EDC 2018 Stakeholder Report

Driving economic growth through the creation and expansion of high-impact Iowa businesses.
EDC Stakeholder Report 2018

Dear EDC Stakeholder,

The year 2018 marked EDC’s fifteenth anniversary. As you can see from the performance statistics and testimonials provided, EDC continues to succeed in its mission to increase economic vitality for our communities through the creation and growth of high-impact Iowa-founded businesses. And while many think we focus on start-ups, it is important to note that over our fifteen-year history, less than 1/3 of our client engagements fit the pre-revenue start-up definition. In 2018, roughly 80% of our resources were focused on growing already established high-impact Iowa businesses.

In 2018, EDC engaged with 107 companies providing products and services in the following areas:

- Agriculture
- Medical devices
- Pharmaceuticals
- Educational tools
- Consumer goods
- Information technology / security
- Office management
- Transportation
- Asset management
- Energy
- Process improvement
- Food and beverage
- Asset management

In completing fifteen years of entrepreneurial support and engaging with more than 1,000 Iowa companies, the growing demand for our services continues to validate the EDC model. The economic development statistics outlined herein validate the real impact successful business growth has on our communities. And the testimonials themselves let you, our stakeholders, know that your support is greatly appreciated.

When we started this journey, like all new businesses, it was our dream to create real and sustainable value. Through solid execution and continual evolution, EDC has helped Iowa businesses build stronger more sustainable communities for generations to come. We are proud of the success created, we are thankful for the support provided, and we look forward to the work ahead. We hope all of our stakeholders are proud of their engagement, and we invite you all to continue with us into the next decade.

Sincerely,

Curtis R. Nelson
President & CEO

“Effectively, I find the services and access to subject matter expertise an invaluable service to the community and startup companies in general for the Corridor. The unique architecture and culture of the EDC enables a powerful tool and advocate for startups that has a singular objective in mind: sustainable business success of the client.”

Tom Lutz, Founder, Repour

EDC thanks our stakeholders for their generous support of Iowa’s entrepreneurs.
Mission

EDC was formed in 2003 with the mission to stimulate Iowa’s economic growth through the creation and expansion of high-impact businesses. More than 15 years later, EDC remains focused on this mission, having now supported over 1,000 Iowa businesses and assisting in the generation of nearly $3 billion in positive economic impact.

Why EDC Matters

EDC is unique in its ability to provide ongoing hands-on support for Iowa-based companies with high-growth potential. EDC’s team of seasoned business experts works in tandem with business leadership to accelerate progress and expands Iowa’s economic footprint. At the core of a vital and sustainable economy are high-impact locally owned and operated businesses because it is those businesses and leadership that:

- Create wealth that gets re-invested locally through:
  - Philanthropy by founders and executives who support a community’s amenities and social services.
  - Land development as they build the architectural skyline that will fuel a community for decades.
  - Community ownership and the dedication to building an environment in which others will want to live and do business.

- Attract and retain the best and the brightest talent creating a:
  - Broader workforce with more diverse skills.
  - More educated workforce with future leadership skills.

- Retain local services, resulting in additional job creation at entities such as:
  - Law firms
  - Accounting firms
  - Banks
  - Marketing firms

- Create community leaders who:
  - Provide the leadership and resources needed to make major economic development change happen.

CHAMPION LEVEL
2018 Impact

EDC engaged with 107 area businesses this past year; helping with expansion/creation funding, strategic direction, marketing planning and execution and overall business growth.

Active Clients

EDC currently supports thirty-six (36) clients at the following stages:

- Seventeen (17) of the clients are early-stage businesses seeking growth and capital assistance.
- Twelve (12) of the clients are start-up or pre-revenue businesses seeking assistance with market research/validation, business planning and capital raising.
- Seven (7) of the clients are well-established area businesses seeking growth or restructuring assistance.

2018 Client Impact

The table below provides information on the economic impact of EDC’s clients for 2018, as well as the results since the program’s launch in 2003.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of businesses supported</td>
<td>107</td>
<td>1,020</td>
</tr>
<tr>
<td>New revenue generated</td>
<td>$245M</td>
<td>$1.8B</td>
</tr>
<tr>
<td>Capital raised</td>
<td>$36M</td>
<td>$428M</td>
</tr>
<tr>
<td>Net direct jobs added</td>
<td>178</td>
<td>Approx 2,600</td>
</tr>
<tr>
<td>Average wage</td>
<td>$58,895</td>
<td>$54,149</td>
</tr>
<tr>
<td>New payroll created</td>
<td>$55M</td>
<td>$529M</td>
</tr>
<tr>
<td>Total impact</td>
<td>$336M</td>
<td>$2.8B</td>
</tr>
</tbody>
</table>

In 2018, EDC worked with companies in these cities:
- Ames
- Anamosa
- Ankeny
- Baxter
- Cedar Falls
- Cedar Rapids
- Charles City
- Clive
- Columbus Junction
- Coralville
- Davenport
- Des Moines
- Glenwood
- Hiawatha
- Iowa City
- Johnston
- LaPorte City
- Marion
- Muscatine
- New Hampton
- North Liberty
- Riverside
- Solon
- Vinton
- Washington
“I would not have been able to achieve the advancements that I have without the assistance of the staff from EDC and the outside support that keeps EDC viable. I have appreciated the network of resources and business connections EDC has to assist development. The numerous meetings this year with Jane, Curt, and others have refined development of my innovative medical device that will save cost and improve healthcare in Iowa and ultimately worldwide. Lastly, the EDC staff have been a pleasure to work with and I look forward to future collaboration with EDC.”

Dr. David C. Krupp, M.D., Founder, TLA MD

“I value EDC on many levels. From experienced business guidance and hands-on engagement to more tactical connections with other like-minded entrepreneurs and vendors. This past year, Curt has been working with our sales team and me in a very engaged way. Working weekly with our sales team, both revenue and overall selling price improved significantly over the year to the point where we ended 2018 at roughly 130% of the original sales plan.

Without EDC’s engagement in 2018 alone, there would be many, many dollars of revenue and margin that we would not have. It is really clear to me that our organization would not be as smoothly functioning and highly performing as we are without EDC’s help.”

Riley Eynon-Lynch, Co-Founder, Pear Deck

“The EDC staff – all of them – have spent time with Uriel and I helping us build a sound business plan and secure initial capitalization. Their suggestions have dramatically improved our presentations and made us more confident when presenting. We appreciate the great programming with the Advance in 60 plus the monthly meetings. The EDC team is always willing to listen to us and help us work through complex strategy conversation. We are pleased to have such a willing, helpful resource available to us.”

Jeri Frank, Co-Founder, STRATAFOLIO
“When we were getting our bearings with HLT, the EDC gave us reliable, grounded advice from people who have been there/done that and seen businesses through multiple stages. Young entrepreneurs need that perspective—we need that seasoned help to understand the common pitfalls of starting and building a business. It is extraordinarily valuable. The first time I sat down with Curt, I could tell that he had a unique perspective on our situation. There are not that many people in this area who have been through the battlefield of building a business. We feel fortunate to have someone like this who we can use as a resource to help us make smarter decisions as we grow.”

Alec Whitters, Co-Founder/CEO, Higher Learning Technologies

“Working with EDC means that we always have someone we can bounce things off of—a sounding board of business professionals to round out our team of scientists. The EDC is great about providing templates and processes that we can use to polish the business and wouldn’t otherwise have access to. I view EDC as a helping hand versus an educational program. It feels like EDC is a partner with us to help grow our business. EDC has been instrumental in helping us evaluate opportunities and develop the plan to execute on our potential as an actual business, not just research in a lab.”

Dr. Frances Johnson, M.D., Co-Founder, Viewpoint Molecular Targeting