



**INNOVATION KICKSTART PROJECT
UPDATE: JUNE 2021 - JANUARY 2022**

**Momentum Strategies, LLC
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EXECUTIVE SUMMARY

The Shakopee Innovation Kickstart Project had as its core objectives:

- Opportunity Assessment - research and inventory the innovation assets in the area and determine if the City of Shakopee and the larger region could benefit from a focus on innovation and entrepreneurship as an economic development strategy
- Entrepreneur Network - identify and connect with top entrepreneurs in the region and launch a new founder community to support their companies' growth and hear common needs
- Ecosystem Projects - determine key support gaps with allies and launch community efforts to address collaboratively
- Community Marketing - provide external best practice examples of promoting innovation successes and help guide marketing efforts for maximum effect

OPPORTUNITY ASSESSMENT

To assess the innovation situation, Momentum Strategies worked with city staff to research innovation assets and entrepreneur leaders in the City and surrounding communities leading to 11 different meetings with five different economic development allies, three industry leaders, and 12 entrepreneurs.

Those discussions indicated a strong need for entrepreneur support efforts in the area south of the Twin Cities, with Shakopee as the hub. In the past the existing effort was by the CDA with the Scott County Fast Track program. Previously they offered startup-friendly office space in Prior Lake under the Technology Village banner, which has since relocated to the Dean Lakes Education Center campus in Shakopee and they created the Center for Entrepreneurship and NextStage for Entrepreneurs, and now have 12 offices available.

Momentum Strategies and City staff have engaged with Scott County staff to support these efforts and they are to be applauded. The city's current program has a number of rapidly growing companies that have benefited from a thriving entrepreneur network and additional ecosystem elements like access to capital and ad hoc support services that we identified by the entrepreneurs that we have engaged.

Thus assessment concluded that Shakopee could benefit significantly from launching an economic development effort to support innovation and high-impact entrepreneurship and becoming the hub for innovative companies and startups for the multi-county area south of the Twin Cities. Implementing a lean but strategic effort would generate direct economic benefits to the City including the creation of new jobs, capital investment, and wealth creation along with other indirect but important benefits like attracting talent and fostering greater industrial expansion.



ENTREPRENEUR NETWORK

Core to a successful entrepreneur development strategy is the creation of an engaged, diverse entrepreneur network that identifies high-impact entrepreneurs of all types and connects them with supporting community support services and most importantly, with one another.

The project has been very successful in identifying top entrepreneurs and energizing them to engage with the city's program. From zero entrepreneurs in June 2021, the project now has 12 high-impact entrepreneurs (with almost 100 full-time employees) engaging on a monthly basis via a monthly peer meeting at Shakopee City Hall and through ad hoc support services provided by Momentum Strategies and city staff.

	Company	Founder(s)	Description
1	SkyRide	Scott Olson	Rollerblade innovator & Shark Tank participant with new ride company
2	MedThera	Alan Tholkes	Paraplegic founder launching his third medical device company
3	Wolftooth Components & Otso Bikes	Dan Dittmer	Fast growing cycling company with over 60 employees
4	IT Audit Labs	Eric Brown	Fractional CTO Company
5	7 Minute Security	Brian Johnson	Data Security Company
6	Ion Concert Media	Scott Winters	Entertainment Technology Company
7	Joiio	Ken Zylsta	Former Life Time Inc leader launching a new automobile service company
8	Steel Head Outdoors	Charlie Pehrson & Corey Meyer	Modular gun safe manufacturer
9	REMasteredSleep	Anders Olmanson	Medical device water bottle company
10	Anthem Marine	Mark Overbye	Serial entrepreneur growing his fourth boat design & manufacturing company
11	Mockenhaupt Technologies	Paul Mockenhaupt	Data security and augmented reality software companies

Momentum Strategies and city staff continue working to locate and engage women and minority entrepreneurs in the region to add diversity to the network but those efforts have not succeeded to date. This is a major priority in 2022 as the network continues to grow.

MOMENTUM

STRATEGIES

In the first six months of convening the group, participation has grown steadily and the connections made have already benefited the companies in tangible ways including, for instance, one entrepreneur finding a new marketing agency through the network and two others meeting regularly to evaluate partnering on key initiatives going forward. Momenteum has also been advising one of the companies on recruiting a possible CEO to grow the company.

Presentations to date have included marketing and search engine optimization, how to find appropriate capital resources and one of the entrepreneurs explaining the many years it can take to achieve success and obstacles on the road to success. Upcoming meetings will address Intellectual property, trademarks and patents and selling for success.

One of the issues that has been identified by the entrepreneur group is the lack of available scalable space in Shakopee and Scott County. These startup companies need 10,000 square feet and can grow into more over time. Several have made offers on spaces only to be substantially outbid by other companies. Most of the newer buildings under construction are being marketed to large, single users. Staff is working with an international REIT to explore constructing smaller, expandable space.

One of the other takeaways from this process is that many of the regional companies are in the hard-tech space as are many of the entrepreneurs that have come into the group. Hard-tech is being recognized nationally as one of the critical elements for the US, highlighted by the recent parts shortages and rapidly increasing prices for materials and delivery times. There are only two centers for hard-tech in the US, both located on the east coast. Shakopee and the region are well positioned to become a hard-tech hub for the midwest region.

ECOSYSTEM PROJECTS

In addition to building the entrepreneur network, the project identified several strategic projects that, if completed successfully, would greatly enhance the innovation ecosystem in the City of Shakopee and the surrounding communities. They are:

- **SMSC Engagement** - Momenteum Strategies and city staff have met with SMSC staff five times since the work began to share with them the innovation work being undertaken and explore potential areas of interest and engagement. Several topics have been discussed and explored to date including business startups and angel investing. Momenteum Strategies engaged a national angel investment leader and the Angel Capital Association (ACA) to provide insights on how the SMSC could learn more about angel investments. The city was invited by ACA to join their network and has provided access to a variety of educational resources on the matter via a community membership with the ACA. In February 2022, a mock pitch event will be held with SMSC leadership and a local startup company to help illustrate angel investments.



- The HUB - The EDA grant application was completed with assistance from Momentum Strategies for the new Hub innovation facility proposed for downtown Shakopee. The property will be the only such facility in the multi-county area surrounding Shakopee for innovation-based companies, especially manufacturers to gather and operate their early-stage companies. The facility also plans to host entrepreneur education programs by Minnesota State University and other startup support resources. City staff has extended the Memorandum of Understanding with Minnesota State through the end of 2023.
- Beer & Innovation Event - An opportunity was identified by Momentum Strategies and city staff to potentially work with Rahr Malting to create an innovation-centric beer event in partnership that connects with local entrepreneurs and attracts new founders, investors, etc. to the City. The goal is to create a pilot event in September 2022. Initial discussions with Rahr are taking place to begin detailed planning.
- Talent Attraction - Momentum Strategies assisted City staff in creating tools for attracting and retaining critical talent for its growing companies. The need to attract talent has been identified by existing companies along with our entrepreneur group. We have provided staff with a best-practice model for promoting open jobs in the community using a new technology for “scraping” job postings into one easy-to-use job board that the city can market to residents along with those looking at potentially relocating to the area. Staff met virtually with the technology company’s leadership to help understand the opportunity and how to implement a job board for Shakopee. The site should be active in the first quarter of 2022.

COMMUNITY MARKETING

Momentum Strategies provided numerous best-practice examples of community marketing to city staff as they developed the City’s first program to promote the Shakopee innovation successes to companies outside the area. The examples were used to finalize the City’s positioning and campaign design that was launched in the Business Journal and local magazines. The Make it in Shakopee ads generated one of the highest click through rate for 2021 and staff is working with the Business Journal on a marketing campaign for the summer of 2022.