



**Economic
Development and
Growing the
Economy**

**UW
Extension**

Profiles of Best Practices

Investing in Technology: Momentum Chippewa Valley (Chippewa Valley Technology Network)

Community, County

Chippewa, Dunn, Eau Claire, Polk, Pierce and St. Croix Counties

Area of Project Impact

Region known as the “Chippewa Valley”

Population Affected

188,519

Situation

Throughout the entire State of Wisconsin, and especially in Northern Wisconsin, there is a lack of equity capital for early stage start-up companies and entrepreneurs, particularly for technology ventures that present great opportunities for developing high paying jobs. A disconnect between investors capable of providing equity capital and those interested in pursuing equity capital further exacerbates the problem, but this problem also presents an untapped opportunity.

Economic Development Strategies

The Chippewa Valley region sought to engage in economic development initiatives to stimulate entrepreneurship, attract new start-up businesses, and expand existing businesses while maximizing the opportunities in the technology industry.

Implementation

The Chippewa Valley is served by a three-county economic development organization called the Momentum Chippewa Valley (MCV). This organization serves as an umbrella for a number of regional economic development initiatives. As a result of their regional focus, MCV members recognized the need for equity capital for small business ventures and decided to provide a solution to this problem while also maximizing existing opportunities. On the one hand, MCV sought to build financing for entrepreneurs and on the other, the group recognized the benefits created by former Governor McCallum’s designation of the area and its surrounding counties as a technology zone.

To deal with the need for small business financing, MCV members worked with a number of organizations to develop a network to serve as a conduit between those interested in providing equity capital and those pursuing equity financing. From this vision, the Chippewa Valley Angel Investing Network was formed in order to stimulate entrepreneurship as well as to attract and expand businesses by linking investors with entrepreneurs. The Network now includes 15 private investors, which may grow to 20 to 25, who meet monthly to review area business plan proposals and make funding decisions. This Network provides an innovative way to address lack of equity capital problems by providing a forum for partnerships to form to launch new businesses. Today, interested parties from each county, regional agencies and the private sector collaborate to organize and staff the Network.

To utilize the opportunity created by the technology zone designation, MCV decided to become part of the Chippewa Valley Technology Network (CVTN). As a member of this group, MCV will be offering a one-stop shop service for all entrepreneurs in the “I-94” technology zone. In addition, MCV will also be building off of the opportunities created through this designation in order to advance the Chippewa Valley Angel Investing Network. For instance, the network is prominently marketed within the larger “I-94” technology zone effort by economic

development offices, chambers of commerce, area universities and the technical college. In fact, the network was featured on the "I-94 Technology Map" page of the Visitor's Guide; and as a result, information about the project is being disseminated to budding entrepreneurs and potential investors.

Partners and Leadership

As indicated above, Momentum Chippewa Valley (MCV) played a key role in providing a natural organizational structure to support this effort. MCV has a standing Business Development Committee that provided resources and direction for the effort. Other partners who have provided resources, staff time, and financial or in-kind support include the West-Central Regional Planning Commission, UW-Extension SBDC, UW-Eau Claire, UW-Stout, Chippewa County EDC, Dunn County EDC, Eau Claire County EDC, City of Chippewa Falls IDC, and a variety of interested private sector partners. All of these partners help to market the Network as a part of the larger CVTN effort.

Outcomes

Outcomes include increased awareness of and appreciation for the need to stimulate entrepreneurship and attract early-stage companies to the Chippewa Valley by providing a rational conduit capable of delivering equity financing to early stage start-up companies. Organizational efforts are not completed, so there are no quantifiable measurements at this time. However, it is hoped that two to three businesses may be created annually as a result of the Network.

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