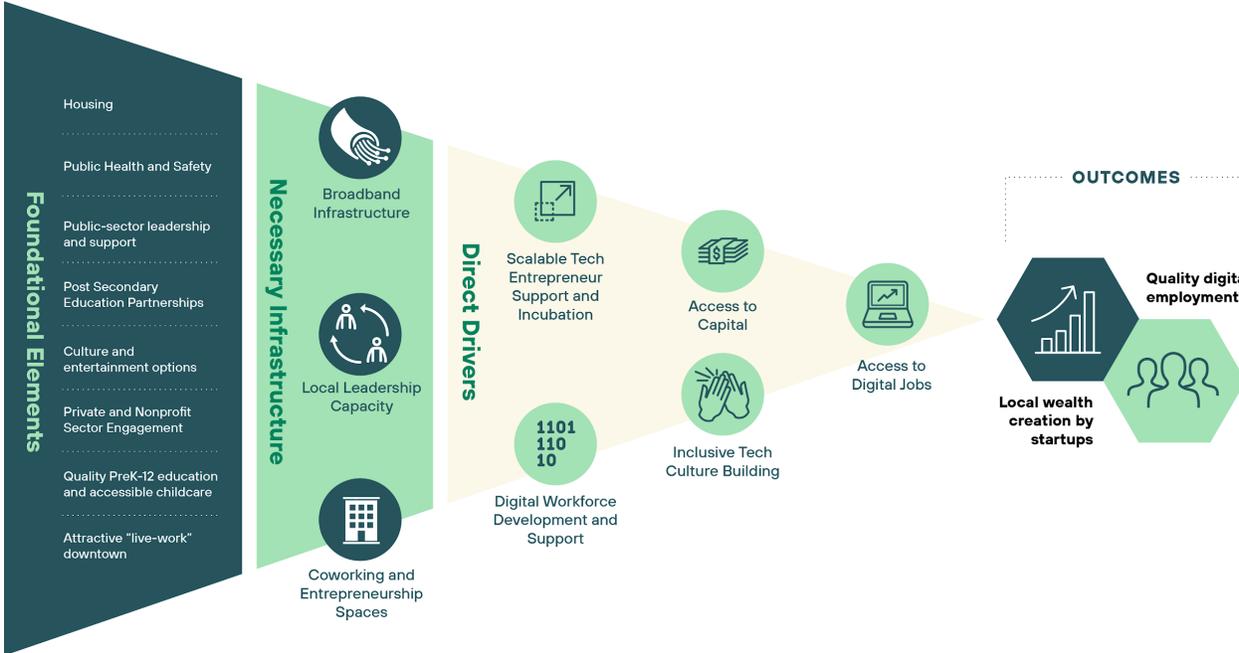
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# Framework to Build a Digital Economy Ecosystem

A cornerstone of the assessment process is understanding a region’s current state and position and its growth potential through our approach to digital economic development - which we call the CORI Digital Economy Ecosystem Model. This is done through a framework based on the underlying principle that healthy digital ecosystems offer promising and accelerated paths to broad-based economic growth, the creation of high-quality and durable jobs, higher productivity, and local wealth creation.

While the configurations of these elements, infrastructure, and drivers are unique and will vary by community, gaps or weaknesses should be thoughtfully considered and addressed to set these base conditions that can foster diverse and thriving digital ecosystems.

Our framework to approach digital economic development:



## **This framework includes the following components:**

### **Foundational Elements**

The structural elements of the environment that already exist in a community - e.g., housing, private/nonprofit sector engagement, attractive live-work downtowns, public health and safety, post-secondary education partnerships, and more.

### **Necessary Infrastructure**

The built/people infrastructure required to support digital economies - having adequate broadband, existing coworking and entrepreneurship spaces, and local leadership dedicated to leading this work.

### **Direct Drivers**

The enabling factors for communities to successfully compete in the broader digital economy that build local capacity and provide access to digital jobs, capital, and workforce development and support. There are five identified direct drivers that our organization supports communities in working on as they build digital economy ecosystems.

## **Below is additional detail for each of the five direct drivers:**

### **Scalable Tech Entrepreneur Support and Incubation**

Fostering a dynamic and innovative environment and community for tech startup founders and aspiring entrepreneurs to connect and collaborate with local peers, established leaders from the business community, and access to labs, project shops, and other workspaces.

### **Access to Capital**

Creating an environment where burgeoning entrepreneurs and startups have exposure and access to seed, angel, or more traditional funding mechanisms. This driver focuses on the funding necessary to ramp up operations, hire, and scale.

### **Digital Workforce Development and Support**

Providing learning and development opportunities for local students and workers from across the career spectrum. This driver focuses on establishing and maintaining both traditional and non-traditional learning paths to provide the local digital economy with skilled and talented labor pools.

## Access to Digital Jobs

Giving workers the necessary skills and technology tools to expand career opportunities from both a sector and geographic perspective. This driver allows access to higher-paying, tech-focused opportunities, be they to support local companies and ecosystems as well companies that may be located elsewhere.

## Inclusive Tech Culture Building

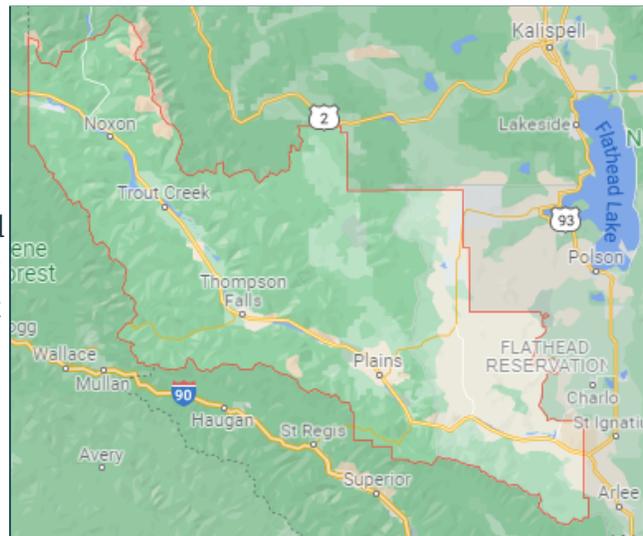
Building a strong, inclusive tech culture and community through programming that encourages people from diverse backgrounds to participate in the digital economy. This driver focuses on ensuring that communities are strengthened through broad based involvement across racial, gender, socio-demographic, and other groups.

# Regional Overview

As part of Montana's remote Glacier Region, Sanders County historically relied on the traditional extractive industries of logging and mining. However, as times have continued to change, many of those legacy industries and major employers have ceased local operations. As of 2019, Bureau of Labor Statistics (BLS) data indicates the five largest industries of employment are: the Public Sector, Healthcare, Retail, Accommodation and Food, and Construction.

In an effort to help diversify the economy, increase economic resiliency, and provide new opportunities for the county's ~12,000 residents, Sanders County Community Development Corporation (SCCDC) has been exploring ways to expand access to the tech economy for residents in the communities they serve. Whether through digital jobs skilling and training or tech and tech-enabled entrepreneurship, there is an abundance of opportunities for residents to participate in the digital economy in a meaningful and regionally relevant way.

Sanders County's abundant natural spaces, proximity to Missoula, resilient culture, and the ample opportunities the region has for partnership and collaboration make this a prime time and location to invest in assets and resources that have the potential to reinvigorate the local economy for decades to come.



# Assessment Summary

Building a digital ecosystem in a rural region is not easy, and each community will have a different approach that matches their area's strengths. Based on quantitative and qualitative analysis, Sanders County has many assets to catalyze and grow a dynamic digital economy ecosystem which are detailed throughout this report.

This effort was informed by three community asset mapping workshops with stakeholders, a digital economy diagnostic that quantitatively takes a look at trends in the region, and a review of regional strategy documentation. The below summarizes the strengths and challenges of your digital economy's foundational elements and necessary infrastructure and then focuses on your region's strengths and assets, gaps and challenges, as well as potential solutions to develop your direct drivers. It then highlights four key areas to develop within the community as you build your digital economy ecosystem. Detailed assessment findings for each of the five drivers can be found in the appendix.

This report has contents that can be utilized to support the development of funding applications (such as the USDA's RISE or RBDG), inform your region's broader economic development strategy, and as a basis from which to develop a place-based, bottom up digital economy strategy for Sanders County.

## Ecosystem Model Assessment

### Foundational Elements - Summary of Strengths and Challenges

#### Strengths and Assets

- **Natural beauty and abundant outdoor recreational opportunities** are attractive to many young professionals and could provide an incentive for new people to move to the area or for former residents to move back.
- **Thompson Falls is about a two-hour drive from Missoula, Montana.** As the second largest city in the state, it boasts a growing population, tech community, and the University of Montana. Having this resource available within a short drive opens up opportunities for rural entrepreneurs and tech workers in Sanders County to engage with the broader Montana ecosystem, test products/services in a larger market, and connect with peers and learning opportunities.

#### Challenges and Opportunities

- **There is a shortage of affordable housing options in the region,** potentially discouraging new people from moving to the region and making it difficult for current residents to stay or for former residents to return.

## Necessary Infrastructure - Summary of Strengths and Challenges

### Strengths and Assets

- **Sanders County Community Development Corporation (SCCDC) is an engaged economic development organization** that offers business training workshops and 1:1 consulting to local entrepreneurs. In addition, the organization has shown interest and initiative in engaging with broader state-wide and national organizations focused on growing entrepreneurial ecosystems with programming that could be implemented in its community. Having an organization willing and able to undertake new experiments and initiatives that diversify the regional economy will support the long-term viability of the region and increase its resilience to future disruptions.
- **SCCDC has an existing physical space that could be transformed into a vibrant entrepreneurial and co-working hub.** As Covid-19 wanes it could be beneficial to launch new programs that bring people together in this physical space to begin building a community of aspiring and existing entrepreneurs, tech-workers, and tech-enthusiasts. Additionally, remote programming could be recorded here and shared more broadly to hubs or satellite locations (libraries, schools, etc.) in communities across the county.

### Challenges and Opportunities

- **Access to broadband speed internet and digital devices is challenging for many residents.** Efforts are being made by Blackfoot Communications to expand access to the internet across the region, however, even if it is physically available, a monthly subscription may be out of reach for some customers. At this time, data from the Federal Communications Commission (FCC) indicates that only ~15% of Sanders County residents have access to internet with speeds of 25 Mbps down and 3 Mbps up. Many digital economy jobs require these and often faster speeds. In an indication of the need for ever faster speeds, the 2021 Infrastructure Bill as passed by the US Senate included a provision that required broadband deployment projects supported by its funding to offer a [minimum download speed of 100 Mbps and upload speed of 20 Mbps](#). Additionally, per the 2019 American Community Survey (ACS), only ~70% of the population in Sanders County indicated they had access to a desktop computer or laptop. Approximately 20% of respondents also indicated they did not have access to any digital device.

## Direct Drivers - Summary of Strengths and Challenges

### Strengths and Assets

- **Accelerate Montana offers an incredible array of entrepreneurial support programs and digital and tech jobs training.** Much of the programming is available remotely and could be accessed by community members in Sanders County. Having access to statewide networks, mentors, trainers, and other Montanans pursuing similar ventures could be key in the success of aspiring Sanders County entrepreneurs and tech workers in the early stages of ecosystem development.
- **The region is open to innovative high school programming** and students have the opportunity to participate in both drone projects and successful work placement for credit programs. New and out of the box programs like these can be a great way to expose young people to entrepreneurship and potential tech careers.
- **There are an estimated 350 high net worth individuals** in Sanders County who could potentially become accredited angel investors that provide risk capital for startup businesses. Limited access to capital is one of the leading barriers to pursuing entrepreneurial endeavors, especially when prospective founders may not have the ability to raise significant initial funds from friends and family. Beginning to identify and cultivate relationships with these individuals now will create the necessary foundations of trust for future engagements. It is also possible that some of these individuals may work in the tech industry or be c-suite executives who could act as mentors for prospective founders and aspiring tech workers.

### Challenges and Opportunities

- There are **few local mentors who can inspire, encourage, & mentor those taking part in digital skilling programs and scalable entrepreneurial pursuits.** While this does not indicate training programs will be unsuccessful, it can increase the challenges participants in such programs face. Not seeing anyone local successfully leading these careers can make it more difficult for participants to envision themselves accomplishing the feat.
- **The region has limited access to risk capital.** Limited examples of angel funding activities were found, and the region's CEDS indicated that the revolving loan fund had largely run out of capital. However, the county does include two Opportunity Zones that have the potential to encourage additional investments.
- Sanders County's **remote geography & small population centers** may make in-person programming challenging for participants to attend. Additionally, regardless of how sophisticated the ecosystem grows to be, deal flow of scalable tech businesses will likely continue to be minimal simply because of the limited pool from which to pull potential entrepreneurs and tech workers.

## Recommendations: Growing Your Ecosystem

Sanders County is at the earliest stages of developing a digital economy ecosystem and there remains much work to be done across all five of the Direct Drivers as well as several Foundational Elements. This should not delay undertaking work now, however, because as Brad Feld & Ian Hathaway share in their book, “Startup Community Way: Evolving an Entrepreneurial Ecosystem”, community builders must “think in terms of 20-year cycles when developing startup ecosystems”. With assets like Accelerate Montana’s programs, the passion shown by SCCDC, and the gritty and entrepreneurial boot-strapping culture exhibited by the local population taken into account, it is possible to envision a vibrant startup community growing in Sanders County over the next few decades. Some potential next steps include:

- **Accelerate the regional culture building process and engage residents from all walks of life by creating a vibrant entrepreneurial co-working hub with gigabit internet and access to digital devices.** As Covid-19 wanes it could be beneficial to launch new programs that bring people together in SCCDC’s physical space to begin building a community of aspiring and existing entrepreneurs, tech-workers, and tech-enthusiasts. Adding a digital device “library” at this hub, where community members with limited or no internet service and limited device access at home could come and book time on a device for participation in a digital skilling or entrepreneurship program, could open doors for those traditionally excluded from tech. Additionally, remote programming could be recorded here and shared more broadly to hubs or satellite locations (libraries, schools, etc.) in communities across the county.
- **Pilot existing and new Accelerate Montana programming locally.** Partnering with Accelerate Montana could rapidly increase access to robust digital entrepreneurship programming and digital jobs training opportunities that would otherwise take years to develop locally and grow organically. Accelerate Montana’s various program offerings provide an opportunity for SCCDC to test community interest in each of the five drivers of CORI’s digital economy ecosystem model. Whether bringing together a group of locals to participate in a Montana Code School or Rapid Training Program cohort or directing aspiring entrepreneurs to the Rural Innovation Initiative or Women’s Entrepreneurship & Leadership Lab for remote programming and support, SCCDC has the opportunity to connect the people of Sanders County to an abundance of existing resources. Raising awareness locally and providing regional support and coordination for participants will be the keys to success.
- **Focus on launching programs geared towards young people.** Expand upon the current success of the high school work placement program and drone activities to include programming with a focus on coding and/or entrepreneurship. Activities such as these when started early could support students’ exploration of high-growth

careers with above-average salaries that can be done remotely. The activities could be something formal like Cape Girardeau, Missouri's [Youth Coding League](#), or more informal like an entrepreneurship club where students launch and run a tech-based or tech-enabled business once a year. The businesses don't need to be world changing or wildly successful. Success should be measured on exposing the students to the concepts of entrepreneurship: coming up with and refining an idea, defining your target market, coming up with a marketing/outreach strategy, keeping track of basic financials, meeting client expectations, pivoting and iterating new ideas, etc. Some potential ideas to explore include: a social media company that helps make or regularly update pages for local businesses or nonprofits, a website development company that uses a website builder to do the same, a 3D printing company that prints pieces for drones, a drone company that takes pictures of Sanders County and sells them as stock images on the internet, an e-commerce t-shirt or sticker shop. Whoever is mentoring the group can, in many situations, learn right along with the students as they explore the business concept using a variety of free content from around the internet.

- **Apply for grant(s) to secure resources for future programming.** As programming from Accelerate Montana gets underway, working to identify and apply for grants offered by regional foundations, state sources, and federal agencies will prepare the Sanders County community to pilot some of its own, regional programming and/or continue to build out its physical entrepreneurship and coworking space(s). Initial grants to consider include the [USDA Rural Innovation Stronger Economy \(RISE\)](#) and [USDA Rural Business Development Grant \(RBDG\)](#).

## Conclusion and Next Steps

### Potential Outcomes for Sanders County

**Tying together these assets and strategically filling in the identified gaps will:**

- Advance the **creation of a culture that embraces technology** as an avenue towards personal wealth creation & regional prosperity.
- **Enhance opportunities for current community members (especially youth) to explore and pursue tech as a career** that gives them the opportunity to live and work where they want while making above average wages.
- **Create opportunities for residents to build tech-based and enabled businesses in Sanders County** that reach broader markets and generate regional wealth.

## Pillars to Guide Next Steps on Your Digital Economy Ecosystem Building Journey

Based on CORI's experience working with communities across the country, we have identified seven pillars that are commonly present in communities with successfully growing Digital Economy Ecosystems. Communities can benchmark their ecosystem-building progress using these pillars as a guide. New communities with gaps in these areas should focus first on building these elements as a foundation upon which to develop their Digital Economy Ecosystem building strategies.



These seven pillars are:

- 1. Leadership Organizations.** The relevant conveners and connectors in the community to define and clarify roles, drive the workstreams related to the journey, and devise the execution path for the Digital Economy Ecosystem strategy.
- 2. Steering Committee.** Identified by and inclusive of the leadership organizations, a committee or advisory group of cross-sector partners and stakeholders to collaborate through the participation planning process.
- 3. Evidence-based Decision Making.** The process for collecting and analyzing data to understand the current state of the community, identify priorities and areas of focus, guide decision-making, and inform program development and resource allocation.
- 4. Resources.** The essential human and financial resources required to ensure that strategies and plans progress towards execution and on-the-ground impact.
- 5. Digital Economy Ecosystem (DEE) Programs.** The tailored set of programs and initiatives designed to address community gaps and needs and achieve strategic goals.
- 6. Infrastructure & Facilities.** As gaps and opportunities are identified, the planning and execution on the creation of the physical spaces and other aspects of the built environment that will support the Digital Economy Ecosystem and innovation hub.

- 7. Shared community vision.** The articulation of the shared priorities and goals for the DigitalEconomy Ecosystem and coordinating and expressing the community's commitment towards building a tech economy and an inclusive tech culture.

To guide your overall ecosystem building process, see Appendix D for benchmarks to work towards along your journey from assessment, to strategy development, to launch.

## Next Steps

As Sanders County is in the earliest stages of developing a digital economy ecosystem, we recommend the community focus on piloting two programs or initiatives with Accelerate Montana over the next 12 months (by May 2023). These could be focused on any combination of the following: developing a digital workforce, engaging youth in tech skilling or entrepreneurial endeavors, and/or supporting prospective local tech entrepreneurs. Similar to a startup piloting a minimal viable product (MVP) to gather customer feedback, these programs could help gauge community interest in the digital economy. Additionally, learnings from your pilots would help to inform a more robust strategy towards the growth of your digital economy ecosystem. These initiatives may also help identify individuals interested in championing the effort or who could become part of a larger Steering Committee to engage in future intensive strategy development or fundraising activities.

If next winter SCCDC has made progress in advancing Sanders County's development in two of the five direct drivers and they determine there is a clear and compelling case to prioritize investing additional resources to develop and implement a broader digital economy ecosystem strategy, they should reach out to CORI regarding the opportunity to participate in the Summer 2023 Strategy cohort.

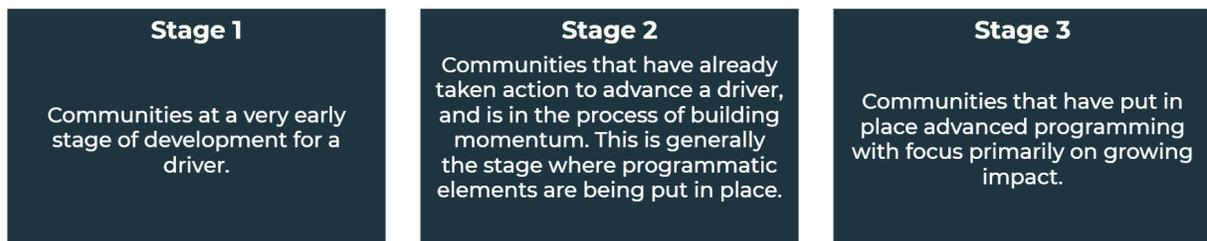
# Appendix A: Direct Driver Assessments

## Assessing the Direct Drivers

The framework used for this effort highlights five direct drivers, as detailed earlier in this report. These are at the core of building sustainable and thriving digital economy ecosystems to drive long term job growth, wealth, and prosperity. These five drivers are key to local wealth creation and increasing high paying, high quality, and “durable” tech jobs through the digital economy. This appendix includes a detailed assessment of each driver’s partners, assets, major gaps, and challenges. It then suggests some potential solutions to explore that could leverage your regional assets and fill the gaps.

### The three stages of development for each direct driver

Each driver is examined across three categories to assess digital economy readiness and potential. Within each stage, programs or activities are identified that could be considered as your community becomes more ‘developed’ with their digital economy.



Based upon our assessment, we have scored your region’s stage of digital economic development per driver.

# Scalable Tech Entrepreneurship Support and Incubation

## Stage 1

### Key findings



## Scalable Tech Entrepreneur Support and Incubation

Stage 1	Stage 2	Stage 3
<ul style="list-style-type: none"><li>• Traditional Main Street entrepreneurship programming</li><li>• Culture of Main Street entrepreneurship</li></ul> <div style="border: 1px dashed gray; padding: 5px; margin-top: 5px;"><ul style="list-style-type: none"><li>❑ Programming and organization supports in place for Main Street entrepreneurship (small business)<ul style="list-style-type: none"><li>❑ Main Street</li><li>❑ Buy Local Program</li><li>❑ Chamber focused on E-ship</li><li>❑ SBDC</li><li>❑ Startup programming/pitch competition for Main Street businesses</li></ul></li></ul></div>	<ul style="list-style-type: none"><li>• Building awareness and inclusive culture of scalable tech entrepreneurship</li><li>• Integrating scalable eship into the ecosystem</li></ul> <div style="border: 1px dashed gray; padding: 5px; margin-top: 5px;"><ul style="list-style-type: none"><li>❑ Events focused on scalable entrepreneurship<ul style="list-style-type: none"><li>❑ Tech entrepreneurship meetups</li><li>❑ Ideation workshops or bootcamps</li><li>❑ Hackathons</li><li>❑ Educational programming and events on scalable tech entrepreneurship</li></ul></li><li>❑ Mentor network including local entrepreneurs that have built scalable businesses</li><li>❑ Designated organization (with resources) focused on scalable entrepreneurship activities</li><li>❑ Scalable entrepreneurship included in local econ dev strategy</li></ul></div>	<ul style="list-style-type: none"><li>• Driving the volume and growth of scalable tech startups</li><li>• Connecting local startups to mentors, markets, and funding</li></ul> <div style="border: 1px dashed gray; padding: 5px; margin-top: 5px;"><ul style="list-style-type: none"><li>❑ Incubator program focused on educating founders and creating scalable tech startups</li><li>❑ Accelerator program to prepare scalable tech startups for growth and investment</li><li>❑ Active, large mentor network including industry and tech experts and connections to large markets and specialized skills</li><li>❑ Outreach program for inspiring entrepreneurs</li><li>❑ Resources and talent pool necessary for startups to grow</li></ul></div>



## Assets & Partners to Engage

- SCCDC has existing [business workshop trainings](#) that could be used as a template for future scalable entrepreneurship-focused offerings. The addition of already having a web presence for activities like these where participants are used to seeking out information should be helpful in engaging the local community.
- [1:1 business consulting](#) provided by SCCDC & LCCDC is already a common occurrence in the region. The two organizations have clearly identified themselves as the place to reach out to for business assistance.
- Accelerate Montana provides an abundance of startup programming for entrepreneurs at all stages of their journey. As a regional and state asset, these programs have the ability to expedite and offer specialized services to entrepreneurs in Sanders County.
  - [AMRII](#), [Blackstone LaunchPad](#), [MonTECH](#) & [W.E.L.L](#)

## Gaps & challenges to address

- Limited access to broadband internet and digital devices could make it difficult for entrepreneurs to pursue scalable tech businesses or even tech-enabled businesses from home. Additionally, lack of access could prohibit them from accessing trainings and programming offered remotely by SCCDC, Accelerate Montana, or with other partners.
- Remote geography & small populations may make in-person programming challenging for participants to attend. Additionally, regardless of how sophisticated the ecosystem grows to be, the deal flow of scalable tech businesses will likely continue to be minimal simply because of the limited pool from which to pull potential entrepreneurs and tech workers.
- There is a limited number of local people who have “been there and done that” in regards to launching scalable startups in Sanders County. While this does not preclude current residents from pursuing the entrepreneurial path, it could make it more difficult. If, for no other reason, than it can be hard to become that which you do not see.

## Potential solutions

- **Start an entrepreneurship club at the high school that launches a tech or tech-enabled business every year.** The businesses don't need to be world changing or wildly successful. Success should be measured on exposing the students to the concepts of entrepreneurship: coming up with and refining an idea, defining your target market, coming up with a marketing/outreach strategy, keeping track of basic financials, meeting client expectations, pivoting and iterating new ideas, etc. Some potential ideas to explore include: a social media company that helps make or regularly update pages for local businesses or non-profits, a website development company that uses a website builder to do the same, a 3D printing company that prints pieces for drones, a drone company that takes pictures of Sanders County and sells them as stock images on the internet, an e-commerce tshirt or sticker shop. Whoever is mentoring the group can, in many situations, learn right along with the students as they explore the business concept using a variety of free content from around the internet. They don't necessarily need to be tech-savvy themselves from the start.
- **Host reverse pitches that focus on solving a community problem with a tech solution.** These can be both a fun activity to get people of all ages involved and an opportunity to identify a legitimate business solution that may have merit in pursuing. It could be as simple as solving the problem of “the community flower garden isn't being watered regularly so all the flowers are wilting during the summer heat”. Participants would be encouraged to come up with ideas that could range from an app where people can sign up to water the garden on different days to an automatic watering system that uses a timer or moisture sensor to determine when the plants need to be watered.

- **Have a library of digital devices that people can borrow or use on-site to increase access for those who may not have access at home.** Additionally, a few copies of more expensive software that people may not use regularly, but may want to have access to for prototyping their idea could be installed on these devices. Even those who have devices and internet at home may not have access to the latest graphic design, 3D modeling, or other programs necessary for running their idea through the paces or initially launching their business.
- **Connect with Accelerate Montana resources to offer their programming locally.** Partnering with Accelerate Montana could rapidly increase access to robust digital entrepreneurship programming that would otherwise take years to develop locally and grow organically. In particular, directing aspiring entrepreneurs to the Rural Innovation Initiative or Women's Entrepreneurship & Leadership Lab for remote programming and support, may make the most sense initially. As more scalable and tech ideas start rising to the surface, you could then engage Blackstone LaunchPad.. Raising awareness locally and providing regional support and coordination for participants of these programs will be the key to success.

### **Stage 3 Case Study: Shenandoah Valley, VA**

*The Shenandoah Community Capital Fund (SCCF), located in Virginia's Shenandoah Valley, designed and established Startup Shenandoah Valley (S2V), a hybrid program that combines the strengths of accelerator and incubator models. It is the region's first online incubator-accelerator program for high-growth businesses. Companies selected take part in an eight-week implementation sprint with one-on-one virtual coaching, tailored mentoring, and support on all aspects of running a successful high-growth business – such as business model design, raising capital, recruiting and retaining top talent, marketing, and legal, among others. In addition, participant companies become part of an alumni network of the Valley's best companies and a growing entrepreneurial ecosystem. S2V is offered to participants at no charge and without equity requirements. (Updated 2021)*



# Access to Capital for Entrepreneurs

## Stage 1

### Key findings



## Access to Capital

Stage 1	Stage 2	Stage 3
<ul style="list-style-type: none"><li>• Traditional business models and capital sources</li></ul>	<ul style="list-style-type: none"><li>• Emergence of local risk capital</li><li>• Capacity in place to connect with public / incentive supported financing</li></ul>	<ul style="list-style-type: none"><li>• Startups have access to a full capital stack</li></ul>
<ul style="list-style-type: none"><li>❑ Community has local traditional capital focused on small businesses</li><li>❑ Local banks actively lending to small businesses with traditional business models</li><li>❑ Revolving loan funds or CDFI lending programs</li><li>❑ Microlending or micro grants as part of small business support or entrepreneurship program</li></ul>	<ul style="list-style-type: none"><li>❑ Network of angel investors connected to the ecosystem and actively seeking deals</li><li>❑ Structured support for entrepreneurs to connect with public incentive / venture programs (SBIR, NMTC, OZs, state programs)</li></ul>	<ul style="list-style-type: none"><li>❑ Venture fund backed by local investors capable of conducting due diligence</li><li>❑ Local economic development funds invested in the venture fund to create regenerative wealth</li><li>❑ Structured support to connect startups to capital from outside of the region</li></ul>



## Assets & Partners to Engage

- Various funding sources can be found in the state of Montana. From angel investor networks to venture capital funds and pitch competitions, there is funding available for promising scalable tech ideas. The sources seem to be concentrated in more urban areas, however they do not appear to discount rural participants.
  - Regional and state funding sources
    - High School students: [Montana Chamber of Commerce: The Prospects annual pitch competition](#)
    - College students: [John Ruffatto Business Startup Challenge \(JRBS\) & Blackstone Ideas Competition](#)
    - Adults: [Early Stage MT - Tech Accelerator Series](#) \$50k at final pitch competition
- There are an estimated 350 high networth individuals in Sanders County that make over \$200,000 per year, the minimum threshold to become an [accredited angel investor](#).
- Sanders County has two Opportunity Zones, one reaching from the community of Thompson Falls east to the Idaho boarder and the other in Hot Springs on the

Flathead Indian Reservation. Early interest in building startups (including a freshwater shrimp farm) and workforce housing in these designated areas shows promise for future startups in the region.

- The frontier spirit truly lives on in Sanders County. When historic industries largely departed the region, many locals decided to stay and carve out a living for themselves through self-employment. While their ventures may not be scalable or tech right now, the regional culture of bootstrapping, or making do with what you have and taking the next best step forward in pursuit of your idea, is the same grit and creative thinking that will be necessary when limited capital is available at the earliest stages of startup creation.

## **Gaps & challenges to address**

- The region has limited access to risk capital. Limited examples of angel funding activities were found, and the region's CEDS indicated that the revolving loan fund had largely run out of capital. However, the county does include two Opportunity Zones that have the potential to encourage additional investments.
- Due to the region's small population, it is likely that even with a sophisticated entrepreneurial ecosystem, there will continue to be limited deal flow for investors to consider. While this does not prohibit involving angel investors, it may be difficult to keep them engaged and or reengage them when an active deal does come around if there are long gaps in between deals.
- While there are ~350 potential accredited angel investors in Sanders County, it is quite likely that many of these individuals will not have made an investment in a startup or small business before. They may be in need of training and education about the investment process as much as local entrepreneurs are.

## **Potential solutions**

- Connecting Sanders County entrepreneurs to regional & state-wide funding opportunities will likely be the quickest and easiest way to increase their access to capital early on. While competitive, there are funding opportunities at the state level for most age demographics:
  - High School students: [Montana Chamber of Commerce: The Prospects](#) annual pitch competition
  - College students: [John Ruffatto Business Startup Challenge \(JRBC\) & Blackstone Ideas Competition](#)
  - Adults: [Early Stage MT - Tech Accelerator Series](#) \$50k at final pitch competition
- Exploring crowdfunding as a regional option to fund local startups could provide an early boost in capital to prospective entrepreneurs who need a small influx of capital to get their idea off the ground. To see how the county responds to such an undertaking, a small trial campaign of \$2,000-\$5,000 could be created to help launch

the proposed student entrepreneurship club's first business.

- Sourcing additional grant funding to revitalize the region's revolving loan fund & dedicating a portion to scalable tech and tech-enabled businesses would pave the way for the entrepreneurs who have bootstrapped or initially crowdfunded a small amount to seek out capital that lets them take the next step. While revolving loan funding will not be appropriate for every startup entrepreneur, it could be used in concert with other funding sources to help some reach the funding amount they need. Explore if there is an opportunity for the revitalized loan fund to match 1:1 what an entrepreneur raises in their crowdfunding campaign with a loan at a below market rate.
- There are an estimated 350 high net worth individuals in Sanders County per the 2019 American Community Survey who could potentially become accredited angel investors that provide risk capital for startup businesses. Beginning to identify and cultivate relationships with these individuals now will create the necessary foundations of trust for future engagements. It is also possible that some of these individuals may work in the tech industry or be c-suite executives who could act as mentors for prospective founders and aspiring tech workers.

### **Stage 3 Case Study: Durango, CO**

*The Southwest Colorado Accelerator Program for Entrepreneurs (SCAPE), based in Durango, Colorado, works with startups and early-stage companies to help launch and grow their business. The program has launched 43 companies which have raised more than \$25 million and created over 180 local jobs. The accelerator program provides education, mentoring, industry introductions and access to capital, including a network of 50+ accredited angel investors. (Updated 2021)*



# Digital Workforce Development

## Stage 1

### Key findings

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## Digital Workforce Development and Support

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Stage 1	Stage 2	Stage 3
<ul style="list-style-type: none"><li>• Traditional workforce development &amp; education program</li><li>• No integrated strategy tied to ecosystem</li></ul> <div style="border: 1px dashed #ccc; padding: 5px; margin-top: 5px;"><ul style="list-style-type: none"><li>❑ Strong connection to post-secondary partner (university, community college, skilling program, etc.) offering CS degrees/credentials</li><li>❑ K-12 STEM and computer science programming in the public school curriculum</li><li>❑ One-off or project-based tech programming (e.g., tech summer camp, makerspace programming)</li><li>❑ Ongoing awareness about tech education careers</li></ul></div>	<ul style="list-style-type: none"><li>• Broader set of digital skilling offerings and emerging strategy to integrate programs with DEE</li></ul> <div style="border: 1px dashed #ccc; padding: 5px; margin-top: 5px;"><ul style="list-style-type: none"><li>❑ Cohort-based digital skilling program built on Massive Open Online Course (MOOC)s/online bootcamps with mentorship from local tech professionals and wrap around supports<ul style="list-style-type: none"><li>❑ E.g. Udacity/Flatiron</li></ul></li><li>❑ Hackathon</li><li>❑ Local developer mentorship program</li><li>❑ Digital skilling roundtable that includes K12 / post-secondary / workforce development</li></ul></div>	<ul style="list-style-type: none"><li>• Tight integration of digital skilling efforts with employers and the broader DEE</li></ul> <div style="border: 1px dashed #ccc; padding: 5px; margin-top: 5px;"><ul style="list-style-type: none"><li>❑ Alternative digital skilling programs (intro-&gt;advanced) are led by local tech professionals and have structured engagement with local tech employers</li><li>❑ Educational programs linked into pipeline from high school &gt; post-secondary/alternative digital skilling &gt; job</li><li>❑ Structured program for documenting/tracking local tech skill demand</li><li>❑ Internship program for tech careers</li></ul></div>



## Assets & Partners to Engage

- Accelerate Montana’s ever-expanding training programs are some of the most robust and diverse in the country. Their ability to pair current industry needs with skilling programs that churn out talented individuals ready to interview with the participating companies is one to watch. Two programs of note include:
  - [Montana Code School](#), [Cognizant AIM Higher](#)
- Thompson Falls High School and the MT Job Center have created a unique high school work placement program that grants students credit for working at a real company prior to graduation. While it currently appears to be focused mainly on the trades there may be opportunity to engage other industry and students in the future.

## Gaps & challenges to address

- Only one or two high school students indicated an interest in coding in a survey for work placement opportunities. Additionally, only 3 of the 11 students currently placed in internships showed an interest in attending college after graduation. This indicates that exposure to tech-based career paths and the opportunities they

provide in earlier years of education may be necessary.

- Limited broadband internet & access to digital devices could make remote learning difficult. Even with work being done to expand internet access in the region, only 68% of the population indicated having a laptop or desktop in the home. Twenty percent of households indicated they do not have access to any tech devices at all.
- There are few local mentors who can inspire, encourage, and tutor those taking part in digital skilling programs. While this does not indicate training programs will be unsuccessful, it can increase the challenges participants in such programs face. Not seeing anyone local successfully leading these careers can make it more difficult for participants to envision themselves accomplishing the feat.

## Potential solutions

- **Support and promote programming geared at getting students interested in digital tech careers from an early age.** Continuing your existing drone projects and exploring new programs in computer aided design (CAD) or coding will be key in showing new generations that digital tech careers are a viable option. Considering options like Cape Girardeau, Missouri's [Youth Coding League](#), which creates a fun yet competitive environment to learn and use tech skills seems to be a great fit for a region known for the success and support of its athletic teams.
- **Find ways to encourage residents both young and old to participate in Accelerate Montana's no cost & low-cost digital tech career training offerings.** Establish junior and high school digital skilling programs that will expose kids to the basics of tech. This will build a pipeline of high school graduates ready to participate in a non-college skilling program, like Montana Code School, which leads to a viable career path and one that is financially accessible to many demographics.
- **Offer in-person meetups at an entrepreneurship hub for locals participating in remote skilling programs that includes additional support and access to digital devices, laptops/desktops, and broadband internet.** Creating a community of support can often be the differentiating factor in someone signing up for and successfully completing a program.

### **Stage 3 Case Study: Cape Girardeau, MO**

*Code Labs One is a local tech education and on-the-job training program provided by experienced software developers to adults in Cape Girardeau, Missouri. Their Full-Stack Web Developer program provides the skills, practical experience, and job readiness to prepare learners for high-salary, high-quality, entry-level software developer jobs. No prior experience is necessary, and scholarships are provided to those admitted to the program. Code Labs One continues to expand, offering learning opportunities to more and more communities. In recent months, the organization has also sought to improve its partnerships with higher education (e.g. Southeast Missouri State University, Udacity) and expand its youth programming to build awareness and skills (e.g. Youth Coding League). (Updated 2021)*



## Access to Digital Jobs

### Stage 1

#### Key findings

 <b>Access to Digital Jobs</b>		
<p style="text-align: center;"><b>Stage 1</b></p> <ul style="list-style-type: none"> <li>• Digital jobs have a champion, but little formal programming is in place</li> </ul>	<p style="text-align: center;"><b>Stage 2</b></p> <ul style="list-style-type: none"> <li>• Community has an economic development strategy that includes a focus on digital jobs</li> </ul>	<p style="text-align: center;"><b>Stage 3</b></p> <ul style="list-style-type: none"> <li>• Visible digital jobs (for all levels) and presence in the community with robust support for tech job strategy in the DEE</li> </ul>
<ul style="list-style-type: none"> <li>❑ A local organization has taken up increasing access to digital jobs as part of its mission</li> </ul>	<ul style="list-style-type: none"> <li>❑ Established mechanisms for engaging tech employers and understanding their needs (surveys, roundtables, talent support, etc.)</li> <li>❑ # employed in tech &amp; remote work is being tracked as economic development metric</li> <li>❑ Remote worker engagement program</li> <li>❑ Program to connect newly trained digital workers to local and remote job opportunities</li> </ul>	<ul style="list-style-type: none"> <li>❑ Tech employers, econ dev, and workforce dev work together to create new digital jobs</li> <li>❑ Mechanisms in place for tracking, sharing, &amp; forecasting digital jobs</li> <li>❑ Remote work attraction / incentives</li> <li>❑ Structured services to support remote workers</li> <li>❑ Learner-workers supported in a multi-sector partnership model</li> <li>❑ Local and remote job opportunities for newly trained workers</li> </ul>



### Assets & Partners to Engage

- MT Job Center and Thompson Falls high school work placement program shows initial success with 11 students participating in the first year. Although focused largely on the trades in this first year, there may be opportunities to connect students in future years with tech and tech-enabled companies either locally or remotely in Missoula or other Montana communities.
- Some Accelerate Montana job skilling programming leads directly to industry interviews and employment in many cases, such as AIM Higher. Exploring models that provide recent students and trainees with immediate interview opportunities and connections upon program completion will make skilling programs all the more appealing to potential participants.

### Gaps & challenges to address

- Regionally, most tech employers are located in Missoula. While the Covid-19 pandemic has greatly increased the prevalence of remote work, barriers to device access and broadband internet in Sanders County could make working remotely challenging. Additionally, some anecdotal evidence indicated that young people already feel a draw to the more urban areas in the region, and some draw status from shopping/traveling there. Being hired by a company in the more urban area could

encourage young people to move there outright rather than remain in Sanders County to work remotely.

- Limited broadband internet & access to digital devices could make remote work difficult. Even with work being done to expand internet access in the region, only ~68% of the population indicated having a laptop or desktop in the home. An additional ~20% of households indicated they do not have access to any tech devices at all.
- Many community members may be unfamiliar with remote work opportunities in Montana. Again, it can be difficult for people to become what they do not see. The combination of limited device and internet access as well as Sanders County's remote location could inhibit residents from pursuing remote work as a career without intentional efforts to increase its visibility and accessibility as a legitimate option.

## Potential solutions

- **Launch a coworking space in Thompson Falls or a network of small spaces within Sanders County that have broadband internet available for remote workers.** In addition to reliable internet access, remote workers would have the opportunity to engage with a community of people pursuing similar careers which they may otherwise miss out on in the world of remote work.
- **Create a library of digital devices remote workers can check out or rent to own to support their digital tech careers.** This could help individuals who may otherwise be unable to afford or access the technology they need to kickstart their career after participating in a digital skilling program. Having computers on-site with an assortment of less commonly purchased software could also potentially help support these remote workers, especially those early in their career journey.
- **Expose students to tech experiences and career opportunities early and often.** Expanding the high school placement program to include digital tech company placements would require interest from high school students. To help increase student interest, students should be exposed to potential tech career options as early as possible in the schooling journey and be repeated throughout the subsequent years. As an incoming cohort of students begins to express interest in pursuing tech placements, MT Job Center and SCCDC could engage with Accelerate Montana to identify potential remote company placement opportunities.

### **Stage 3 Case Study: Cape Girardeau, MO**

*Cape Girardeau is building a thriving and diverse entrepreneurial ecosystem, and at its heart is Codefi. Codefi is deeply engaged with regional and local employers in informing their training program, Code One Labs, and connecting skilled residents with jobs in the Rural Source Employment Network. In addition, Codefi continues to explore new ways of engaging local businesses to bring outsourced tech work back into the local market. Since its inception, Codefi has supported 50 startups that have created 250 jobs, and has launched multiple training initiatives beyond Cape Girardeau fostering local job creation in in-demand digital jobs. (Updated 2021)*



# Inclusive Tech Culture Building

## Stage 1

### Key findings



## Inclusive Tech Culture Building

Stage 1	Stage 2	Stage 3
<ul style="list-style-type: none"><li>● Creating a culture of collaboration</li></ul> <div style="border: 1px dashed #ccc; padding: 5px;"><ul style="list-style-type: none"><li>❑ Recognition of the underrepresented populations within the tech community.</li><li>❑ Explicit commitment to building a culture of inclusion and acceptance and a willingness to take risks and fail.</li><li>❑ Multiple organizations in the community are partnered with a shared vision for building an inclusive tech economy.</li></ul></div>	<ul style="list-style-type: none"><li>● Establishing new values and norms that emphasize the value and importance of diverse tech community</li></ul> <div style="border: 1px dashed #ccc; padding: 5px;"><ul style="list-style-type: none"><li>❑ Programming and recruitment efforts are designed to be inclusive and inviting to diverse participants.</li><li>❑ Established strategic partnerships with organizations that support inclusive recruitment.</li><li>❑ Dedicated channels (website, email, social media) focus on promoting entrepreneurship and the tech economy.</li><li>❑ Local news and business organizations regularly feature entrepreneurs and the tech economy.</li></ul></div>	<ul style="list-style-type: none"><li>● Enacting new values and norms through events and programming that engage diverse audiences and build buy-in</li></ul> <div style="border: 1px dashed #ccc; padding: 5px;"><ul style="list-style-type: none"><li>❑ Norms and practices dedicated to inclusivity, routinely recruiting and engaging diverse participants and organizations.</li><li>❑ The ecosystem has a recognizable brand throughout the community.</li><li>❑ Coworking space is recognized as a diverse gathering space that integrates coworking, tech entrepreneurship programs, and digital jobs.</li><li>❑ Conference or large scale events focused on engaging diverse audiences and celebrating the ecosystem's success.</li></ul></div>



### Assets & Partners to Engage

- Accelerate Montana's focus on a variety of inclusive entrepreneurship programming, including
  - [Rural Innovation Initiative \(AMRII\)](#) & [W.E.L.L. Women's Business Center](#)
- Confederated Salish and Kootenai Tribes (CSKT)
  - ~400 members live in Sanders County
  - The Flathead Indian Reserevation makes up 26% of Sanders County
  - [Salish Kootenai College](#) (SKC) while located in Lake County is within driving distance of Sanders County

### Gaps & challenges to address

- Salish Kootenai College is located outside Sanders County. Outreach and engagement with students and faculty should be intentional and focused on building long-term relationships that will lead to greater collaboration and engagement in future years.

- Limited access to digital devices & internet typically impacts underserved and underrepresented groups at a higher frequency. Including individuals from these populations in upskilling events that provide access to devices may increase engagement and open doors to future prosperity.
- Limited community awareness of the opportunities provided by tech-based & enabled careers and businesses may require intensive culture building in the early years to counteract. It's very difficult to become that which you do not see or know to be possible.

## Potential solutions

- Connect with AMRII to offer remote programming in a coordinated manner to Sanders County women, Confederate Salish Kootenai Tribe members, & other underrepresented aspiring entrepreneurs & tech workers. This could be supplemented by quarterly or bi-annual events that focus on gathering these diverse groups together to hear from someone in their demographic who has been a successful entrepreneur or participated in a tech skilling program.
- Engage SKC computer science students in a reverse pitch day focused on solving a problem faced by CSKT residents in Sanders County. SKC students from other disciplines may even be able to assist with the early stages of engaging Sanders County tribal members to identify a challenge relevant to them.
- Work with local Job Service representatives to make sure unemployed and underemployed residents know about digital tech re-skilling and training programs. While many may still choose to pursue traditional retraining opportunities, some may be enticed to pursue a career in IT or computer science if they know support exists locally and it can lead to above average wage jobs.

### Stage 3 Case Study: Traverse City, MI

*Traverse City is host to a startup incubator and coworking space called 20Fathoms which houses a diverse group of business owners, connects these owners with entrepreneurship mentors, and runs various entrepreneurship programs. One of those programs, Financial and Business Basics (FBB), is a New Mexico Community Capital program that provides foundational business courses to Native American entrepreneurs using innovative, and culturally-connected, methods. Arrowhead Incubator, a Traverse City nonprofit that works to advance Native American small businesses, partnered with New Mexico Community Capital and 20 Fathoms to bring the program to Michigan. The FBB program is unique in the wrap-around support provided that helps remove barriers for the Native American population of the region to participate and have success in the program. The Michigan program was facilitated by three Native American women working to increase financial, business, and technical skills allowing participants to create potential businesses for themselves as well as provide life-long skills. (Updated 2021)*

