

Office of the Governor
Ronnie Musgrove, Governor



Mississippi's Entrepreneurial Policy Institute

A response to the National Governor's
Association and the E.M. Kaufman Foundation
Center for Entrepreneurial Leadership's
Request for Proposals

Unprecedented Goals. Unparalleled Progress

Economic Development in Mississippi

Governor Musgrove's Vision

Governor Ronnie Musgrove's commitment to expanding economic development can be expressed in his inaugural message, "Unprecedented goals. Unparalleled progress." He recognizes the importance of building relationships among all sectors to grow our communities and economy. Governor Musgrove's commitment to improved economic development can be demonstrated through his work to re-tool the economic incentives offered by the state to attract and grow businesses.

The Mississippi Partnership for Economic Development, co-chaired by Governor Musgrove and Mr. Dwight Evans (CEO, Mississippi Power Company), is obtaining information from entrepreneurs, business leaders, academicians, policymakers, and the public on how Mississippi can better focus its resources and its energies. Additionally, the Governor has an Economic Development Task Force that works in conjunction with Mississippi's Institutions of Higher Learning and Economic Development Advisory Council that advises Mr. J.C. Burns, Executive Director, of the Mississippi Department of Economic and Community Development.

Each group is responsible for advising state leaders and policymakers on how to assist in the development of the beneficial policies and incentives for business growth and recruitment. The addition of a policy institute to focus primarily on the entrepreneurial development and recruitment will assist the Governor's Office in its determination to target initiatives in the new economy.

Entrepreneurial History

The state's universities and technological research centers have gained international recognition for their achievements. Mississippi scientists, physicians, researchers, engineers, and entrepreneurs have recorded remarkable accomplishments in many fields. For example, the world's first human heart and lung transplants were performed at the University of Mississippi Medical Center, a facility internationally recognized for its innovative work in organ transplantation and hypertension research.

Mississippi has a number of nationally recognized entrepreneurial pioneers, including Bob Pittman, America Online and Music Television; Bernie Ebbers, WorldCom; Jim Barksdale, Netscape. Mississippi continues to be recognized as a leader for fostering economic growth, especially among small businesses:

- According to a 1998 Dun & Bradstreet Report, Mississippi led the nation in new business start-ups and job growth created from those start-ups. Mississippi saw a 15.0% growth in new businesses in 1997-1998 and a 23.1% growth in jobs created from these start-ups.
 - A new survey by *Business Facilities* magazine has found that Mississippi is the 6th best state in the nation for business start-ups--the only state in the eastern half of the country to break the top 10. The magazine ranked such factors as business survival,
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job growth and sales growth in its look at start-ups over a three-year period from January 1997 to January 2000.

Opportunity Identification

The strategies for economic development, especially entrepreneurial growth, must be dynamic and responsive to the needs of the new emerging economy. The establishment of a policy institute to study entrepreneurial development will focus resources and attention on the strengths and weaknesses of state policies to better develop strategies.

One area for discussion will include access to capital for businesses. The consequences of insufficient capital can be devastating. According to a 1998 Bain & Company report commissioned by the Enterprise Corporation for the Delta, Mississippi has a capital gap of approximately \$1.2 billion from the rest of the nation, and \$2.5 billion between the Mississippi Delta and the U.S.

During the 1990s, Mississippi attempted to address this capital shortage by creating a quasi-governmental entity to provide venture capital; however, due to mismanagement and poor accountability, Magnolia Venture Capital Corporation filed bankruptcy and forfeited its assets to the state without success.

Commitment to Success

Governor Musgrove's commitment to economic development can be demonstrated through his creation of the Mississippi Partnership for Economic Development, appointments to the Advisory Council on Economic Development and Economic Development Task Force. The Governor's Office is planning an Economic Development Summit to be held in Mississippi During Summer 2001 to discuss regional development, incentives, and sector growth and management. Should Mississippi receive approval for this proposal, the policy institute would be an integral part of this summit.

Mr. J.C. Burns, Executive Director, Mississippi Department Economic and Community Development, has assembled a team of agency employees to assist with the policy institute and will serve as chair the Policy Institute. Mr. Michael Boyd, Policy and Planning Director, Office of the Governor, would serve as Governor Musgrove's liaison to the policy institute.

Community and Business Participation

Mississippi already has in place the Mississippi Partnership for Economic Development, co-chaired by Governor Ronnie Musgrove and Dwight Evans, President and CEO of Mississippi Power Company located on the Mississippi Gulf Coast, one of the fastest growing regions of the state. This may be the perfect vehicle through which to mobilize an army of private sector leaders who can be very effective in raising public awareness. Already this body is working on developing a long-range economic strategy for the state and has conducted several hearings across the state. Their work is expected to continue and to culminate with the drafting of a comprehensive blueprint, an economic planning document, which may well drive the state's economy for decades to come.

Proposed Policy Institute Members

Mr. J.C. Burns, Executive Director,
Mississippi Department of Economic and Community Development,
550 High Street, 1200 Walter Sillers Bldg, Jackson, MS 39201
(601) 359-3449

- As the highest-ranking agency official at the state Department of Economic and Community Development, Mr. Burns plays an instrumental role in the development of policies directed toward creating an environment that will support and sustain the growth of entrepreneurial efforts in Mississippi.

Mr. Blake Wilson, President
Mississippi Economic Council
P.O. Box 23276, Jackson, MS 39225
(601) 969-0022

- Representing the leadership of Mississippi's Economic Council (State Chamber of Commerce), Mr. Wilson provides a well-respected voice in business that is conscious of the value and necessity of growing entrepreneurial enterprises and offers a wide range of experience as well.

Mr. Bill Bynum, Executive Director
Enterprise Corporation of the Delta
308 East Pearl Street, Suite 400, Jackson, MS 39201
(601) 944-1100

- Representing the leadership of a private business development organization designed to improve the quality of life for residents of the Delta region, Mr. Bynum is committed to providing opportunities for new businesses and works daily to provide technical and management assistance to new entrepreneurial ventures.

Dr. Adell Brown, Jr., Vice President for Research and Planning
Community & Economic Development
Mississippi Valley State University
14000 Hwy 82 West #7278, Itta Bena, MS 38941
(662) 254-3979

- Dr. Brown represents the administration of MVSU, an historically black university, which is committed to creating Centers for Excellence in Business Leadership Development and Entrepreneurship. His insight will be invaluable as this group explores the possibilities for entrepreneurial development in the state of Mississippi.

Mr. Dwight Evans, President and CEO
Mississippi Power Company
P.O. Box 4079, Gulfport, MS 39502
(228) 864-1211

- Mr. Evans is currently serving as co-Chair of the Mississippi Public/Private Partnership for Economic Development along with Governor Musgrove and will make an invaluable contribution to this team as he is working on the development of a long-term economic strategy for the state.

Proposed Policy Institute Members (cont)

Dr. Walter Gurley, Jr., State Director
Mississippi Small Business Development Center
State Office, B19 Track Drive, University, MS 38677
(662) 232-5650

- MSBDC is nationally recognized by several different agencies as one of the most efficient SBDC organizations in the nation. Mr. Gurley's participation on this team would enhance the collective effort and ensure the dissemination of information throughout the state.

Ms. Kimberly McMillan, Executive Director
Minority Capital Fund of MS, Inc.
207 W. Amite, Suite 401, Jackson, MS 39201
(601) 969-5339

- The Minority Capital Fund of MS (MinCap) is a non-profit organization that provides non-traditional financing and technical assistance to minority and women-owned businesses located in the greater metropolitan area of the state capital, and Ms. McMillan's participation brings the voice of such organizations to the table.

Ms. Carolyn Shanks, President & CEO
Entergy MS
P.O. Box 1640, Jackson, MS 39215
(601) 969-2672

- Representing one of the largest utility companies in the state, Ms. Shanks provides a unique perspective for up and coming leaders in business.

Ms. Beverly Meng, Executive Director
Mississippi Downtown Development Association (Main Street)
P.O. Box 2719, Jackson, MS 39207

- Ms. Meng represents the umbrella organization that is working to redevelop Mississippi's small towns, which redevelopment will depend heavily on entrepreneurial efforts.

Mr. Michael Boyd, Policy & Planning Director
Office of the Governor
P.O. Box 139, Jackson, Ms 39205
mboyd@governor.state.ms.us
(601) 359-3150

- Mr. Boyd would represent the Office of the Governor.