

# Iowa is helping startups get off the ground

The state strikes the right balance of infrastructure support and funding to boost innovation.

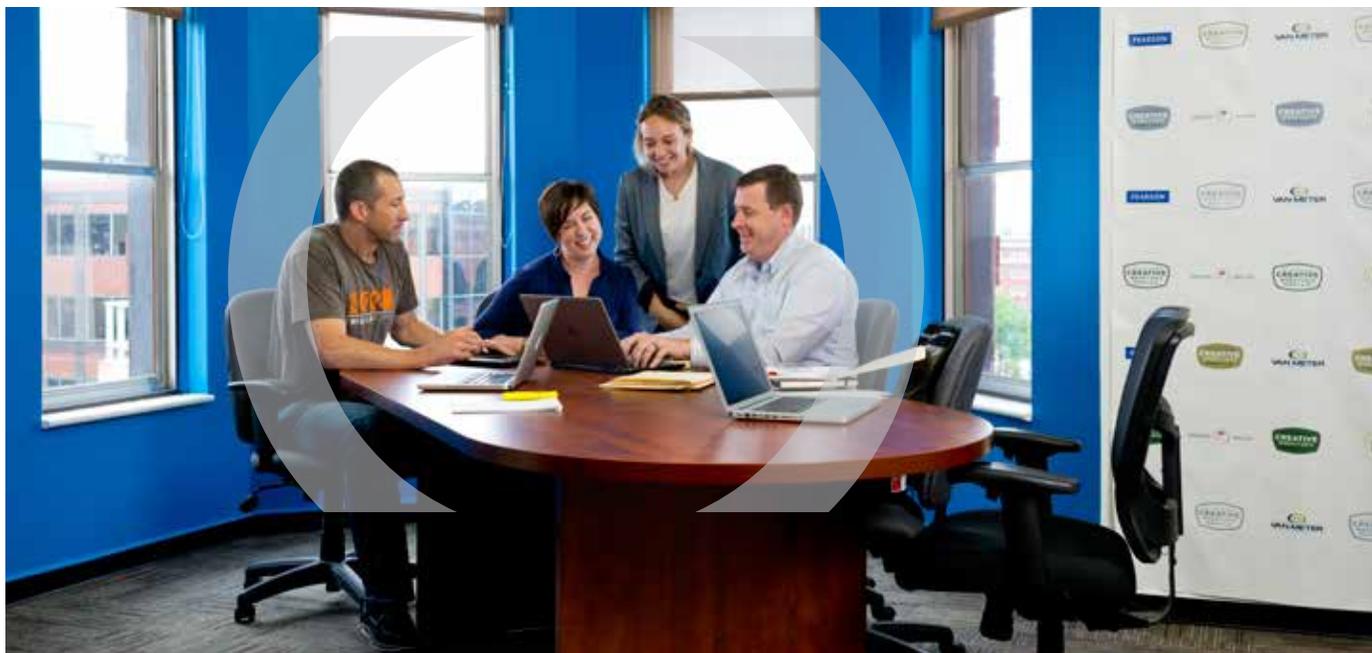
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INVESTMENT, BUSINESS GUIDANCE  
AND A BALANCED QUALITY OF LIFE HELPS  
**IOWA**  
ATTRACT ENTREPRENEURS TO THE MIDWEST



**C**ompetition to establish “high-impact” startup activity is fierce, and Iowa is clawing its way into the exclusive pack of states where entrepreneurs want to start their next venture.

According to the **Kauffman Foundation of Entrepreneurship**, 79 percent of Americans say entrepreneurs are critically important to job creation, ranking higher than big business, scientists and government. While many would expect that favorable regulations or low taxes would help attract entrepreneurship, it’s actually talented workers and supportive infrastructure, like incubators and quality of life benefits, that are the key drivers for this highly mobile audience. An educated and efficient workforce pool and favorable lifestyle is what Iowa offers in spades.



ARE RANKED AMONG THE  
**BEST PLACES IN AMERICA  
TO START A BUSINESS.**

FORBES MAGAZINE

“I attribute much of Genova’s success to Midwestern work ethic and company talent cultivated in Iowa’s state universities,” says Genova Technologies CEO and 2013 Ernst and Young “Entrepreneur of the Year,” Dawn Ainger. “We have certainly become increasingly innovative and profitable over the years, perfecting our software development processes, hiring the brightest minds and expanding into the commercial, healthcare and defense markets.”



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Dawn Ainger, CEO Genova Technologies



Cedar Rapids

The Cedar Rapids-based company has grown from nine to more than 150 employees with several locations across the country. Six of the tech startup's original employees are still working at **Genova Technologies**, and its coveted internship program often turns into full-time employment for local college graduates.

Genova's backyard has become a hotbed of startup activity — Cedar Rapids was recently ranked 10th in "information-tech startup density" in small-to-mid-sized metros by the Kauffman Foundation. Both Des Moines and Ames broke into the top 10, ranking fourth and eighth in the "high-tech startup density" category in their population levels respectively.

### SOLID LAUNCH PADS

Iowa is home to many business incubators, coworking, and wet-lab facilities offering office space and other resources to assist businesses with the community and infrastructure they need to start or expand.

**The University of Iowa Research Park** offers quality wet-lab and office space for life science startups, and the high-quality training offered by the **John Pappajohn Entrepreneurial Center's** business incubators provides vital support to the Iowa City and Cedar Rapids innovation corridor.

In Ames, the **Iowa State University Research Park** has provided the supportive infrastructure for several tech and ag-sciences research companies for more than 25 years. **StartupCity Des Moines**, a technology incubator, has become the national model for other mid-sized metros looking to generate entrepreneurial and venture capital activity.

Even Iowa's more rural areas are spurring economic growth by supporting startups. Located in Spencer, Iowa, the **Iowa Lakes Corridor** region promotes entrepreneurship through training and technical assistance. In the Dutch community of Pella, Iowa, **Veel Hoeden** offers co-working space for startups in the quaint downtown area.

### AVERAGE VENTURE CAPITAL INVESTMENT DEAL IN MILLIONS



SOURCE: State Science and Technology Institute

### BUILDING MOMENTUM

While a talented workforce pool and infrastructure are key elements for getting a startup off the ground, financial support does play a vital role. Iowa is among the nation's leaders in terms of average amount of venture capital funds invested. During the past five years, Iowa ranked second in the U.S. with the average investment deal more than 20 percent larger than the U.S. average.

Iowa's increase in entrepreneurial activity and national attention is by no means simply luck — it takes decades to create a viable startup community that can sustain itself. Through collaboration among business leaders and results-oriented financial support like the Demonstration Fund, Iowa has earned the recognition as a Midwest startup hub.

Looking to launch your next innovation? Visit [iowaeconomicdevelopment.com](http://iowaeconomicdevelopment.com) to put your ideas on paper.

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# #IOWAHOUR @ SXSW

Iowa's growing startup scene made waves at the 2014 South by Southwest Interactive Festival in Austin, Texas. The #IowaHour innovation event attracted hundreds and put a spotlight on several of the state's hottest tech startups that are spurring economic growth.



Taking second place in a SXSW venture capital pitch contest, **Bawte**, based in Des Moines, is an app/online tool that catalogs purchased products. It logs warranty details, serial or model numbers and provides a direct link to the manufacturers service department if something should go wrong.

**ClusterFlunk** is “how our generation does education.” It’s growing exponentially and now available at more than 57 universities.

Named one of the top 20 startups showcased at SXSW by Tech.Co., Cedar Rapids-based **NextStep.io** makes it easy for health and fitness professionals to integrate popular activity trackers into wellness coaching programs.

**Offspring** is a mobile app that makes it easy to capture childhood moments like photos, videos, quotes, artwork

and milestones with a built-in private social network for sharing with family and friends.

**TelePharm** is a growing startup that enables pharmacies in rural areas to stay in business by lowering costs with a virtual pharmacist platform – bringing experts to even the most remote locations.

Part adventure videogame, part autobiography, “**That Dragon, Cancer**,” chronicles a young couple’s journey with their son, who was diagnosed with a rare type of brain cancer. This startup has a vision for videogames that explores more of the human experience.

**VolunteerLocal** is an online volunteer registration and database website that cuts out the “middle men” (Excel, poster boards and markers, to name a few) by completely automating the volunteer sign-up process.