

ECOSYSTEM CASE STUDY: PEORIA UNITED STATES

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PEORIA, A RESILIENT REGION BUILDING A THRIVING ECONOMY THROUGH ENTREPRENEURSHIP

Topic: Peoria Case Study
Industry: Entrepreneurial ecosystems
Case study subject: Entrepreneurial ecosystem actors (ESOs, entrepreneurs, etc.)
Videos and photos: [Peoria](#)
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Why learn about Peoria's entrepreneurial ecosystem?

Peoria, Illinois is making several coordinated efforts to boost the local economy and address a myriad of changes the city has experienced. Once the “Whiskey capital of the world”, the city managed to overcome the prohibition and transform, with the help of companies such as Caterpillar and institutions such as Bradley University. Today, the city is facing yet another cycle of reinvention, which is going to go through the innovation and entrepreneurship route.

This case is not a “blueprint” to replicate step-by-step in other communities, but an account of Peoria's path towards economic development.

A brief story of Peoria's Entrepreneurial Ecosystem

Peoria is a rather diverse and resilient town. Entrepreneurship is not new to the city, which has been the home to many successful businesses and iconic products. However, the construction of the support structure for entrepreneurs (aka entrepreneurial ecosystem building) is relatively new.

Here are some milestones that explain the development and growth of this ecosystem:

1. 1897, the construction for Bradley University Starts in Peoria
2. 1909: The Holt family acquires an assembly plant in East Peoria, Illinois
3. 1917, the prohibition starts in the US, effectively stopping one of the most thriving businesses in the city: Whiskey production.
4. 1920: Bradley became a four- year college offering bachelor's degrees
5. 1946: Bradley became a full university offering graduate programs
6. 1982: The Greater Peoria Economic Development Council is established
7. 1985: The Illinois Small Business Development Center (SBDC) is established at the Turner Center for Entrepreneurship
8. 1989: The Illinois SBDC International Trade Center is established at Bradley University
9. 2013: The Jump Trading Simulation & Education Center is established in Peoria
10. 2015: Caterpillar promises to expand its Peoria Headquarters
11. 2017: Caterpillar moved its headquarters from Peoria to Chicago
12. 2021: Distillery Labs construction starts in Peoria

Differentiators and non-replicable advantages

Each ecosystem is unique in its challenges and advantages. Ecosystems behave a lot like startups, and identifying their non-replicable differentiators and advantages is key for understanding why their dynamics work (or do not work).

For Peoria, some of the key differentiators are:

- Peoria is the hometown of Bradley University, that has a strong entrepreneurship (and entrepreneurship research team!) unit.
- Peoria is a riverfront town, which provides access to the resources a river offers to the city
- Caterpillar, the heavy equipment giant, was headquartered in Peoria for over 100 years. As of today, the directive staff has moved to Chicago, but over 12,000 workers remain in Peoria, IL.
- Peoria is a city surrounded by prosperous agricultural land, and has many farms that provide local quality produce and ingredients for the food industry
- The Greater Peoria Economic Development Council, which is an organization actively seeking to attract and retain talent in Peoria
- The Jump Trading and Education Center is a one-of-a-kind space dedicated entirely to train new professionals and pivot innovation in the medical field.
- Peoria has a foreign trade zone, which offers lower duties and cost avoidance for high volume importers.

Ecosystem building has a strong strategy component, that allows actors to identify opportunities and constantly build capacities to seize these opportunities. However, even if the capacities exist, if there's a lack of coordination and common vision, the communities' response capacity is dimmed.

The challenges of fostering the local entrepreneurial ecosystem

Attending entrepreneurs with different background, cultures and business models is always a challenge. Peoria has several main street traditional businesses in the downtown area, tech-based businesses and initiatives, as well as many agriculture and fishing operations in the surrounding areas of the city. This allows Peoria to diversify its revenue streams (in good startup spirit!) but also presents many challenges for ecosystem builders and entrepreneurship support organizations.

Peoria's population comes from several different backgrounds, and there is a poverty rate of 19.67%(1), which can make it difficult to design universal entrepreneurship support programs. Another important challenge is the declining population growth rate, which means a lot of consumer's goods locally produced will likely need to be exported or moved to nearby markets to be commercialized.

What they do

Creating universal basic services for entrepreneurs, making them accessible for everyone

Entrepreneurs manifest the need to access services they can trust and afford, specifically accounting and legal services, which shows that even though they have access to support for SMEs, there's often either reluctance or lack of knowledge of where to find these services. Another interesting observation is that entrepreneurs tend to prefer personalized consultancies on specific matters, rather than programs. An interesting response of the support ecosystem is Distillery Labs (<https://www.distillerylabs.org/>), a "community-focused facility that will expand opportunities for entrepreneurs, students, innovators, creators and residents from across the entire Greater Peoria Region".

According to the discussions held with Distillery Labs' (a name that's a wink to Peoria's past) director, who is an accomplished entrepreneur, the Labs will operate "as a startup", seeking what's useful and appealing to the market, which is a great example of an entrepreneur centric, market sensitive approach.

Promoting main street businesses

Entrepreneurs with main street businesses manifest the need to have more support when it comes to publicity and exposure to gain more customers. They also need support to diversify their business models and expand their operations beyond on-site sales. Many have been severely impacted by the pandemic, especially nascent businesses who were not able to access the government stimulus packages designed for SMEs, due to the restrictions related with the longevity of the business.

Teamwork

There are several organizations that actively communicate and work together to coordinate efforts and support entrepreneurs from different perspectives. Some of their missions are similar and they're all aligned on one consistent goal: Attracting and retaining talent in Peoria, and helping local entrepreneurs develop their businesses.

1. SBDC: <https://www.bradley.edu/academic/colleges/fcba/centers/turner/centers/sbdc/>
2. Greater Peoria Economic Development Council: <https://greaterpeoriaedc.org/>
3. Distillery Lab: <https://www.distillerylabs.org/>
4. City of Peoria Economic Development Council: <http://growpeoria.com/>
5. Peoria Next Innovation Center: <https://www.bradley.edu/sites/pnic/>
6. Turner Center for Entrepreneurship: <https://www.bradley.edu/academic/colleges/fcba/centers/turner/>
7. Peoria area chamber of commerce: <https://www.peoriachamber.org/>
8. PTAC: <https://www.bradley.edu/academic/colleges/fcba/centers/turner/centers/ptac/>

Provide mentorship and support

Institutions offer personalized assistance for entrepreneurs. If someone is looking for support online, they know who they're going to be talking to, such as in the following Greater Peoria EDC example, which is not something that is regularly observed in developing entrepreneurial ecosystems. Most institutions have photographs and direct contact information on people that can help with specific business development issues, which makes the experience of seeking help less confusing for entrepreneurs and makes it easier to form relevant connections between support institutions. There's another example in the Peoria Chamber of Commerce <https://www.peoriachamber.org/board-staff/>



Peoria

SCORE Peoria Chapter 0090

score.org / Aug 13

"There are experts who are in this ecosystem that can help you to solve problems you've been struggling with"

Michael Kuzma, Founder of Kuzma's Self Playing guitars



Staff

Learn more about who we are and what we do at the Greater Peoria...

greaterpeoriaedc.org

Road to sustainability: Membership based organizations combined with public support

Membership based organizations, such as the Peoria Chamber of Commerce, are also supported by the local government, which helps them remain centered on their mission (as they're not struggling for sustainability) and engage their members at the same time. Membership based support creates an accountability loop for ESOs that can be tremendously beneficial. Engaged entrepreneurs are in touch with market needs and can keep ESOs updated and constantly evaluating and refining their value propositions.

How do they do it? Key success factors for Peoria's ecosystem

Attract and retain the best talent

Organizations in Peoria (Such as the Greater Peoria Development council) have dedicated business attraction programs, dedicated to "Aggressively marketing the region to decision-makers and business leaders around the world by communicating our strengths, equipping locals to champion the region's assets, and facilitating a business environment that is attractive to new employers."

These programs seek to not only attract talent but investment, through business incentives, real state marketing and a wonderful data hub where potential investors and entrepreneurs can see the available properties on the Peoria area.

Incentives and access to financing

Business incentives are a key part of Peoria's development policy. The local government has made a great effort in coordinating programs that allow districts to provide "local tax incentives, regulatory relief, and improved governmental services", which can lead to economic recovery and revitalization. It is clear that the public sector understands how to attract new businesses and help the existing ones, participating in a facilitator role rather than an executor. More on: <https://data.greaterpeoria.us/incentives/>

The cities also offer flexible financing options, with competitive interest rates, that consider the operations of SMEs and startups. Here are some examples:

- MICROLOAN (up to \$35K or 80% of project)
- GAP LOAN (up to \$150K or 50% of project)
- MACRO LOAN (up to \$600K or 33% of the project)

Investigate and connect

People and organizations are aware of the importance of connection and teamwork. The people involved in ESOs know each other on a first name basis, and are deeply connected and intertwined. This is not random, but an ongoing, permanent effort to create spaces for interaction and exchange. From fairs, meetings, and festivals, there's always something going on in Peoria where entrepreneurial ecosystem actors can meet up and interact, and most importantly, have face-to-face interactions with entrepreneurs. The people in the ESOs have also done a fantastic work identifying the type of businesses created in the city and offering resources that are adequate for each one of them. See: <https://www.peoriamagazines.com/ibi/2010/jun/resources-peoria-area-entrepreneurs>
<https://peoria.score.org/>

"The help (to build or business) came from local...Everybody wants to make this work"

Jared V., Chief Operating Officer, Sorce Freshwater Company

Affordable living costs

Peoria is one of the most affordable cities in the US. Median home cost is \$87K (the average for the US is \$231K) and utilities, transportation, groceries and other costs are below the US average, which makes the city attractive for starting entrepreneurs that need to minimize their costs of operation.

Find your identity, yet diversify

The city has faced several intense challenges, which had led it to explore different sources to generate economic prosperity for its people. From specialty restaurants and bars, such as Crafted DIY Studio and Bar, to agriculture-oriented businesses, the support organizations are creating programs and resources to best support innovation and diversification of businesses.

Crafted DIY Studio and Bar

<https://www.crafteddiystudio.com/>

Crafted is a wonderful example of innovation in customer experience. Its menu offers a variety of specialty drinks and snacks, combined with a studio setting with tools and furniture that allow people to create DIY projects and become makers.

Start them young on innovation

<https://peoriaplayhouse.org/>

The wonderful mission of the Peoria Playhouse Museum is to provide children with tools and inspiration they need to become innovators and creators. The existence of institutions such as the Playhouse Museum is a key aspect of capacity building for entrepreneurship, that is composed of exposure to innovators, creators and starters (which they do on community-oriented events where kids can learn directly from university professors, entrepreneurs and many other interesting professionals from Peoria's community) and creative problem-solving skills development. Kids can learn by doing, exploring and making mistakes, which are key components of an innovation friendly culture.

Understand entrepreneurship, educate entrepreneurs

Bradley's Turner Center and the Peoria Next Innovation Center are initiatives that have focused a lot of effort and resources into understanding entrepreneurship. They offer a variety of resources for entrepreneurs (<https://www.bradley.edu/academic/colleges/fcba/centers/turner/>) and support organizations, and create connection spaces such as their training events. They also have several papers and research on entrepreneurship, which definitely has led to a better understanding of the dynamics of ecosystem building in the area.

"This is the Peoria Playhouse Children's Museum, and our mission is to help kids become explorers and creators of the world"

*Rebecca Shulman, Peoria Playhouse Children's Museum
Director*

Community first

There are many examples in Peoria of community oriented, social entrepreneurs. Sustainability, equal opportunities for all and innovative solutions to tackle modern problems are just a few examples of what these following examples share. All of them share the same link: They are connected with the Greater Peoria Economic development council through the efforts of their Director of Innovations and Startups, who is constantly visiting new projects and connecting with people.

Blue Ridge Community Farm

<https://www.blueridgecommunityfarm.org/>

Blue Ridge community farm is a working farm that offers educational field trips for adults and children with special needs. Currently, they're creating an initiative that will offer learning, living and employment opportunities for people with disabilities, allowing them to work on site or providing support to help them create and operate small businesses. From their site:

"We do not take any government funding and intend to always be a completely self-sustaining working farm. Our future programs and current events rely on private donations and fundraising efforts. Blue Ridge Community Farm is a registered 501 (c)(3) non-profit organization and donations are tax deductible as allowed by law. We also always need and welcome volunteers and very much appreciate the support of our community!"

Their focus on inclusion and sustainability, as well as de diversification of the products offered on their store in local Chillicothe, is a wonderful example of the prosperity and dynamism entrepreneurs can bring to a community. The owners are committed with their community and are doing everything they can to provide better conditions and opportunities for people to create and scale new businesses.

Better Earth Compost

<https://www.betterearthcompost.com/>

Better Earth compost is a compost producing facility that provides quality compost made from organic waste, that would otherwise end in a landfill or burned. Compost is a nutrient rich soil fertilizer, that allows depleted soils to recover and become better for growing crops, among other benefits. The people at Better Earth Compost are committed with their community and regularly organize events and collaborate with other projects, such as Budded Mattah.

Budded Mattah

<http://www.rlamaracademy.com/nuts-and-bolts/incubators/budded-mattah>

Budded Mattah is an urban agriculture project that aims to address the issue of food deserts (no grocery stores or access to fresh produce in a region) caused by systemic poverty in the suburban areas of Peoria.

By creating a community garden and educating residents in the Southside of Peoria, Budded Mattha's founders expect to generate a virtuous cycle of innovation that eventually leads the community to not only rely on the produce for local consumption, but also as a means of generating economic prosperity in the area.

FBR & Exponential Technologies

<https://www.fbr.com.au/>

FBR is a robotic innovation company that is addressing the needs of global climate, through sustainable construction. The interesting part is that they are operating in Australia, while their Chief Innovation Officer is located in Peoria, working remotely to lead the expanding world of technology and innovation in the company.

Steve Pierz, their CIO, worked at Caterpillar for 29 years, and began consulting with FBR before becoming part of the team and taking the CIO role. This article (<https://greaterpeoriaedc.org/remote-worker-insight-steve-pierz/>) that describes Steve's work and journey, is a wonderful example of how exposure to role models is a key aspect of ecosystem building.

Create access points and onramps

The Nest coworking space

<https://peoriacoworking.space/>

The Nest coworking space is one of a kind. Entrepreneurs have access to a very well-equipped working space, a community of peers, events, business consulting and other support services (see supporting media for videos and photos of the space). Operating on a membership basis (which is key to build sustainable initiatives), the Nest offers everything entrepreneurs might need, from water and coffee to fuel a day's work, to Group Health Benefits, which is a key necessity most entrepreneurs cannot afford.

Public-private sector partnerships

The Greater Peoria development council and the Peoria Area Chamber of Commerce both present excellent examples of public-private partnerships. Both are conformed and financed by actors of the public and private sector and actively work to ensure these partnerships are beneficial for all of those involved. Another example of public funding invested of innovation is Distillery Labs, which is part of Illinois Innovation Network (IIN), "a group of public universities and community colleges that work together to improve the state's economy

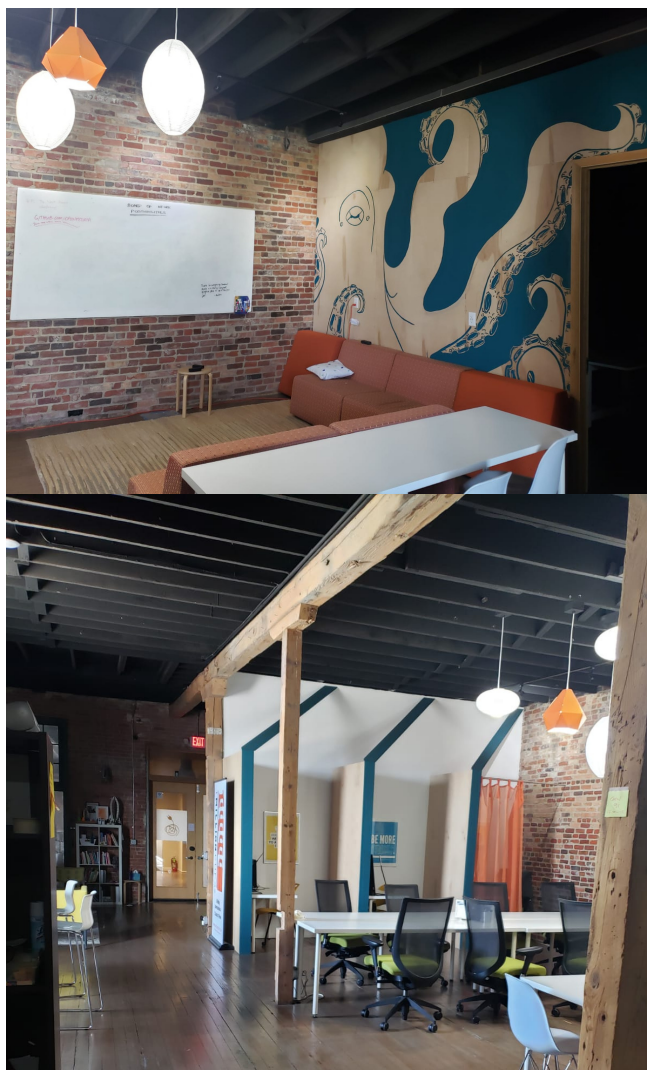
through an inclusive approach to innovation, research, and education", and has the support of the Discovery Partners Institute, an initiative led by the University of Illinois System in partnership with top research universities, that does three things: "train people for high-demand tech jobs, conduct applied R&D, and business building to grow Chicago's tech ecosystem." More on <https://dpi.uillinois.edu/about/>

Peoria area Chamber of Commerce

<https://www.peoriachamber.org/>

From their website:

"The Peoria Area Chamber of Commerce is a membership organization of over 1,000 area businesses with more than 60,000 employees, continuously delivering value to its members by cultivating a thriving business community, presenting the united voice of local business to government, offering consistently upgraded products and services for business enhancement and providing strategic business advisory services." The Peoria area Chamber of Commerce focuses on promoting diversity and inclusion among business owners, creating specific materials (such as a map with all the businesses owned by black entrepreneurs), reports and data with relevant information (such as recommendations of lawyers) and news from the Peoria area.



The Nest Coworking Facilities

Bet on innovation and be flexible

OSF Innovation and Jump Simulation Center

<https://jumpsimulation.org/>

The Jump Simulation center is a massive (168K square feet) space dedicated to innovation in health care. From 3D printing organs, to a VC Firm exclusively dedicated to financing healthcare startups, it is the dream of any health tech entrepreneur, but also a wonderful space for medicine students from all over the region to validate their learnings and acquire new knowledge.

The center has cutting edge technology, and offers several resources (such as their wonderful learning events <https://jumpsimulation.org/events/all-events-courses/steam-events> and state of the art facilities) catered for the “education and training of health care professionals through realistic learning experiences.” The center is privately funded and works actively with universities and startups to co-create innovative solutions for medical problems, such as their apps <https://jumpsimulation.org/education/applications>.

Distillery Labs

<https://www.distillerylabs.org/>

Distillery Labs (a name that is a wink to Peoria’s past), aims to become the epicenter of Peoria’s entrepreneurial ecosystem and bring people, ideas and resources together, to create an environment that fosters entrepreneurship and innovation. Aside from creating better opportunities for entrepreneurs and innovators, one of the goals of Distillery Labs is “finding solutions to improve the health and wellness of underserved populations, advance innovation related to food, farming, and transportation – specifically smart mobility, while crafting a diverse, inclusive, and welcoming environment where all ideas are valued and respected. Slated to open spring 2022, Distillery Labs will contain spaces for startups, corporate partners, community organizations, universities and many other stakeholders.”

Diversity, inclusion and equity are core fundamentals of the way Distillery Labs was designed, which will definitely show in the events they have organized so far: <https://www.distillerylabs.org/talks>.

Sorce Freshwater Company

<https://sorcefreshwater.com/>

Sorce Freshwater Company is an excellent example of adaptability, resilience and innovation. Faced with the issue of an invasive carp species that is destroying the local natural ecosystem, this former food service company capitalized on its closeness to the fishing areas, contacts and other resources, to completely transform into a powerhouse of fish products that can be not only consumed locally but sold nationwide. Partnerships with the public sector, universities and chefs (<https://sorcefreshwater.com/partners-and-customers/>) have led the company to create wonderful solutions for something that was a huge problem for the state.

Kuzma’s self-playing guitars

<https://www.selfplayingguitars.com/>

Kuzma’s self-playing guitar is a wonderful example of the types of innovation that occur in a thriving entrepreneurial ecosystem. Startups and SMEs are excellent indicators of the health for an ecosystem, and the more innovative, out of the box projects are observed the more likely is that there is a good support network for entrepreneurs and a culture that favors experimentation, does not punish failure and allows people to dream and go beyond tradition.

Final words

For the ecosystem builder:

It's important to consider how environmental factors (such as cost of living, culture, poverty, government involvement, etc.) shape and affect the entrepreneurial ecosystem, the types of businesses created in a region and the outcomes and sustainability of entrepreneurs. Entrepreneurial ecosystems are not isolated systems, they're embedded in societies and the societal and economic dynamics of these societies will likely permeate the ecosystem's walls.

Peoria is unique. It is a modern, beautiful city, surrounded by nature and all the opportunities it brings. The people from Peoria are kind and resilient, always finding ways to turn situations around (like starting a new business out of an invasive fish species, such as Sorce enterprises did!). Community and unity are key values of Peoria, and many initiatives are sparked by that shared value of advancing together.

Peoria presents examples of collaboration, openness and exchange that are excellent to replicate in other countries. The agility and resilience that come from constantly seeking for new ways to innovate are what have allowed Peoria to bounce back from many huge changes over the years. For entrepreneurs, Peoria is an excellent town to start! There are many opportunities and resources to grow or start a company, living costs are affordable and they will find all the support they need, which is an active effort being made by the city to attract and retain talent (something from which public policy creators can learn in other ecosystems). There is a small army of coordinated people working together towards a goal, which is creating a thriving, resilient economy that can withstand changes and generate prosperity for Peoria's people.

It is important to remember that even if some interventions worked in Peoria, it does not mean they will work in another entrepreneurial ecosystem, due to several environmental factors that are different (country, culture, language, involvement of the public sector, etc.). However, their flexible, open and collaborative approach can help other ecosystems to develop better.

We create opportunities

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Cover: Peoria's Caterpillar Museum

Pictures: Swisscontact employees and friends

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