



**Blue Cross Blue Shield of Kansas –
NetWork Kansas Initiative
A Creative Solution for Producing PPE in Kansas**

July 2020

The Need

In hindsight, the United States was not adequately prepared for a healthcare pandemic like COVID-19. From businesses to households to our health care provider system, there has been a major challenge in securing PPE or personal protective equipment to safely combat the virus. This challenge has been particularly acute for first responders and our health care system. Since it appeared on the scene in the U.S. in early 2020, the country been scrambling to understand how the virus is transmitted, how it can be treated and how to secure sufficient supplies of **personal protective equipment** (PPE) for healthcare workers. Across the country there is a desire to contribute to solutions to the pandemic crisis.

[Blue Cross Blue Shield of Kansas](#) (BCBSKS) is a major player in the Kansas healthcare system, providing health insurance products across the Sunflower State. BCBSKS wanted to do more than provide its main products and services related to health insurance. In the spring of 2020, it reached out to [NetWork Kansas](#) with an idea to provide grants to PPE manufacturers to increase the supply of PPE for hospitals in Kansas. A [news release](#) was issued June 6, 2020 announcing the award.

“We are proud to provide relief where we can to organizations across our state that are working hard to meet the needs of all Kansans.... We care deeply about our communities and are committed to providing them assistance where we can. NetWork Kansas is doing an incredible job of keeping the entrepreneurial spirit alive and strong during this time while also helping those on the frontlines, and we are grateful for that work.”

Matt All – President and CEO of Blue Cross and Blue Shield of Kansas

About the Kansas PPE Initiative

Blue Cross Blue Shield of Kansas (BCBSKS) wanted to accomplish two goals with this initiative. First, do something proactive to address the COVID-19 Pandemic health crisis and second, enhance availability of PPE for Kansas hospitals. BCBSKS needed a way to identify possible Kansas ventures that could produce PPE.

NetWork Kansas and its statewide entrepreneurial ecosystem provided the solution. NetWork Kansas energized its network to identify Kansas ventures and educational institutions capable of producing PPE and that were interested in expanding production with a commitment to dedicate production to Kansas health care providers. NetWork Kansas quickly identified potential ventures and ultimately facilitated grants totaling \$250,000 (the largest was \$37,000, the smallest was \$15,000, and the average was \$27,260). As of June 8, 2020, nine grants were made to production ventures all across Kansas:

Figure 1 – BCBSKS Blue Health Initiatives Trailblazer Grants

Venture Awardees*	Community	Grant Amount
Alderman Acres Manufacturing, Inc.	Coffeerville	\$32,000
Emporia State University	Emporia	\$32,000
Wichita State University	Wichita	\$37,000
Fab Lab	Independence	\$25,000
Fuller Industries	Great Bend	\$31,000
Hodgeman Economic Development	Jetmore	\$21,000
U.S. Awards, Inc.	Pittsburg	\$25,000
New Age Industrial Corporation, Inc.	Norton	\$15,000

*One grantee asked not to be identified.

Why Grants, Not Loans?

From the beginning of discussion around this initiative, BCBSKS wanted to provide grants, not loans. This preference is rooted in the idea that they wanted to provide financial support for PPE producers to start or expand their production capacity without the burden of loan repayment. This approach to capitalizing PPE production was important and streamlined the process for deploying funding and increasing PPE production given the supply crisis in PPE. Responding quickly was a matter of life and death for Kansas healthcare providers.

A review of the grantee awards highlights two important considerations:

Geographic Distribution. The grantees come from across the geography of Kansas (see the map in Figure 2). This distribution illustrates the geographic reach of NetWork Kansas and its ability, through its distributed network of community and organizational partners, to identify possible ventures capable and willing to produce PPE in response to the BCBSKS grant initiative.

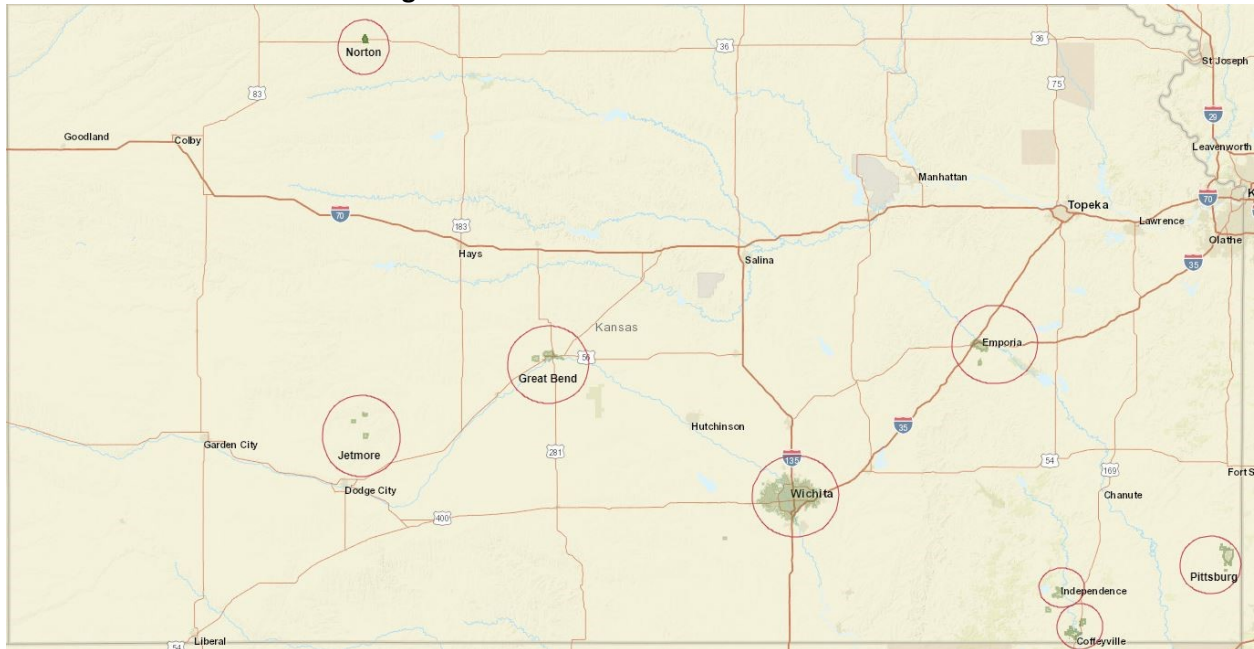
Public and Private Ventures. While the deal flow supported by NetWork Kansas has historically been focused on for-profit businesses, NetWork Kansas was also able to leverage its relationship with educational institutions to identify agencies that are developing PPE equipment through the [Kansas Healthy Food Initiative](#) with the Kansas Health Foundation. Now the BCBSK PPE initiative is supporting public and nonprofit ventures as well. Of the eight identified PPE grantees, there is a mix of ventures based on legal organization. This allowed NetWork Kansas to meet BCBSKS's goal of helping for-profit businesses and educational institutions that are providing PPE equipment to Kansas healthcare providers. This mix reflects the ability of NetWork Kansas and the Kansas entrepreneurial ecosystem to be flexible in tapping available solutions.

BCBSKS and NetWork Kansas Relationship

In our series of stories about NetWork Kansas, the Kansas statewide entrepreneurial ecosystem, and its responses to the Pandemic Recession, we have highlighted the immense value of preexisting relationships and systems. With trusting preexisting relationships, responses can be developed much more quickly and confidently in a crisis environment. Where preexisting relationships are weak or nonexistent, relationships must be built before solutions can be developed and deployed. This takes time, and in a crisis environment, delays create adverse impacts. **Capacity** is the ability to act quickly and robustly. The existing Kansas entrepreneurial ecosystem represents capacity to respond to both crisis and opportunities. For other geographies, having this kind of **relationship-based** capacity is foundational to a resilient economy and society. In an age with increasingly frequent natural disaster and economic-induced crises, entrepreneurial ecosystems are increasingly foundational to resiliency.

Figure 2 on the next page provides the location of BCBSKS PPE grants demonstrating the geographic distribution. A key design feature of NetWork Kansas is to ensure all of Kansas benefits from NetWork Kansas programs and initiatives.

Figure 2 – BCBSKS PPE Grantee Locations



Role of Kansas' Entrepreneurial Ecosystem

What Are Entrepreneurial Ecosystems?

We used to use the term **entrepreneurial development systems** in our earlier work. Today, the preferred term is **entrepreneurial ecosystems**. For all intents and purposes, we are talking about the same thing. The operative word is **systems**. Whether we are focusing on healthcare, education, or transportation systems, we are talking about complex environments where sophisticated outcomes become possible. Think for just a moment about educational systems that provide lifelong learning and development that takes a child early in their life (e.g., pre-K) to workforce and/or professional development, well into the career stage of his or her life journey, and even enrichment during retirement. Entrepreneurial ecosystems represent complex environments where entrepreneurial talent is developed and supported ranging from aspiring to high-growth entrepreneurs.

NetWork Kansas is likely America's longest running and most robust statewide entrepreneurial ecosystem. There are nearly 600 entrepreneurial resources within the Kansas ecosystem and a strong set of relationships with communities ranging from Kansas City to very rural communities like Hillsboro, Kansas. Central to this ecosystem is a large collection of relationships with numerous ecosystem players ranging from entrepreneurs to the communities where entrepreneurs reside to resource providers. There is considerable transparency within the Kansas ecosystem and the potential to exercise the ecosystem, as has been the case with Pandemic Recession solutions, to find partners quickly and with a high degree of confidence in performance and execution capability. Energizing and exercising an entrepreneurial ecosystem strengthens relationships, enhances capacity, and increases transparency within the system.

An illustration of strong relationships within the context of exercising the ecosystem can be found in the evolving relationship between NetWork Kansas, the Kansas entrepreneurial ecosystem, and the Kansas Health Foundation's Healthy Foods Initiative (see the following inset for more details). The experiences

of NetWork Kansas with the Healthy Foods Initiative, in our opinion, has expanded the capacity of NetWork Kansas and the Kansas entrepreneurial ecosystem to address the challenges and opportunities of the Pandemic Recession. More information about other Kansas stories can be found through the links included at the end of this paper.

NetWork Kansas and the Kansas Health Food Initiative

The primary mission of NetWork Kansas is to foster entrepreneurship in the Sunflower State. NetWork Kansas, created by the **Kansas Economic Growth Act of 2004**, has evolved its mission to include providing venture gap financing, supporting entrepreneurial communities, and creating a statewide entrepreneurial resource network with nearly 600 collaborating resources. A few years ago, NetWork Kansas began working with the [Kansas Health Foundation](#) on its [Kansas Healthy Food Initiative](#). This collaboration introduced NetWork Kansas to the world of health care and resident health and wellbeing. It also opened the door to building relationships with other healthcare players in Kansas, including Blue Cross and Blue Shield of Kansas. This prior relationship proved beneficial when BCBSKS was looking for a way to address the PPE issue in Kansas. Having pre-existing trusting relationships are foundational to system capacity and resiliency when a crisis emerges.

Better Than Expected – Update from Wichita State University

The following inset story from Joel White with Wichita State University speaks to the commitment and innovation occurring all across America as people and organizations are stepping up to find solutions to the COVID-19 pandemic crisis. Producing PPE is not the primary mission of the [WSU National Institute for Aviation Research](#). But this Institute and its faculty, staff and students have relevant expertise and capacity. Not only has the University produced over 2,500 stethoscopes, it is now exploring how to help others scale their production to meet the critical needs for personal protection equipment essential for fighting the COVID-19 health crisis.

Wichita State University PPE Story

“We wanted to give you an update on the work being performed using the grant funds that [NetWork Kansas] distributed to us. The funds allowed us to hire three WSU students to continue the projects throughout the summer and to purchase the final raw materials to complete printing and assembling over 2,500 stethoscopes that we have nearly finished distributing across the region. We have been approached by several hospital system suppliers who would like to place large quantity orders which are not able to be fulfilled by WSU as a non-profit academic institute, as well as bandwidth limitations using our current additive manufacturing process. In response to that need we are investigating spinning this project out into a small business that could scale up manufacturing utilizing injection molding. We are now having the student team investigate the business case for this product and we are working on design changes to allow injection molding of the stethoscopes to be able to meet the demand in a reasonable time frame. We are meeting with KS-based injection molders to discuss the manufacture of the product.

We additionally were able to ship out our manufactured face shields across the state to meet the needs of many small non-profit screening clinics that were unable to get face shields through their traditional supply chains. Thank you for distributing funds for these efforts; they are being put to good use!”

Joel White
National Institute for Aviation Research - Wichita State University



The role of NetWork Kansas in working with BlueCross BlueShield of Kansas to identify, mobilize, and distribute grant funds efficiently, effectively, and quickly to increase the supply of PPE for Kansas and is a great example of a relationship-based entrepreneurial ecosystem at its best.

Additional Kansas Stories

e2 is capturing stories from Kansas focused on its entrepreneurial ecosystem during and following the Pandemic Recession. Available in this series include:

[Spotlight on the Hospitality Industry Relief Emergency \(HIRE\) Fund in Kansas, *Entrepreneurial systems shine during COVID-19 Crisis*](#)

[Restart Kansas County Loan Fund; *New emergency assistance for business*](#)

[Creating Entrepreneurial Communities in Kansas. *Listening...Learning...Adapting*](#) (NetWork Kansas Case Study)

How e2 Can Help



e2 Entrepreneurial Ecosystems helps communities increase prosperity through entrepreneur-focused economic development and ecosystem building. Led by [Don Macke](#), e2 has a national team of practitioners who bring research, coaching, incubation, market intelligence and other expertise to this work.

What We Do

- ✓ **Mentoring.** We mentor and coach new practitioners seeking to pursue entrepreneur-led development. We provide advice and support for building eEcosystem strategies that work.
- ✓ **Analytics Support.** e2 helps communities and regions understand their entrepreneurial potential through research and data. Explore some of our research tools and reports [here](#).
- ✓ **e2 University (e2U)** is our platform for sharing guides, papers, stories, tools, and resources with communities wanting a deep dive into eEcosystem building. Don Macke leads the e2U team with analytics support from **Cathy Kottwitz** and report preparation from **Ann Chaffin**. Special recognition for their e2U legacy contributions goes to **Dana Williams** and **Deb Markley**, LOCUS Impacting Investing.
- ✓ **Fostering the eMovement.** We support the national entrepreneurship movement along with our partners including the **Federal Reserve Bank of Kansas City**, **SourceLink**, **Edward Lowe Foundation**, **Kauffman Foundation**, and **NetWork Kansas**. We are a founding member of [Start Us Up: America's New Business Plan](#), a coalition dedicated to strengthening entrepreneurship across America. Together, we continue to advance the foundational ideas of building entrepreneurial ecosystems and entrepreneurship-led economic development.

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[NetWork Kansas](#), a 501c3 nonprofit organization dedicated to developing an entrepreneurial ecosystem in Kansas, is the home for e2 Entrepreneurial Ecosystems. NetWork Kansas connects aspiring entrepreneurs, emerging and established businesses, to a deep network of business building resource organizations across the state.

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