

Idea to International Exporter:

How Montana Supports Business Development





Opening Message

The suite of economic development programs operated by the Montana Departments of Commerce and Agriculture provide tools that form part of the backbone of a comprehensive economic development strategy in Montana. These programs strategically empower the small business owners and innovative entrepreneurs who drive Montana's economy.

The state carefully tracks metrics of success, ensuring this proven set of business development programs supports each phase of growth. The state's investment in these programs provides an exponential return in each of our communities.

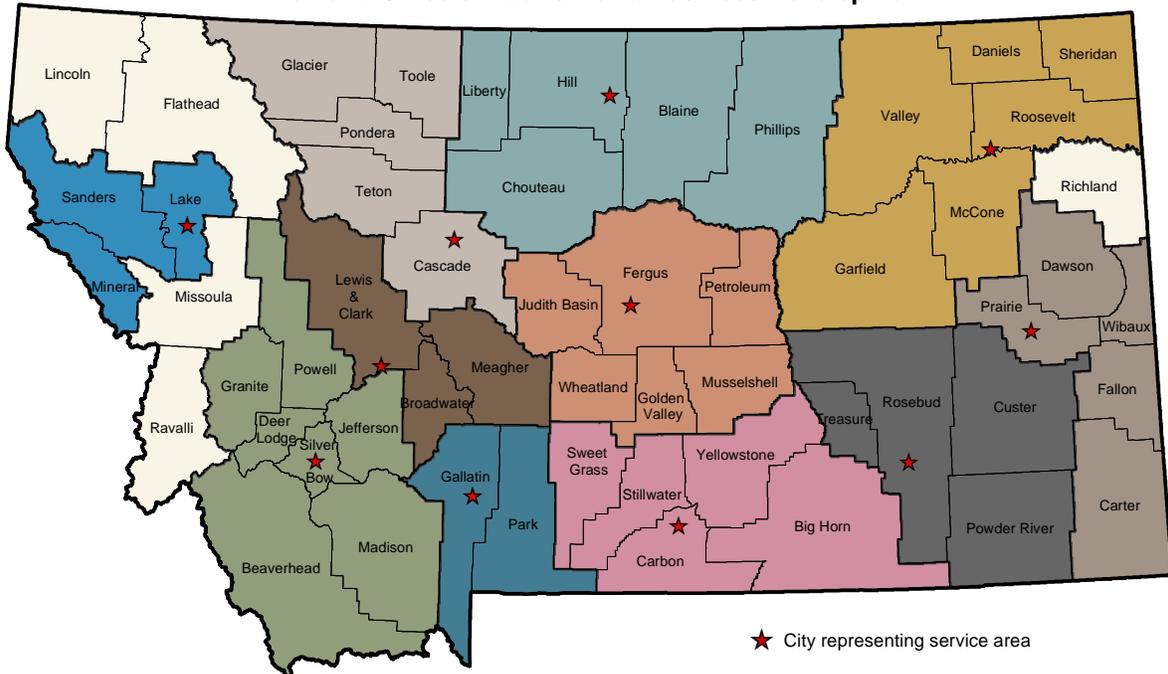
The Montana Department of Commerce has taken a more streamlined and consistent approach to measuring the impact of its economic and business development programs.

The Department has streamlined its definitions of jobs and businesses supported across all of its business development programs, and is using one tool, Salesforce, to organize information provided directly from business clients, regional economic development partners and university partners. This tool will also allow the Department to better inform lawmakers and the public of impacts that are more difficult to measure.

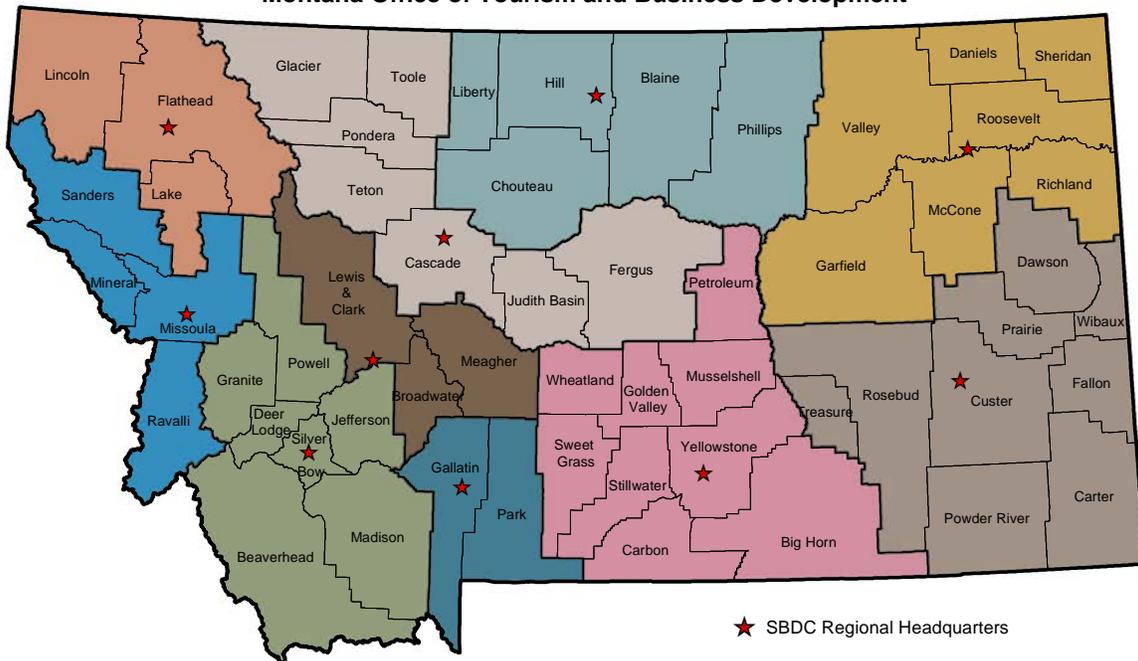
Most of the programs offered by the Department invest in local communities with on-the-ground resources around the state. These aren't solely a collection of grant programs, instead, they largely support regional technical assistance centers and professionals in communities in nearly every corner of Montana. This regional approach is critical to ensure hands-on support for businesses and entrepreneurs.

The Montana Department of Commerce is a resource for small-scale makers, innovative startups, well-established brands that sell their products globally – and everything in between. The state's investment allows the Department to access a broader network of federal support, it powers regional expertise, and it helps businesses grow from a good idea to an international exporter.

CERTIFIED REGIONAL DEVELOPMENT CORPORATION REGIONS
Montana Office of Tourism and Business Development



SMALL BUSINESS DEVELOPMENT CENTER (SBDC) REGIONS
Montana Office of Tourism and Business Development





Idea to International Exporter

As part of a comprehensive approach to economic development, Montana deploys a toolbox of programs to strategically target critical points in the pipeline of business development. Montana businesses are supported by the Montana Departments of Commerce and Agriculture from their very first product or service idea, through startup, financing, growth, and even to international sales. These programs provide technical assistance, expertise, support, and grant and loan dollars for a myriad of Montana businesses, including manufacturers, main street businesses, service providers, tourism businesses, etc. Additionally, this support is not centralized and difficult for Montana companies in rural areas to reach; rather, Commerce hosts a statewide network of business assistance resources, providing localized assistance in every corner of the state, with specialized services for disadvantaged businesses. Taking an idea and turning it into a profitable business is a monumental process, and the complexity of it can be daunting for entrepreneurs. Most start out as ill-funded solopreneurs who already have a day job, spending every free moment they have tinkering with an innovation in their garage or sketching out their idea on a napkin. Alone, the process can be overwhelming and take much longer than with help.

IDEA & STARTUP

The first place entrepreneurs can turn for guidance to turn their idea into a startup business is one of the state's 10 Small Business Development Centers (SBDCs); those registered with a Montana tribe can also work with one of eight Native American Business Advisors (NABAs). Entrepreneurs can walk in the door of their local SBDC or NABA, sit down with an expert and discuss the feasibility of the startup, using financial projections and market research from the SBDC's national network. The SBDC may also help the entrepreneur via their local NABA or Certified Regional Development Corporation (CRDC) – there are 11 serving multi-county regions within the state – to apply for the Big Sky Economic Development Trust Fund's (BSTF) Planning Grant or the Tribal Business Planning Grant (TBPG) to fund a feasibility study or business plan, etc., which can increase a new business's chance of accessing traditional bank financing.



Once the idea looks promising, the SBDC or NABA can help the entrepreneur with their business plan, perhaps referring them to the Cooperative Development Center (CDC) for guidance on starting up and financing a cooperative, if that business structure makes the most sense. For technology-based businesses, the Small Business Innovation Research (SBIR) program can provide funding to help the entrepreneur complete necessary research and development and to get the product ready for sales.

FINANCING

Usually the next step for an entrepreneur is to obtain financing for their startup expenses and operations. SBDCs, NABAs, and CRDCs provide expert technical assistance, helping entrepreneurs to prepare their documentation for loan packages, and CRDCs can provide loans to local startups to help them apply for other grant and loan programs. Additionally, the MicroBusiness Finance Program (MBFP) can help with startup expenses. The Indian Equity Fund (IEF) Grant is available to help enrolled tribal members with start-up and expansion expenses, and the Native American Collateral Support (NACS) financial instrument helps bankable businesses to meet collateral requirements for traditional bank financing.

GROWTH

When a manufacturer has established demand and is in the production growth phase, their local Montana Manufacturing Extension Center (MMEC) Business Advisor can help them plan and implement growth and innovation projects, such as facility layout, equipment purchases and implementation, cost and capacity planning, inventory systems, processes and procedure development, and the SBDCs and NABAs also help with growth planning. If this growth includes hiring employees, MMEC can also assist with hiring, training and retention activities. The business can also access BSTF Job Creation grant funds to help pay for capital expenditures, such as wages, equipment, construction materials, etc.; and the Primary Sector Workforce Training Grant (WTG) can help offset the cost of training the new employees. The MBFP can also help with financing this growth.

INTERNATIONAL EXPORTING + MARKETING

As business grows, the sales pattern for most manufacturers and service providers develops in concentric circles radiating out from local, regional, and national, to international markets, depending on their marketing goals. SBDCs and NABAs can help companies to develop and execute their marketing plans. For local markets, manufacturers can take advantage of the Made in Montana program's marketing opportunities. To develop regional and national customers, businesses could use ExportMontana's Trade Show Assistance Program grant for exhibiting at trade shows within the USA. Montana exporters can benefit from ExportMontana's international marketing expertise when they are ready to develop international customers for their products, and they can use the State Trade Expansion Program (STEP) grant for international trade shows, foreign language translation, international product certification, etc. For growing manufacturers, MMEC can assist with new product development, operational enhancements, technology integration, and regulatory compliance, among other things.

EXIT STRATEGY

When it comes time for the business owner to consider the exit strategy or transition of the business to a family member, employee, outside buyer, etc., the process can be just as daunting as the startup phase. MMEC, SBDCs, and CRDCs offer the financial and strategic expertise the business owner needs to plan a successful strategy and begin the transition process. The Montana Department of Commerce's idea to international business services provide business owners and entrepreneurs expertise and assistance every step of the way, removing startup and growth barriers, and improving the chances of long-term business success.

Montana Cooperative Development Center

The Montana Cooperative Development Center (MCDC) is a 501c3 organization whose mission is to promote and develop cooperatives to meet the economic and community needs of Montana. The \$65,000 received annually through the Montana Department of Agriculture is leveraged to match the \$200,000 Rural Cooperative Development Grant through USDA-Rural Development every October. MCDC, founded in 1999 as part of the Montana State University-Northern, became an independent organization in 2004 and continues to serve all 56 counties of Montana and all Tribal Nations in Montana. MCDC is the administrative branch of the Montana Council of Cooperatives, a trade association serving all sectors of the 160 cooperatives in Montana. MCDC is part of the economic development community and partners with other statewide and regional organizations across the state. Current initiatives include wholesale grocery store cooperatives, worker-owner conversions, investment cooperatives, meat processing cooperatives (branding, distribution, facilities), grass bank and young producers, childcare, housing, and labor and shared service cooperatives.

Cooperative Development Specialists in Montana are housed in twelve Economic Development Organizations across Montana: Beartooth RC&D, Native American Development Corporation, Headwaters RC&D/Butte & Silverbow Economic Development Corporation, Montana West Economic Development, Snowy Mountain Development Corporation, Park Local Development Corporation, Eastern Plains Economic Development Corporation, Great Northern Development Corporation, Ravalli County Economic Development Authority, Bear Paw Development Corporation, Jefferson Local Development Corporation, and Southeastern Montana Development Corporation.

State Investment	\$65,000
Leveraged Investments:	
USDA- Rural Development	\$211,399
Montana Council of Cooperatives (Association)	\$5,000
Private/Other Funds	\$82,116
Total Investment	\$363,515

METRICS FOR SUCCESS

Cooperatives Formed	4
Cooperatives Assisted	26
Businesses assisted not cooperatives	42
Number of Businesses incorporated not cooperative	1
Groups working with us to explore cooperative business model	44

October 2019 to October 2020

Cooperative Development Creates Housing for Seniors

Riverside Crossing Housing Cooperative was a collaborative effort between the Montana Cooperative Development Center (MCDC), Ravalli County Economic Development Authority (RCEDA), and the Ravalli County Council on Aging. Though housing cooperatives are a well-loved model in the eastern and central U.S., the model has only been used once so far in Montana with great success.



Riverside Crossing came to fruition under the dedicated leadership of Paul Travitz, Ravalli County of Aging (RCOA) Director, and Julie Foster, Director of the RCEDA. The original idea of developing senior housing in Ravalli County has been around for years as Ravalli County, like many other rural counties, struggles with rising housing costs. The reality of addressing senior housing needs started in 2006 when the Council of Aging had 20 acres of land donated to them. MCDC provided an educational opportunity for Travitz and Foster to train with cooperative housing developers in Minnesota. From 2006 to 2008, Minnesota Cooperative Housing experts worked diligently with the Ravalli County community to develop a senior housing cooperative complex in Hamilton, Montana. From 2008 to 2018, RCEDA and RCOA focused on infrastructure development with the City and designed the Cooperative's pocket neighborhood. RCOA invested its own funds for the design elements of the project.

Fast forward to today, and that hard work led by RCEDA and RCOA, with the assistance of MCDC, has paid off. Hamilton is now home to the first Active Senior Housing Cooperative in Montana, Riverside Crossing. MCDC invested \$20,000 of education and assistance to RCEDA and RCOA from 2006 to 2020 for bylaw development, occupancy agreements, facilitation and work with the steering committee, drafting of occupancy certifications, and the overall development of the Cooperative.

In December of 2018, the first cottage at Riverside Crossing was completed, and the new co-op members moved in. As of November 25, 2020, eight (8) cottages have been constructed with an active pipeline for future development. In addition to the benefits to the co-op members, the return to the community can be positively quantified by the following:

1. The property development to date is over \$3.5 million with an additional \$585,000 of funds from RCEDA for a lift station and wastewater project that will serve the Cooperative and the adjacent 1200 acres parcel for the City of Hamilton to serve for future growth and development.
2. RCOA installed over \$600,000 of road and sidewalk infrastructure (curbs, gutters, etc.).
3. New property taxes for Ravalli County of approximately \$16,000 per year are estimated for the 2021 tax period.
4. When all 51 cottages are established, the estimated new property taxes will be over \$100,000.
5. If Riverside Cooperative were viewed as a single taxpayer, they would be the City's 2nd largest property taxpayer.
6. Most of the \$3.5 million spent to-date went to construction jobs and construction supplies purchased locally. At least 60 people have been employed on this project so far.



Strategic Partnership: Montana Craft Malt

Montana Craft Malt started its six-year relationship with the Departments of Commerce and Agriculture back in 2014 when a Commerce-created industry study showed the potential for growing, making and selling Montana-made beer malt. Fast forward to 2020 and Butte-based Montana Craft Malt was cutting the ribbon on its \$25 million state-of-the-art malting facility designed to capitalize on the world-class quality and high quantity of barley grown in Montana to provide the microbrewery and micro-distillery industries with customized products.

Brewing and distilling is big business. In Montana alone, 92 breweries use an estimated seven million pounds of malted grain each year. Montana Craft Malt saw an opportunity in the industry since most malt used in Montana comes from out of state, and brewers around the globe are always seeking high-quality specialty malts.

The six-year path from moving an idea to a realized innovation was done with the coordinated support of the Montana Departments of Commerce and Agriculture. What started with industry research quickly turned into the development of a business plan under the advisement of Butte's Small Business Development Center (SBDC) and the Big Sky Trust Fund Planning Grant program (BSTF). Montana Craft Malt then sought guidance from the Montana Technology Innovation Partnership (MTIP) to develop its Small Business Innovation Research (SBIR) grant application. From there, Montana Craft Malt worked with the Montana Manufacturing Extension Center (MMEC) to develop design and engineering plans for its facility. Montana Craft Malt was successful in competing for a Growth through Agriculture (GTA) grant award which helped purchase state-of-the-art malting equipment.

Along the way, the Montana Board of Investments supported the project with financing. With its Butte facility under construction, Montana Craft Malt started developing its international market connections thanks to the ExportMontana team and the State Trade Expansion Program (STEP). When it was time to hire, Montana Craft Malt turned to the Big Sky Economic Development Trust Fund Job Creation grant program to support the creation of new, good-paying jobs.

Montana Craft Malt's story shows what can happen when private business teams up with strategic government support: an expanding craft malt industry can take root in Montana, where we're known for growing the best grains in the world – soon, we'll be known for making the best malt, too.

Montana Manufacturing Extension Center at MSU

The Montana Manufacturing Extension Center (MMEC) is a statewide manufacturing outreach and assistance center staffed by full-time professionals with extensive experience in manufacturing and business in a variety of industries. MMEC serves the thousands of manufacturers in Montana by helping them assess and improve their manufacturing operations, providing trainings and workforce development, and leveraging research and technological developments at state and federal entities to keep manufacturing competitive in the state.

MMEC is headquartered at MSU in Bozeman, with remote offices in Billings, Missoula, Kalispell, Great Falls, and Butte (opened in 2020).

MMEC is also part of the National Institute of Standards and Technology’s Manufacturing Extension Partnership (MEP) National Network. NIST is a nonregulatory agency of the U.S. Department of Commerce that promotes U.S. innovation and industrial competitiveness. MEP is a public-private partnership with centers in all 50 states and Puerto Rico dedicated to serving small and medium-sized manufacturers, who pay fees for services provided. MMEC’s advisory board helps guide how MMEC serves Montana’s manufacturers.

State Investment	\$500,000
Leveraged Investments (federal and client).....	\$869,946
Total Investment.....	\$1,369,946

METRICS FOR SUCCESS

Manufacturers served with projects or trainings	155
Jobs added and retained	279
New and retained sales	\$38,303,600
Cost savings and avoidance	\$11,399,939
New investment	\$11,652,158
Manufacturers surveyed	60

State Fiscal Year 2020

ExportMontana

ExportMontana helps Montana manufacturers and service providers sell outside the USA. Assistance provided includes market assessment, access, and development so Montana-based employers can take advantage of regional, national and international trade promotions and grants for developing new markets. Available programs include the Trade Show Assistance Program grant for exhibiting at national trade shows, and the federally funded State Trade Expansion Program grant for international marketing. The state’s \$300,000 statutory appropriation is used to access federal matching funds from the Small Business Administration which was \$401,818 in FFY 2018 and \$525,814 in FFY 2019, 100 percent of which goes toward grants to Montana exporters or for international market development activities.

For new exporters, ExportMontana helps assess their international market potential, researches top markets for their products, and develops an export marketing plan. More experienced exporters work with ExportMontana to find new international markets, protect their intellectual property overseas, attend international trade shows, develop globalized websites, and translate their marketing materials into foreign languages. ExportMontana also works to build new markets for Montana products using federal and private partners to organize virtual and in-country business meetings and trade events for our state’s exporters.

METRICS FOR SUCCESS

Businesses supported through grants, consultations, trainings.....	368
Funding provided for market development activities*	\$324,573
Sales from market development activities*	\$40,418,743
Jobs retained or created from market development activities*	258

**Trade shows, etc.
State Fiscal Year 2020*

Responding to Crisis: Commerce-Supported Companies Step Up During COVID-19

As the novel Coronavirus spread closer to home early in 2020, Department of Commerce-supported businesses quickly shifted their product manufacturing lines to support the needs of the global pandemic.

Distilleries in nearly every corner of Montana started making hand sanitizer and shipping it to hospitals and health care centers by the truckload. **“We are just trying to get it out to the people who need it the most,” Gulch Distillers co-owner Steffen Rasile told the Helena Independent Record. “We felt like it was our duty to help out where we can. We are in a unique position, so we decided to step up.”**

Gulch Distillers, Bozeman Spirits and Headframe Spirits are among a handful of other spirits-turned-sanitizer companies that have accessed Commerce’s State Trade Expansion Program (STEP) grant dollars to expand their reach. The Montana Manufacturing Extension Center also assisted the distillers quickly shift their operations by hosting weekly conference calls where they collaborated on many issues, including finding bottles. It was MMEC that secured bottle and cap donations for the Montana businesses from Berry Global in Indiana.

Montana’s well-known pet accessory maker West Paw also shifted their manufacturing of indestructible dog toys and pet beds to make face masks for healthcare workers.

According to its website, West Paw worked to retool their Bozeman, Montana production facility, leveraging the skills of their employees who normally might be making dog toys, beds, collars, and leashes. “As a purpose-driven certified B Corp, we live our values of community and employee support by unleashing the capability and skills of our staff to make an impact,” says Spencer Williams, President and CEO of West Paw.

West Paw was MMEC’s first client in 1996 when Williams bought the company, and their relationship with Commerce started in 2006 when it first worked with the ExportMontana team. Since, it has grown to a large international exporter with assistance from the State Trade Expansion Program and Big Sky Economic Development Trust Fund Planning Grant program.

Several plastic injection molders in Montana; including Spark R&D, PDM, Diversified Plastics, Blackhawk, and Creative Sales; collaborated to produce nearly 20,000 facemasks for Bozeman Health and Billings Clinic. These masks were invented by Billings Doctor Dusty Richardson and made national news. Montana Silversmiths, Salient Technologies, and Thompson Precision also collaborated to produce these “Montana Facemasks” using their 3D printers.

These companies stepped up to make in-demand products and were able to adapt quickly through the support of the Montana Manufacturing Extension Center at Montana State University. MMEC partners with and is funded through Commerce.

“Seeing Montana’s manufacturers collaborate to meet the demands of the crisis in Montana is truly inspiring,” said Paddy Fleming, Director of MMEC. “Former competitors are now talking about how they can better work together in the future and there are even a few of them talking about forming joint ventures!”

Going from making pedicabs to protective face shields like Bonner-based Coaster Cycles, or from making world-class Gortex flyfishing waders to sewn surgical gowns like Bozeman-based Simms Fishing – these Montana-made companies have stepped up in a big way to respond to the crisis.

Small Business Development Centers

The Montana Small Business Development Center (SBDC) is Montana’s premier provider for entrepreneurial and small business assistance. The program is funded through a partnership with the Small Business Administration (SBA), Montana Department of Commerce, economic development organizations and higher education institutions. Montana SBDC’s Business Consultants assist business owners and aspiring entrepreneurs with low-cost training opportunities and no cost, one-on-one advising that is customized to meet their needs. The SBDC network supports ten centers across the state, focusing on counseling and training in areas such as financial analysis, business planning, strategic planning, loan packaging, financial projections, business management and market research to help small businesses achieve their goals of growth, innovation and success.

METRICS FOR SUCCESS

Number of Clients Served.....	1,484
Number of Training Attendees	1,648
Number of Jobs Supported	4,543
Number of Business Start Ups	73
Capital Infusion Amount.....	\$47,328,654

State Fiscal Year 2020

Windrift Hill

Amber Hofstad, part owner of Windrift Hill, said her handmade, locally sourced goat milk soap and lotion business in Conrad, Montana, relied on multiple programs operated through the Department of Commerce to expand in 2017-2018. Hofstad said the knowledge and ongoing support from Jason Nitschke of the Great Falls Development Authority – part of Montana’s network of Small Business Development Centers (SBDC) – helped throughout the two-year expansion.

“Jason is a great resource and very helpful in all aspects of business, if he doesn’t have the answer, he finds the answer or finds the best person for business owners to turn to,” Hofstad said.

Hofstad said Windrift Hill also turned to the Montana Manufacturing Extension Center (MMEC) for the food safety and manufacturing expertise of Claude Smith, who created plans for Windrift’s new manufacturing facility and worked directly with contractors to ensure safety regulations would be met.

Additionally, assistance through the Bear Paw Development Corporation’s Food and Ag Development Center (FADC) located in Havre made it possible for Windrift Hill to receive \$45,000 in financing through the Department of Agriculture’s Growth Through Agriculture (GTA) program. A \$25,000 grant and a \$20,000 loan through GTA allowed Windrift Hill to speed up production to make 65 gallons of product in the same amount of time it previously took to make seven gallons.

“I can honestly say that without the combination of all these programs Windrift Hill would still be struggling to find the help, support and correct equipment needed to grow,” Hofstad said.

“Our business has continued to grow, we have since hired employees and been able to reach new markets because we have been able to focus on growing WDH instead of focusing our energy on things the programs assisted us with. These people can take so much burden off a small business owner and make things that were once impossible seem possible again.”



Community Pillar: Spika Design & Manufacturing

Spika Design & Manufacturing, one of the largest employers in Lewistown, has relied on programs through the Department of Commerce at various points throughout its prestigious tenure. The manufacturing business serves such customers as the U.S. Army, Navy, Marine Corps, Air Force, Coast Guard, NASA and Facebook out of its 15,600 sq. ft. production facility in Lewistown.

This family-owned and operated business is a pillar of the Lewistown community. The company's CEO, Katie Spika, says Spika rewards the dedication of their employees by offering wages above the statewide median and makes a meaningful impact on the local community through contributions to the local economy.

Several programs funded through or operated by the Montana Department of Commerce have helped Spika become the success it is today. Recently, the Snowy Mountain Development Corporation, which is a part of Montana's network of Certified Regional Development Corporations (CRDCs), Workforce Training Grants, the knowledgeable staff at the Department of Commerce's ExportMontana team, and Montana Manufacturing Extension Center (MMEC) have all provided Spika with technical assistance, grant funding, and expertise at different turning points in the company's history.

These programs have allowed Spika to expand into foreign markets and grow the company's sales. In fact, at times, Katie says, international customers account for a quarter of the company's sales. Spika has also been able to improve the quality and efficiency of their design and manufacturing, and hire additional employees.



“We would not be near the company we are without their support,” Katie says.



Certified Regional Development Corporations

The Certified Regional Development Corporations (CRDC) program was created by the 2003 Montana Legislature to encourage a regional approach to economic development that facilitates the efficient delivery of economic development programs by supporting regional capacity. CRDCs work directly with businesses to help them access capital, grant and loan programs, and provide technical assistance.

METRICS FOR SUCCESS

Total Number of Loans Closed	44
Total Dollar Amount of Loans.....	\$ 2,623,379
Dollars Matched by Businesses for Loans	\$14,625,072
Number of Jobs Created	70
Number of Jobs Retained.....	135
Number of Businesses Assisted	1,265
Number of Projects Assisted	681

January to June 2020

MicroBusiness Finance Program

The MicroBusiness Finance Program (MBFP) administers funding for the currently eight MicroBusiness Development Corporations (MBDCs) located across Montana. MBDCs work with Montana-based businesses that employ fewer than 10 full-time equivalent workers and gross annual revenues of less than \$1,000,000.

METRICS FOR SUCCESS

Total Loan Portfolio	\$ 4,689,000
Portfolio Matching Funds.....	\$ 812,130
Number of New Loans	18
Amount of New Loans	\$840,142
Jobs Supported at Time of Loan Closing	43.5

State Fiscal Year 2020

Office of Indian Country Economic Development

The Office of Indian Country Economic Development coordinates a family of financial and technical assistance programs to spur economic development within Native American businesses, communities and tribal governments. The following programs assist Native American business owners at critical points in the business lifecycle, allowing entrepreneurs to tap into their full potential and become engineers of their own success. This suite of support services has been funded by a one-time-only appropriation from the Montana Legislature starting in 2005 and launched in October, 2006. In 2019, the suite of Indian Country Economic Development programs was allocated \$875,000, and the Montana Indian Language Preservation Program was allocated \$750,000 for the biennium.

“[T]he Indian Country Economic Development (ICED) program has made a significant contribution towards improving the economic conditions on reservations in Montana. These investments continue to receive a return by creating and growing tribally-owned enterprises undertaken by tribal governments, as well as the private business sector on reservations. As a result, this helps create and retain local jobs and keeps dollars in circulation in rural economies.” Montana Budget & Policy Center, “Economic Development in Indian Country: A State Investment with Continued Returns”

Tribal Business Planning Grant

The Tribal Business Planning Grant program assists tribal governments and organizations to deploy comprehensive business planning strategies and activities. This is a competitive grant program funded by a One-Time-Only appropriation from the General Fund.

METRICS FOR SUCCESS

Funds Awarded	\$240,000
Business Investment Match	\$693,250

Projects Assisted:

1. Little Shell Hell Creek Recreational Area Market Analysis, Feasibility Study, and Business Plan
2. Busby Travel Center Business Plan, Feasibility Study, and Market Analysis
3. West Polson Property Feasibility Study and Market Analysis
4. Ft. Belknap Incubator Feasibility Study
5. Ft. Peck Strategic Hemp Cultivation and Management Plan
6. Crow Mercantile Building Multi-Use A&E (Phase 1 of 3)
7. Rocky Boy Grocery Store Feasibility Study
8. Heart Butte Fuel Station C Store Pre-Construction Business Planning

State Fiscal Year 2020

Native American Business Advisors

The Office of Indian Country Economic Development funds Native American Business Advisors (NABAs) who provide technical assistance, training, credit education, and Indian Equity Fund Small Business Grant application assistance to Native American businesses while building their technical capacity. This is a competitive grant program funded by a One-Time-Only appropriation from the General Fund.

METRICS FOR SUCCESS

Funds Awarded	\$160,000
Funds Leveraged.....	\$298,788
Clients Served	301
Trainings Provided.....	89
Indian Equity Fund Applicants Assisted.....	177

State Fiscal Year 2020

Office of Indian Country Economic Development

Indian Equity Fund Small Business Grant

The Indian Equity Fund Small Business Grant program assists start-up or expanding Native American-owned businesses in Montana. Funds can be used for a variety of activities, such as the purchase of new equipment or the development of a new product line. This is a competitive grant program funded by a One-Time-Only appropriation from the General Fund.

METRICS FOR SUCCESS

Funds Awarded	\$320,000
Business Investment Match	\$166,023
Businesses Assisted	25
Jobs Supported	62

State Fiscal Year 2020

Native American Collateral Support

The Native American Collateral Support (NACS) program addresses access to capital issues by providing collateral support security for lenders, making loans with Native American-owned businesses possible. If businesses lack only in sufficient collateral/equity for a business loan according to their loan risk profiles, and all other aspects of the credit analysis are satisfactory, the NACS program can help. Initially funded at \$500,000 from the Big Sky Economic Development Trust Fund by the 2017 Legislature, this program has a revolving balance as funds continue to be loaned and repaid.

METRICS FOR SUCCESS

Starting Loan Amount	\$500,000
Leveraged Funds on Current Loans	\$1,707,609
Current Loans	\$348,061

State Fiscal Year 2020

Lawn & Snow Busters, Ronan

Confederated Salish & Kootenai

Helen Camel White Quills is an enrolled member of the Confederated Salish and Kootenai Tribes. She recently retired, but retirement did not last for long when she saw a business opportunity. Together with her husband, Antonio, she started a lawn maintenance and snow removal business called Lawn and Snow Busters.

Helen has always enjoyed keeping her own yard well maintained with top-notch curb appeal. Helen's yard and home are two important things in her life, and she enjoys sharing her love of yard maintenance with her clients. In addition to the basic mowing and lawn maintenance service provided by Lawn Busters, Helen also weeds flower beds, designs flower arrangements, and provides basic seasonal flower planting, watering, and maintenance.

When Helen was awarded an Indian Equity Fund grant, her original intent was to buy a used truck and snow plow, but with the mild winter of 2020, there wasn't much snow to plow, so she was able to purchase a new riding lawn mower and basic lawn maintenance equipment instead with the grant funds.

“To me, getting the new equipment has been exciting. It has helped us because the new riding lawn mower turns on a dime and does beautiful lawn work. It has been enjoyable seeing people enjoy the work we do. It's a joy to bring a smile to people in the community, especially the older people.”

Helen is grateful for the upgraded equipment and opportunity to “grow” her business.

Kyotee Construction, Box Elder

Chippewa Cree

Troy Henderson needed additional trailers so he could haul more material and equipment. Without the trailers, his sales were limited, and he had to pass on jobs or rent/lease them. With the new trailers, he has been able to increase sales.

“[The Native American Business Advisor] was very easy to work with and get ahold of. He has helped us apply for the Indian Equity Fund and made it very simple.”

Spoon and Fork, Lame Deer

Northern Cheyenne

Spoon and Fork is a new business located in the Commerce Center in Lame Deer. Despite the challenges of the COVID-19 pandemic, owners CJ and JT Martin decided to proceed with opening their business and were able to provide new services for the community in a safe manner. Since opening, they have created 5 jobs and received great feedback from their customers.

“We couldn't have started without Indian Equity funds. Thank you to the state Indian Equity team.”

Office of Indian Country Economic Development

Montana Indian Language Program

The Montana Indian Language Program demonstrates Montana’s continued commitment to protect American Indian cultural integrity by recognizing that languages (spoken, written, or sign language form) are vital to the identity of tribal nations and the state. These grant funds, contracted to the tribal governments for further distribution for local projects, support the respective language preservation efforts of each tribal government. The total budget for the program is \$750,000 for the biennium.

METRICS FOR SUCCESS

Recordings Received.....	72
Reference Materials Received.....	21
Curricula Received	24
Strategic Plans Received	10
Language Classes Received.....	73
Immersion Camps Received	5
Storytelling Sessions Received	16
Presentations Received	12

State Fiscal Year 2020



Primary Sector Workforce Training Grant

The Primary Sector Workforce Training Grant Program (WTG) encourages job creation by providing reimbursements to primary sector businesses to train Montanans to fill newly created or planned net new jobs. Primary sector businesses are generally defined as having 50 percent or more of their sales outside Montana. This funding provides an essential job training incentive for new businesses to locate to Montana and provides existing primary sector businesses with essential support to train employees in net new jobs that allow the businesses to expand in Montana. The maximum reimbursement rate is up to \$5,000 for a full-time employee and \$2,500 for a part-time employee. This is a competitive grant program funded by a One-Time-Only appropriation from the General Fund.

METRICS FOR SUCCESS

Total Number of Businesses Assisted.....	12
Total Number of Funds Awarded	\$894,823*
Total Number Jobs Proposed for Training.....	181
Total Leveraged Funds Proposed	\$28,673,094

State Fiscal Year 2020

**Amount includes funds reverted from previous years.*

Big Sky Economic Development Trust Fund

The Big Sky Economic Development Trust Fund (BSTF) Program, created by the 2005 Montana Legislature, provides state funds to promote long-term, stable economic growth and prosperity in Montana by creating good-paying jobs for Montana residents, retaining or expanding existing businesses, encouraging workforce development and creating partnerships between the state, local governments, tribal governments and local economic development organizations.

The program has two components – Job Creation and Planning.

Big Sky Economic Development Trust Fund: Job Creation

The Job Creation component of the BSTF Program helps basic sector businesses create good-paying jobs for Montana residents by assisting companies with the costs associated with expanding their workforce. A basic sector business is a business that has a focus on out-of-state markets or clients. Local and tribal governments can apply on behalf of a basic sector business to create at least one net new job in Montana. Funds are distributed based on the actual number of jobs created within the contract period and are provided once the jobs have been created at the qualifying wage and eligible expenses have been incurred.

METRICS FOR SUCCESS

Total Number of businesses assisted	32
Total Number of Job Creation Funds awarded.....	\$3,945,500
Total Number of proposed Jobs to be created	675
Total Number of leverage funds proposed	\$36,601,130

State Fiscal Year 2020

Big Sky Economic Development Trust Fund

Big Sky Economic Development Trust Fund: Planning

The Planning component of the BSTF Program supports local economies and businesses in planning for sustainable economic growth by offering financial assistance for planning activities, such as feasibility studies, industrial development, creation and maintenance of baseline community profiles and support for business improvement districts. Funds are awarded to tribal or local governments, Certified Regional Development Corporations (CRDCs), or other economic development organizations not part of a CRDC region, to support economic development planning activities that will expand the economy or create jobs.

METRICS FOR SUCCESS

Total Number of entities assisted	21
Total Number of Planning Funds awarded	\$459,356
Total Number of leverage funds proposed	\$685,837

State Fiscal Year 2020

Small Business Innovation Research Program

The Montana Innovation Partnership (MTIP) provides outreach and technical assistance to help Montana innovators and entrepreneurs learn about and compete for over \$3.7 billion in federal research and development funding under the Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs. Program staff and consultants bring combined expertise in high-tech commercialization, technology licensing, intellectual property, and SBIR/STTR proposal development.

Based at Montana State University’s TechLink Center, MTIP is a statewide program and collaborates with Montana universities and colleges as well as regional economic development organizations to support individuals and small businesses engaged in research and development of novel early-stage technologies.

Outreach and training events introduced in the fiscal year 2020 included two National Institutes of Health SBIR/STTR Phase I proposal labs, intellectual property and SBIR data rights, and government accounting and cost proposals.

MTIP is funded in part through a cooperative agreement with the U. S. Small Business Association through a Federal and State Technology (FAST) Partnership award. Additional program support is provided by the Montana Department of Commerce and Montana State University.

State Funding (HB 52 SBIR program support)	
FAST	\$125,000
MSU	\$43,750

METRICS FOR SUCCESS

Number of Clients Served.....	91
SBIR/STTR Proposals Submitted	26
Number of Training Attendees	345
Number of Training Events Held.....	16
Total dollar amount of awards received*	\$5,484,000

State Fiscal Year 2020
**At time of report*

Food and Agricultural Development Center Network

The Montana Food and Agricultural Development Center (FADC) Network helps Montanans innovate and grow businesses that produce and commercialize food, agricultural and renewable energy products and processes, creating wealth in our communities and on our farms and ranches. The centers - located in communities throughout Montana - operate as a statewide network serving community-based businesses.

The centers support economic development by ensuring that more of the state's food, agricultural and energy dollars circulate in Montana. The network provides training, coaching and technical assistance, including: product development, testing and analysis, regulatory compliance training, food processing, business planning and development, market research, business networking, access to financing, cooperative development and education on industry dynamics and technologies.

Currently, the State of Montana is served by eight FADCs, including: Bear Paw Development Corporation in Havre, Beartooth Resource Conservation & Development in Red Lodge, Great Falls Development Authority in Great Falls, Great Northern Development Corporation in Wolf Point, Headwaters Resource Conservation & Development in Butte, Lake County Community Development Corporation in Ronan, Prospera Business Network in Bozeman, and Ravalli County Economic Development Authority in Hamilton.

Prior to the passage of HB 52, state law limited the number of FADCs to four. HB 52 removed the limit on the number of centers, allowing for the current make up of eight centers and a more equitable distribution of services throughout the state. Additionally, HB 52 moved FADCs under the decision making authority of the Agriculture Development Council. With the new grant structure, Montana Department of Agriculture staff monitor these grants from award to close-out for compliance.

Additionally, the Department's Marketing staff works with FADCs to collaborate on projects that promote and expand Montana's food and agriculture industries.

METRICS FOR SUCCESS

Jobs Retained	344
Jobs Created	43.5
Leveraged Funds.....	\$6,643,000
New Clients	50
Businesses Assisted	91
Counseling Sessions - Hours Paid Time	522
New Products	26

Growth Through Agriculture

The Growth Through Agriculture Program is a competitive grant and loan program whose mission is to strengthen and diversify Montana’s agricultural industry through loans and grants that assist with the development of innovative agricultural business organizational improvements, the commercialization and marketing of new agricultural products in order to keep pace with a transforming agricultural industry, and to create new jobs and expand small business opportunities.

The Agriculture Development Council, a seven-member independent body consisting of industry representatives spanning food, agriculture and economic development, reviews applications and selects successful projects for program investment. The program is administered by the Montana Department of Agriculture.

METRICS FOR SUCCESS

Awards Summary

Total Awards	39
Total Grant Amount	\$670,992
Total Loan Amount	\$239,600
Total Award Amounts	\$910,592

Program Metrics

Increase in number of Full Time Employees	111
Increase in number of Part Time Employees	43
Increase in Gross Annual Sales.....	\$126,317,188.69
Projected Annual Payroll of New Jobs	\$8,260,633

Numbers based on projections provided by FY20 awardees

The Program is administered by staff at the Montana Department of Agriculture. Eligible projects should primarily add value to Montana's agricultural products, have prospects for achieving commercial success given the current personnel, experience and resources of the applicant and have the possibility to create and/or retain jobs in Montana. Examples of project activities include, but are not limited to: equipment purchases, advertising and promotion, and consultant services such as engineering costs. A \$1 for \$1 match is required for all types of Growth Through Agriculture projects, including both grants and loans. The maximum award from the program is \$150,000; up to \$50,000 in grant funding and up to \$100,000 in loan funding. Post-award, projects are monitored until close-out for compliance by Montana Department of Agriculture staff.

New to the Growth Through Agriculture Program this year is the Montana Agriculture Student Loan Assistance Program. This program, which was created as a result of the passage of HB 431 in the 2019 session, aims to encourage Montana's college-educated youth to pursue a primary career in farming or ranching; reduce financial stress on Montana's farm and ranch operators; and promote succession planning to preserve interest in Montana's agricultural future. In 2020, the Agriculture Development Council made 12 awards totaling \$99,704.

Growth Through Agriculture Funding at Work

Strick's Ag is a family-owned grain merchandiser located in Chester. In 2017, Strick's Ag was awarded a grant of \$49,488.44 and a loan for \$100,000 for construction and equipment purchases to assist in the expansion of the processing facility.

“Strick's Ag was able to start off the construction of our pulse-processing plant because of the grant and loan from the GTA program, however, the program's assistance stretched farther than just the grant and loan funds. Staff from the Montana Department of Agriculture was instrumental in our ability to meet some of our first customers who placed orders to get our plant operational. Strick's Ag grew from a company of 8 employees before the GTA award, to having 25 full time employees now.”

Jillien Striet, Stricks Ag



