



CARTOGRAPHIE DES ACTEURS FINANCIERS ACTIFS DANS LA RÉGION DE SAN FRANCISCO ET DE SEATTLE

Baudouin de Hemptinne – Marco Pergola – SAN FRANCISCO



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PRÉFACE

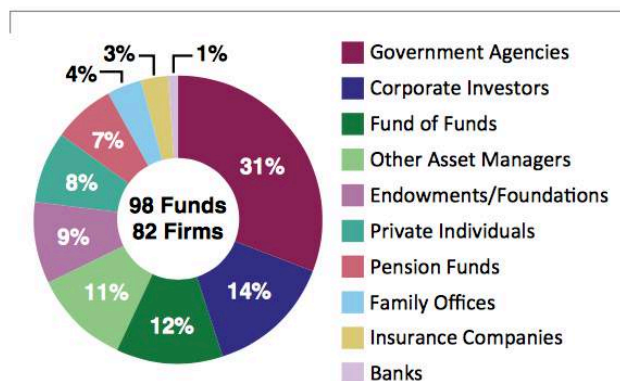
À la suite de la requête formulée par notre référent sectoriel pour le numérique, nous avons entrepris la cartographie des acteurs financiers actifs dans 2 villes qui font partie de notre juridiction.

La première, Seattle, qui abrite les *headquarters* de **Boeing**, d'**Amazon**, de **Costco**, de **Microsoft**, de **Starbucks** et de toute une série d'autres entreprises qui gravitent bien entendu autour de ses géants. Actuellement, Amazon emploie plus de 40.000 personnes à Seattle et Microsoft dépense plus d'un milliard de dollars en billet d'avion... Conséquence, la ville est en ébullition et les loyers augmentent actuellement au rythme de 11 % par mois dans certains quartiers. Bref, difficile d'ignorer cette ville de l'état de Washington.

La seconde est bien entendu San Francisco et la *Silicon Valley* où je vis.

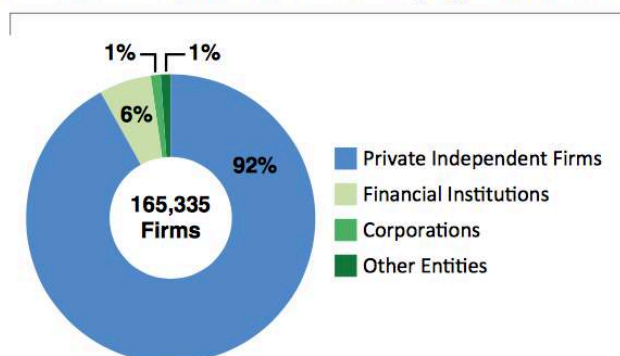
La demande qui émanait de Bruxelles précisait d'obtenir les acteurs financiers publics et privés. Je travaille dans une zone où les acteurs financiers sont quasi uniquement privés.

EU Venture Capital: Funds Raised by Type of Investor



Source: Invest Europe, "2015 Private Equity Activity," May 2016
Analysis: Bay Area Council Economic Institute

US Venture Capital: Funds Raised by Type of Investor



Data Source: National Venture Capital Association, "Yearbook 2016," March 2016
Analysis: Bay Area Council Economic Institute

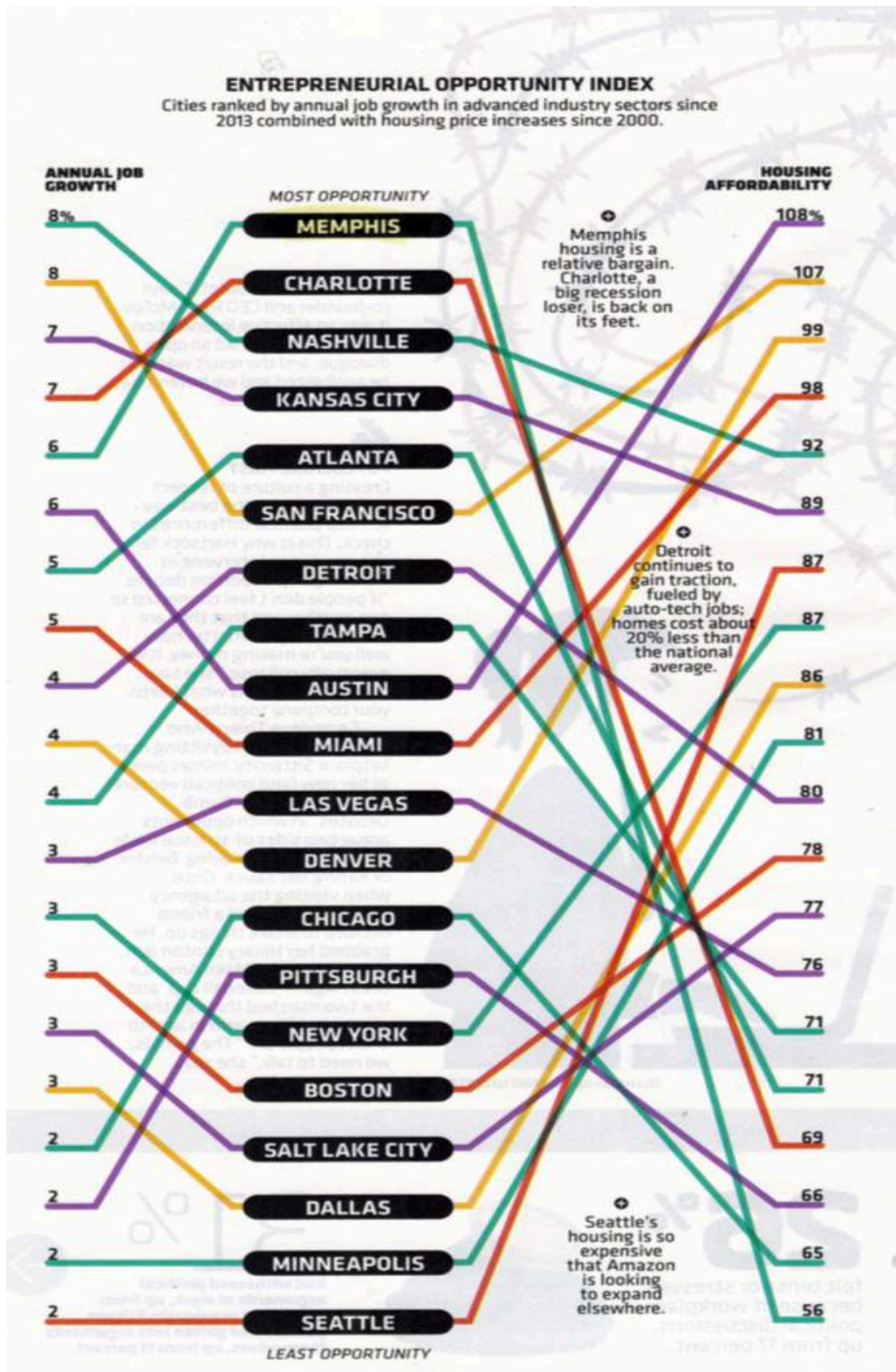
L'analyse réalisée par le *Bay Area Council Economic Institute* met en évidence une intervention de l'état en Europe de l'ordre de 31% dans le Venture Capital ; alors qu'aux USA, l'état est totalement absent de ce monde des VC. Si le déséquilibre a tendance à se résorber (l'intervention des états européens était de l'ordre de 40% l'année précédente), cela n'en crée pas moins du marché culturellement très différent. Il existe un certain mythe en Belgique que l'argent serait plus facile ou plus simple à lever en Californie, vu l'abondance de cash qui y est déversé chaque trimestre. La réalité est cependant tout autre. Dans l'article publié sur le site de Digital Wallonia, le 30 août 2016, le fond public d'investissement numérique W.I.N.G. parlait d'un taux d'acceptation des projets de l'ordre de 16% alors que dans la Silicon Valley, ce taux ne sera pas même de 1 %. La réalité est donc à tout le moins 16 fois plus éloignée que la perception belge/wallonne ne le laisse à penser. Dès lors, il faudra bien mettre en adéquation cette cartographie avec les souhaits exprimés par les projets wallons en recherche de fonds et de partenariats financiers. Mon expérience m'a montré que l'absence de support de fonds régionaux wallons est un indicateur très important pour la recherche de fonds à l'étranger. Et à l'inverse, une startup wallonne qui se voit proposer une *term sheet* par W.I.N.G obtient ainsi un gage de crédibilité à l'international. J'ai contribué cette année à l'obtention d'une *term sheet* du fonds W.I.N.G. pour une startup wallonne, actuellement en levée de fond en Asie. Si le deal n'a pas pu se faire pour des raisons « géographiques » avec le fonds wallon, l'octroi de la *term sheet* a réellement contribué à la crédibilité de la levée de fonds en Asie.

J'ai également voulu inclure dans ce document les incubateurs et les accélérateurs dans la mesure où certains d'entre eux jouent à la fois rôle de « coach » et de « financier » à l'instar de ce que Leansquare fait avec Meusinvest. Les meilleurs accélérateurs offrent un programme de trois mois et un montant cash variant entre 25.000\$ et 150.000\$ en échange d'un certain pourcentage du capital. Ici aussi, la compétition est nettement plus rude que ce que nous connaissons chez nous. À titre d'exemple, pour entrer dans un accélérateur dans la SV, il faut avoir un projet extrêmement séduisant susceptible de répondre positivement aux 9 points généralement adressés (le produit – le marché – la compétition – la traction – l'acquisition – le business model – l'équipe – le *funding* et les références). Le taux d'acceptation dans l'accélérateur de YCombinator est inférieur à 3%. Une fois encore, la cartographie ne doit pas se comprendre comme un carnet d'adresses dans lequel il suffirait de « piocher » pour trouver des contacts avec lesquelles on entrerait en dialogue suite à l'envoi d'un courriel.

J'ai également voulu ajouter la présentation « *Give the floor to investors* ». Au 7^{ème} slide, intitulé « *main criteria's* », je montre que pour avoir la moindre chance de succès, il faut être basé à proximité de son pourvoyeur de fonds. Certains VC n'hésitent pas à clairement poser la question d'emblée : « êtes-vous basé à plus de 50 miles de Mountain View ? » Si oui, impossible de continuer. Ceci démontre l'importance du rôle de conseiller économique en tant que lien entre cette communauté d'investisseurs locaux et nos startups. Depuis mon arrivée à San Francisco, j'ai toujours cherché à développer ces accès de manière à me permettre de montrer toutes les startups ou sociétés en recherche de fonds et qui m'en font la demande.

En conclusion, j'ai voulu reprendre l'indice d'opportunité entrepreneurial aux USA qui permet de classer les villes américaines par leur croissance annuelle de l'emploi dans l'industrie

technologique corrélé à l'augmentation de l'immobilier dans ces mêmes villes. San Francisco a connu quasiment la plus forte augmentation du coût immobilier (107% depuis 2000) pour une croissance annuelle de l'emploi de 8%. Quant à Seattle, le coût de l'immobilier est devenu tel (87%) qu'Amazon est la recherche d'une nouvelle ville américaine pour s'y étendre. La croissance de l'emploi depuis 2013 est de l'ordre de 2%.



INVESTORS IN THE BAY AREA



ACCELERATORS

YC

Ycombinator (YC) (Mountain View)



Visited June 1st 2016

YCombinator is a **seed accelerator**, started in March 2005. Fast Company has called YC "*the world's most powerful start-up incubator*" and the first one of its kind. Fortune has called YCombinator "*a spawning ground for emerging tech giants*". YCombinator provides seed funding for startups. Seed funding is the earliest stage of venture funding. It pays your expenses while you're getting started.

Some companies may need no more than seed funding. Others will go through several rounds. There is no right answer; how much funding you need depends on the kind of company you start. At YCombinator, the goal is to get you through the first phase. This usually means: get you to the point where you've built something impressive enough to raise money on a larger scale. Then we can introduce you to later stage investors—or occasionally even acquirers.

As of 2016, Y Combinator had invested in ~**940** companies including [Dropbox](#), [Airbnb](#), [Coinbase](#), [Stripe](#), [Reddit](#), [Zenefits](#), [Machine Zone](#), [Instacart](#), [Weebly](#), Chinese startup [Raven Tech](#).

- Since 2005, they have funded over **1,000** startups
- Y Combinator is a community of over **2,400** founders
- Their companies have a combined valuation of over **\$65B**

Program

Twice a year we invest a small amount of money (**\$120k**) in a large number of startups (most recently **107**). The startups move to Silicon Valley for **3 months**, during which we work intensively with them to get the company into the best possible shape and refine their pitch to investors. Each cycle culminates in **Demo Day**, when the startups present their companies to a carefully selected, invite-only audience.

Most of the founders in each startup they fund (and always the CEO) are expected to move to the Bay Area for the duration of the three months cycle. During those three months they host a dinner once a week at YCombinator, and at each dinner they invite an expert in some aspect of startups to speak. Typically speakers include startup founders, venture capitalists, journalists and executives from well-known technology companies. Speakers often end up advising or investing in startups they meet at the dinners.

But YC doesn't end on Demo Day. YC and the YC alumni network, continue to help founders for the life of their company, and beyond.

YCombinator runs two cycles a year, one from January through March and one from June through August. The program includes "office hours", where startup founders meet individually and in groups with YCombinator partners for advices. Founders also participate in weekly dinners where guests from the Silicon Valley ecosystem (successful entrepreneurs,

venture capitalists, etc.) speak to the founders. Each cycle culminates in an event called Demo Day.

In any startup, the first couple months tend to be the most productive of all. Those first months define the company. So anything you can do to maximize their effects is probably a good idea. We seem to have succeeded in creating a good environment, because many founders have told us that the first ten weeks of YCombinator were the most productive period of their lives.

Requirement

- Having a strong team
- Having already an idea

Person of contact

- Kat Manalac, *Partner YC*

Website

<http://www.ycombinator.com>

How to contact YC

- Address: Mountain View, CA
- Online: <http://www.ycombinator.com/contact/>

The Alchemist

The Alchemist B2B Accelerator



Visited May 26th 2016

The Alchemist Accelerator is an accelerator exclusively for startups **whose revenue comes from enterprises, not consumers**. We are passionate about the needs of enterprise seed ventures, and believe they are different enough to warrant a program specifically for them. The accelerator focuses on: enterprise customer development, sales (direct and online), market validation, and a structured path to fundraising. We have the most sought after advisor faculty, guest lecturers, venture capitalists, and Fortune 100 customers primed to be resources for you. And we are very excited about building a fellowship of founders building change the world companies that sell to the enterprise. The accelerators work in close collaboration with corporates who put 1 million (fund backer) : Cisco, Cosla, Tyco, Safivo venture, Salesforce, RSVP.

The accelerator backs teams with distinctive technical founders, and provides startup capital investments of around **\$28k**. The program includes a structured path to sales, customer development and fundraising, along with mentorship and a community of founders.

The Alchemist Accelerator is a new venture-backed initiative focused on accelerating the development of seed-stage ventures that monetize from enterprises (not consumers). The accelerator's primary screening criteria is on teams, with primacy placed on having distinctive technical co-founders. The accelerator seeds around **40 enterprise**-monetizing ventures / year. Over **50%** close institutional rounds within **12 months** of their Alchemist Demo Day

Program

The program's been designed based on input from successful entrepreneurs. A few key elements to know about:


- * The program last 6 months for the 15 selected companies (on the 300 applications)
- * The program will provide a **small cash investment** in the form of a note you can take if you like. It will depend on the number of founders on the team. The program has a "tuition" charge -- we'll provide additional capital in the note to cover the tuition charge. The average cash investment is **\$36K** (net of the additional cash provided to cover the tuition fee).
- * The program does provide **co-working space** in San Francisco, Palo Alto, and limited space in Menlo Park (all space is subject to availability). You do not need to use our co-working space to participate in the program. We want you to choose an environment you like for building your culture and team.
- * All elements of the program, except the Demo Day, are **optional**. You do not need to attend any events if you don't want to.
- * At the beginning of the program, you will submit a profile snapshot of your company and needs. We will syndicate your profile with a trusted network of Customer Prospects (typically Fortune 100 companies), Feedback Coaches for Fundraising (typically trusted Venture Capitalists), and Mentors (our Network of Advisors). We will also have an opportunity for you to casually meet all of these people during a meet & greet. We will then set up 1:1 meetings with people who want to help you build your company -- with a core focus on customers (who could do a proof of concept if the fit is right) and VC's (who will give you feedback with the understanding that you are not in pitching mode yet). The intent is for you to meet 1:1 with both groups throughout the first half of the program as you fine tune your offering and pitch.
- * During the second half of the program, we will selectively facilitate the process of practicing pitching -- both to VC's and new customer prospects.
- * We will host a demo day towards the end of the program where you will get access to pitch to the top funding sources. We also will host guest lectures, roundtable discussions, and other social events you are invited to.

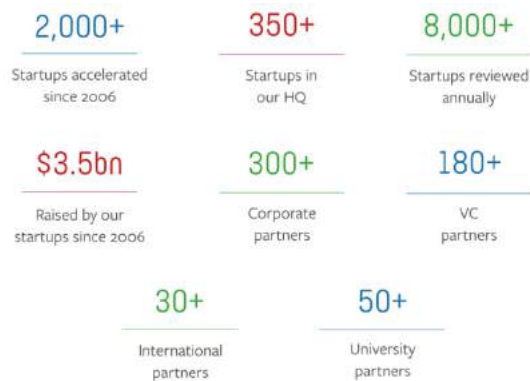
Requirements

- You can apply without an idea
- You can be an international company but you need to have a US incorporated entity
- You must not have raised Serie A round
- Hardware companies are accepted
- You must be an enterprise startup: The definition of an "enterprise startup" is based on where the revenue comes from. It's not based on the offering. "B2B" (e.g.

<p>Salesforce) and "B2B2C" (e.g. Square) both qualify. All business models (license, SaaS, Freemium) are welcome. If the major revenue source for the business is from enterprises or organizations -- be them large or SMBs -- you qualify. You can sell direct or online (or a combination). Infrastructure, application, services, non-category-fitters -- all are welcome.</p>
<p><u>Person of contact</u></p> <ul style="list-style-type: none"> Danielle D'Agostaro <i>Partner & COO</i>
<p><u>Website</u></p> <p>http://alchemistaccelerator.com</p>
<p><u>How to contact The Alchemist</u></p> <ul style="list-style-type: none"> Address: 180 Sansome St, San Francisco, CA 94104 Email: admissions@alchemistaccelerator.com

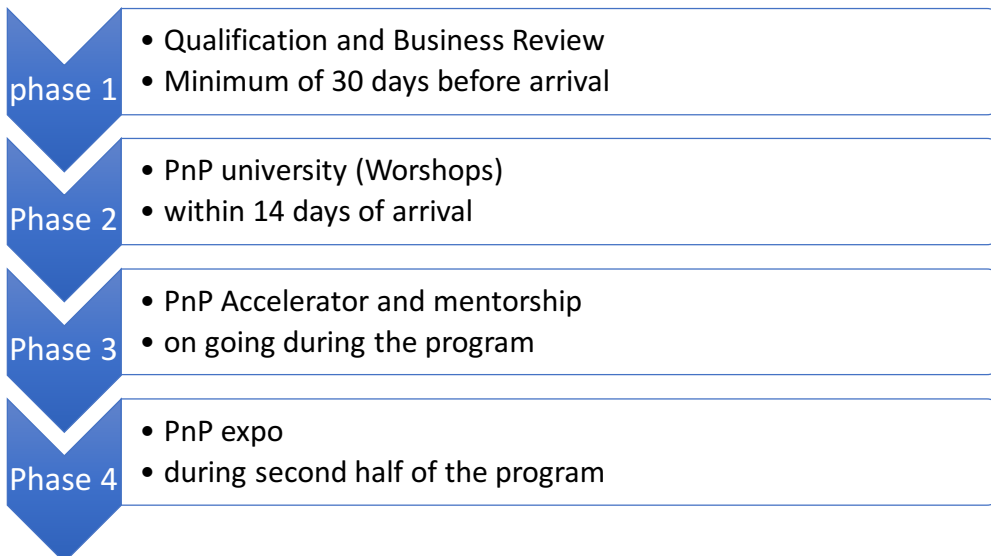
Plug and play

<p><u>Plug & play</u> <u>(San Jose)</u></p>		<p>Visited March 21st 2016</p>
<p>Plug and Play is the world's largest global technology accelerator. We connect startups to corporations, and invest in over 100 companies every year. They have 22 locations across 24 countries with success stories that include <u>PayPal</u>, <u>Dropbox</u>, <u>SoundHound</u>, and <u>Lending Club</u>. Our platforms run 12-week programs hosted in Silicon Valley. 25-30 startups in each vertical will work on developing technologies that define their sector. From wearable to point-of-sales tools, the startups accepted into the platforms are collectively selected by us, our corporate partners, and industry experts (Funnel : 1000 applications => 100 selected by PnP => 40 selected by corporations => 20 selected by both to participate to the program). With over 350 startups and 300 corporates partners, they have created the ultimate startup ecosystem. Startups part of that ecosystem have raised over 3,5 billion in funding. They also created plug and play ventures which is the investment arm of plug and play participating in seed round, angel round and series A.</p>		



Program:

- International Accelerator



Market immersion: Understanding key differences between your country and the united states, introduction to service provider, participating to industry conference EXPO P&P showcasing your product to potential partners and customers

Marketing & product positioning: determining potential partnership and competitive positioning in the silicon valley, introduction to relevant investors and strategic contacts.

Pitching polishing: accelerating company's value proposition, learning of pitching its company to various targets (elevator's pitch, 3 min, 5 min, investors,...)

Networking: access to both internal and external events occulating in Silicon valley, opportunities to meet other fellow entrepreneurs within the P&P community, begin to build your personal network in silicon valley.


No equity taken, only a fee (= \$20.000/ 3 weeks of program)

- Vertical accelerators

P&P vertical specific models brings together complementary corporation to dictate the focus of the program and guide our broader investment strategy. By collaborating

<p>with industry leading corporation throughout the selection process P&P is able to source relevant startups for its partners and facilitate business development, licensing, investment and acquisition opportunities.</p> <p>Specific industries related: IoT, Fintech, Health, New material and Packaging, Media and Mobile, Brand & Retail, Travel & Hospitality</p>
<p><u>Person of Contact</u></p> <ul style="list-style-type: none"> • Megan Ramies <i>International Operations Manager</i> • Yael Oppenheimer <i>Director- International operation</i>
<p><u>Website</u></p> <p>http://plugandplaytechcenter.com</p>
<p><u>How to contact PLUGANDPLAY</u></p> <ul style="list-style-type: none"> • Address: 440 N. Wolfe Rd. – Sunnyvale, CA 94085 • Phone: 408-524-1400 • Online: http://plugandplaytechcenter.com/contact/

Founders space

<p><u>Founders Space (SF)</u></p> 	<p>Visited May 19th 2016</p>
<p>Founders Space is dedicated to helping exceptional entrepreneurs grow their startups, get funded and go global. According to Forbes Magazine, Founders Space is the #1 Incubator for startups coming from all over the world to Silicon Valley. With an international network of strategic partners, mentors and investors, Founders Space is the world's leading global startup community.</p>	
<p><u>Program</u></p> <ul style="list-style-type: none"> • <u>Online incubator</u> <p>The Online Incubator Program is being used by our partners around the world, including universities, incubators, accelerators, governments and corporations. It provides hundreds of pieces of content delivered daily over 3 months, including videos, business lessons and startup materials. Each lesson is from 5 to 15 minutes. These lessons are designed to cover the most important concepts and information necessary for entrepreneurs launching and running their companies.</p> <p>You will have access (for 2 years) to all the videos and you'll also gain access to the Founders Space Startup Kit, Startup Exam, and other online resources. Keep in mind that the online course does not include the live classes, mentoring sessions or investor Pitch Day. These are only available if you're accepted into our Full Accelerator Program.</p>	

All the materials for the online course are delivered to you online in digital format, so you can access the lessons from any smart device.

- **Accelerator Program**

Up to 4 founders from your startup can attend. This is an extremely intensive **2-weeks program**. It involves classes, workshops, lectures, mentoring and our investor pitch event. During this time, you'll be at Founders Space every weekday, right up until Pitch Day. After the program, you can continue to attend our events, lectures and workshops for up to **12 months** whenever we have them at no charge. You'll also receive our Startup Kit and **3-month Online Incubator Program**, with hundreds of pieces of content, including videos, business lessons and startup materials.

- **Educational Program**

The purpose of the educational is equity free and teach anyone for as long as 2 weeks all the basic requirements in order to assess the American market, you can learn about the IP system, the Law regulation, etc,...

Requirements

- You need to have at least a proof of concept or a prototype, having a good idea is not enough. They take between **0,5%** until **3,5% equity** and on average **2%** for the two weeks program followed by the year long access to events and facilities within the Founders Space.

Person of contact

- Steven Hoffman *Captain of Founders space*


Website

<https://www.foundersspace.com>


How to Contact Founders Space

- Address: 450 Townsend St, San Francisco, CA 94107
- Online: <https://www.foundersspace.com/contact/>

Tie Launchpad

<p><u>Tie Launchpad</u> <u>(San Jose)</u></p> 	<p>Visited March 1st 2016</p>
<p>Tie Launchpad is the accelerator for enterprise startups within the TiE. TiE is a non-profit organization that was founded in 1992 in silicon valley by a group of successful entrepreneur, corporate executives and senior professionals to nurture entrepreneurship. TiE is the world's largest network of entrepreneur with over than 14.000 members globally, including 2500 charter members in 61 chapters across 18 countries. Members include successful entrepreneur, professionals and representatives from top corporation and leading venture capital firms. The mission of TiE is to foster entrepreneurship globally through funding, mentoring, networking and education.</p>	
<p><u>Program</u></p> <ul style="list-style-type: none"> • <u>TiE</u>: Access to desk spaces + all logistic (address, photocopy, internet connection,) for \$250/ month per desk with maximum 9 members per company, no requirements needed. • <u>TiE Launchpad</u>: 5 months Accelerator Program, fund: \$50.000 convertible notes for 4% common equity (which means that the company must be valuated less than 1,25 Million) + right to co-invest up to 10% the next round 	
<p><u>Requirements</u></p> <ul style="list-style-type: none"> • TiE access to desk space: none • TiE Launchpad: according to the appreciation of the selection committee 	
<p><u>Person of Contact</u></p> <ul style="list-style-type: none"> • Venktesh Shukla <i>TiE SV President</i> • Prashant Shah <i>Managing director Tie Launchpad</i> • Dipty Desai <i>Program Director</i> 	
<p><u>Website</u></p> <p>http://www.tielaunchpad.com</p>	
<p><u>How to Contact Founders Space</u></p> <ul style="list-style-type: none"> • Address: 415 Oakmead Parkway, Sunnyvale, CA 94085 	

Highway 1

<u>Highway 1</u> <u>Hardware</u> <u>Accelerator</u>		Visited March 3 rd 2016
<p>This incubator is looking for the world's best hardware startups (this year 9 selected out of 250 applicants) bringing transformational technology to consumer markets. They work with entrepreneurs that are passionate about design and the customer experience, with the vision and drive to build a successful company.</p>		
<u>Program</u> <ul style="list-style-type: none">• 4 months program, helped by 3 full time engineers to be able to manufacture efficiently the hardware product. 24/7 access to 1000 square foot lab and the use of all the latest prototype tools like 3D printer, laser cutters and CNC mills (!not the raw material). 10 days trip in Shenzhen to learn supply chain and management. Fund : \$100.000 for 8% (Value< \$1,25 M) or \$50.000 for 5% (<\$1M)		
<u>Requirements</u> <ul style="list-style-type: none">• >2 people• Have already a prototype to present• Have a good technical and business review		
<u>Person of Contact</u> <ul style="list-style-type: none">• Abigail O'Brien <i>office coordinator at highway1</i>		
<u>Website</u> http://highway1.io		
<u>How to contact Highway 1</u> <ul style="list-style-type: none">• Address: 1040 Mariposa St, San Francisco, CA 94107		

HAX (SF)
Hardware
accelerator



Visited March 3rd 2016

The main thing you'll get from HAX is hands-on help, mentorship and the HAX network: advice, expertise and fire in your pants.

They are a fast-growing family of over 100 experienced entrepreneurs, industry experts and hackers. They have an extensive support team at your disposal; eager to help you overcome your manufacturing woes, improve your user experience, or figure out retail distribution.

Program

- HAX Accelerator: (SHENZHEN- China) they run the world's first and largest hardware accelerator right in the center of the Silicon Valley for hardware. **30** selected per year, **\$100.000** initial investments for **9%** equity (< \$1,1M).
- HAX Boost: Already have a product on the market? They have the experience to help you blow it up, they have taken over **80 companies** to market since 2012. **50 selected** per year 100% product to market **42 days programme**.
- HAX future: HAX Futures is their test bed for innovation for specific themes in partnership with leading corporate partners. Their first program, URBAN-X, is a joint venture with MINI. By combining HAX's best-in-class acceleration practices and expertise in connected devices with MINI's iconic design and engineering resources, the program will explore how technology and design can shape the future of urban living and connected cities.

Person of Contact

- Sherry HSU *Product Marketing Business development*
- Cyril Ebersweiler *Founder & Managing director*


Website

<https://hax.co>

How to Hax

- Address: 4 79 Jessie St, San Francisco, CA 94103
- Email: makeit@hax.co

Blackbox

<p>Black Box VC <u>(Cupertino)</u></p> 	<p>Not visited yet</p>
<p>Blackbox is a Silicon Valley accelerator focused exclusively on startups from outside the United States. They educate, mentor, collaborate, and connect born global founders with potential partners and investors, and the full resources available in Silicon Valley. The accelerator believes that entrepreneurs are the core engines for global economic growth. Our mission is to bring motivated founders with great ideas from every corner of the world to Silicon Valley to learn from and connect with successful entrepreneurs, experienced venture capitalists and other resources to accelerate their global expansion. We believe it is possible to change the world whether you're from Cupertino or Cameroon.</p> <p>Our network of founders spans more than 50 countries and continues to grow—one relationship at a time. The alumni of Blackbox programs are defined by their willingness to support and promote fellow startup founders. We are fortunate to offer an incredibly diverse population of global entrepreneurs access to the Silicon Valley game changers, connect them with other global entrepreneurs and build one global ecosystem.</p>	
<p><u>Program</u></p> <ul style="list-style-type: none"> • <u>Black box connect</u> Black box connect is a two-weeks, residential program designed to immerse international startup founders in the Silicon Valley culture. It will give you a foundation of knowledge and access to the expertise you need to expand your vision and scale your company globally. <p>During the program you will connect with and receive advices, feedbacks and perspectives on team composition, launched products, business and growth strategies from venture capitalists, successful founders, and game changing domain experts. With the small group size and intimate house environment, you will also forge valuable business relationships with other successful entrepreneurs from around the world. When joining Blackbox Connect you will become a member of a global community of select entrepreneurs and key supporting organizations and get access to global resources unavailable anywhere else. We are a founder-focused accelerator with a network of alumni in more than 50 countries.</p>	
<p><u>Requirements</u></p> <ul style="list-style-type: none"> • Most of the startups we choose are referred by our select partner organizations and through our network of ambassadors and alumni. The startups complete an online application; we conduct two rounds of video interviews to assess the customer/user feedback on the product, future plans and current challenges and of course 	

proficiency in English. We select **12 to 18** startups with one to two key founders and no more than two companies from one country at each program cycle. The program is offered quarterly, targeting 50% female founded companies.

Selection criteria

- We focus on international startups
Leveling the playing field for underrepresented and resource challenged entrepreneurs outside SF
- Startup must have launched a product
Must have received customer or user feedback
- Proficiency in English
Attending founder must be proficient in English
- For original founders only
Attending founder must hold full time executive role

Person of contact

- Fadi Bishara *Founder and CEO* (Via Xavier de Ryckel)

Website

<http://blackbox.vc>

How to contact Blackbox:

- 789 University Ave, Palo Alto, CA 94301
- Phone: 479-126-8516

Power house

Power house (Oakland)



Visited June 1st 2016

Powerhouse is the world's premier incubator and accelerator dedicated to solar. Our Incubator houses the country's most ingenious solar software startups and our Accelerator invests in them. Our passion is supporting solar entrepreneurs to succeed.

20

SOLAR STARTUPS

200

SOLAR ENTREPRENEURS

500

MW CONTRIBUTED

Program

- Incubator

Powerhouse has **14,000** square feet of LEED certified office digs spanning the top three floors of our beautiful, century old building in the heart of Oakland's Uptown. Our collaborative work space hosts **dozens** of solar startups and over **100** entrepreneurs. Our penthouse and rooftop deck have hosted many hackathons, investor happy hours, and epic solar parties. With views overlooking the San Francisco Bay Area, Powerhouse is surrounded by the town's best restaurants and bars for when you need to wine and dine investors or just celebrate your team's awesomeness. Less than 20 steps from BART, Powerhouse has 24 hour access, secure bike parking so you can get your exercise on, showers so you don't smell when you get here, coffee, tea, and snacks to keep you powered all day and night. We also have an internal social media platform just for Powerhouse members. Entrepreneurs pay one flat member fee that includes all access so you can focus on running the world with sunshine.

- Accelerator

Powerhouse Accelerator is a **6 months program** to supercharge solar startups. Powerhouse runs **two 6 months cycles** a year. One from January through June and one from July through December. If accepted, entrepreneurs receive cash investment (for **5%** equity preferred for **10k**), free office space in the Incubator, connections to our network of investors and introductions to the country's top industry leaders. By focusing exclusively on solar, we have attracted the best startups, investors, and corporate leaders in the country. We accept a small number of startups and curate the Accelerator to fit your team's needs. When you're in the Accelerator, we're on your team and we play to win.

Requirements

Powerhouse puts entrepreneurs first and we put startup founders first when we're reviewing applications. We know your business model is going to change in the 6 months you're with us so we care more about you as a person, and how you will lead your company, than we do your current product and projected market share. For entrepreneurs we look for innovation, leadership and grit. Ideally you have a cofounder or two, including a technical founder.

- The business has to be incorporated in the US
- No NDA signed
- No Business Plan
- No obligation to be in

Person of contact

- Emily Kirsch *Co founder and CEO of Powerhouse*
- Marie Washer *Intern at Power House*

Website

<https://powerhouse.solar>

How to contact Power House

- 426 17th St, #700, Oakland, CA 94612
- Online: <https://powerhouse.solar/> (at the bottom of the page)

The Refiners

The Refiners

(SF)



Not visited yet

The Refiners Accelerator is a startup accelerator based in San Francisco, dedicated to the development of European gems in Silicon Valley. The Refiners Accelerator has one of the largest European entrepreneur networks in Silicon Valley. The Refiners Accelerator now allows the Fund to invest with notable entrepreneurs and VCs in approximately **90 startups accelerated** by The Refiners Accelerator during the course of **3 years**. The Refiners Accelerator also will allow the Fund investors to target the graduating accelerated startups for further investments.

Program

The Refiners fund aims to invest in approximately **90 European startups** across multiple digital sectors. Experienced entrepreneurs primarily lead the fund. The Fund invests in startups by making investments in each of the portfolio companies participating in The Refiners Accelerator. The Fund will invest approximately **\$50k** per startup in exchange for **3% to 7%** of equity.

Requirements

The Refiners Accelerator will aim to select startups across multiple **digital sectors**. The Refiners Accelerator will generally target **European startups** with a **team of 2-3 full time co-founders** including tech talents and with at least **6 months of common history**. More than ideas, The Refiners Accelerator will look for great entrepreneurs solving real problems and able to demonstrate initial traction. There is a multistage selection process that includes eco-system first curation of startups, co-entrepreneurs evaluation, conflicts and non-arms transactions, among other things. The “investment committee” of The Refiners Accelerator will consist of 4 individuals – each of Carlos, Pierre and Géraldine, and one of the Limited Partners of the Fund (the latter of which will change on a periodic basis).

Person of contact

- Pierre Gaubil *Founder of the Refiners*
- Carlos Diaz *Founder of the Refiners*
- Géraldine Lemeur *Founder of the Refiners*

Website

<http://www.therefiners.co>

How to contact The Refiners

- Address: 11th St, San Francisco, CA 94103
- Email: contact@therefiners.co
- Online: <http://www.therefiners.co/contact/>

LAB360

LAB360



Lab360 is dedicated to support early-stage hardware startups because we understand that the hardware development and the go to market process are very different from enterprise software and mobile apps. Lab360 functions like a hybrid between an incubator and a business accelerator where it tailors its support for each startup since each founding team, idea, and market are unique and have different needs.

Program

- Cloud
Startups in Lab360 are automatically qualified to receive free* cloud services from major cloud service providers
- Design and engineering support

Startups occasionally need outside help in software, hardware and mechanical design. Lab360 has selected a few partners with deep knowledge in embedded system, realtime software and UX design with experience working with hardware startups

- **Mentor**

Lab360 has recruited a selective group of industry veterans to mentor startup founding teams. These mentors possess deep experience in all aspects of building a successful hardware business from engineering design, manufacturing, sales and marketing to business operation (network of mentors with experience in hardware business from C-level professionals to subject experts to investors)

- **Business services**

Lab360 has business relationships with legal and HR firms which have focus around startups.

- **Facilities and equipment**

Over 10,000 sq.ft. facility in Santa Clara and in San Francisco with 24/7 access dedicated to startups. An open office space, conference rooms and an engineering lab with 3D printers, and other equipment for electrical, mechanical, and design prototyping.

- **Funding and Value Add**

Lab360 is backed by Heuristic Capital Partners, a US Venture Fund that focuses on seed to Series-A investment. Lab360 partners with multiple funds that invest from seed to later stages. An experienced investment team helps prepare and assist future fund raising.

Requirements

Lab360 has a monthly rolling application process with a milestones-based program and an annual Demo Day.

Person of contact

- Joseph Wei, *Founding Partners, LAB360*
- Bert Bruggeman, *CEO, Gefira Solutions*
- Lake Dai, *Partner, LDV Partners*
- Nolan Katter, *Private Investment Director, Tracxn*
- Mike Keer, *Product Realization Group*
- Angel Orrantia, *Sr. Director, SKTA Innopartners*
- Yiwon Rong, *VP of Product Development, uSens*
- Owens Wu, *CSO, Coinx Ventures*

Website

<http://www.lab360.com>

How to contact LAB360

- Address in Silicon Valley: 4 500 Great America Parkway Suite 210, Santa Clara, CA 95054
- Address in San Francisco: 818 Mission St. Suite 200, San Francisco CA 94103
- Online: <http://www.lab360.com/#contact>

Shenzhen Valley Ventures

Shenzhen Valley Ventures



SVV is a hardware startup accelerator that provides startups access to exclusive engineering and hardware testing equipment including a reliability test lab, EMI/EMC lab, SMT line and pilot run production line. We also give you access to our world class team of 35+ experienced engineers that we dedicate to the startups that we work with to expedite and enhance the hardware development process. We've created the perfect environment to develop your hardware company.

Program

- **Engineering Service Program**
SVV helps you prototype and build your product from several units all the way to hundreds of units, with full scale capability including PCB layout, SMT, ME build, assembly and test.
- **SVV Pilot Run Program**
The pilot run for a startup is quite different than pilot runs from established brands. Owing to limitation of resources, the design capability of a startup usually is far less mature and the pilot run is more for a final design validation to spot potential problems in your early products. For this reason, we have custom tailored a pilot run program specifically for startups. This system consists of full line of ME/EE/cosmetic/test machinery and equipment, right in our Shenzhen office building, so that problems found during the pilot run can be fixed on site with the machines. The luxury of setting up this system one site at our facility (which includes office and factory space) also allows a much easier access and more involvement for your startup's engineering team while working with SVV. This program will not only deliver the product itself, but more importantly, it comes with a detailed analysis

report by our NPI engineers for the major potential design issues spotted during the pilot run, so that startup can improve their design before they move to mass production.

- **Cross Border Marketing Program**

DFM is one of the hardest steps in building a hardware company, but once you overcome that you need to be able to grow and scale your company. With our marketing service we have marketing teams in the US as well as China that focus on early traction for hardware companies. With the proven capability of ensuring delivery, we've secured strategic partnerships with channels like Indiegogo in the US, and JD.com in China, to give our portfolios and clients an advantage of launching their project simultaneously in US and Chinese markets. We offer marketing strategy consulting, crowdfunding consulting, PR strategy, advertising, China turnkey localization solutions and more.

- **Palo Alto Hardware Co-Working Space**

Our hardware coworking space is dedicated to helping your company succeed. Easily take your company to the next level with our tools and connections.

Requirements

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Person of contact

- Tong Li, *Co-Founder*
- Haipeng Li, *Venture Partner*
- Diane Ding, *General Manager*
- Travis Levell, *Head of Marketing*
- Adam Song, *Associate*

Website

<http://svv.io>

How to contact Shenzhen Valley Ventures

- Address: 955 Alma St b, Palo Alto, CA 94301

QB3

QB3



The Refiners Accelerator is a startup accelerator based in San Francisco, dedicated to the development of European gems in Silicon Valley. The Refiners Accelerator has one of the largest European entrepreneur networks in Silicon Valley. The Refiners Accelerator now allows the Fund to invest with notable entrepreneurs and VCs in approximately **90 startups accelerated** by The Refiners Accelerator during the course of **3 years**. The Refiners Accelerator also will allow the Fund investors to target the graduating accelerated startups for further investments.

Program

- Incubators

- QB3 GARAGE@UCSF: The original QB3 Garage, founded in 2006, located in Byers Hall at UCSF in Mission Bay. The QB3 Garage@UCSF features 3,000 square feet of offices, wet laboratory space, and multi-function rooms. The laboratory space includes 2 private labs and 8 benches with attached desk space.
- QB3 GARAGE@BERKELEY: The QB3 Garage@Berkeley in Stanley Hall features approximately 800 square feet of wet laboratory space, set up with eight stations for incubator use. Each station offers bench and desk space, and network connections. Resident companies also share use of a prep bench with standard lab facilities, along with space for floor-standing equipment.
- QB3@953: QB3@953, established in 2013, is QB3's flagship incubator featuring 24,000 sq ft of lab and office space in San Francisco's Dogpatch neighborhood, just a short walk from the UCSF Mission Bay Campus. This location offers an on-site complete molecular biology facility and the "Fast-Track" core facility, offering access to millions of dollars' worth of equipment.
- QB3 EAST BAY INNOVATION CENTER: The QB3 East Bay Innovation Center, operated by Wareham Development, is located in West Berkeley in the heart of the East Bay Technology Corridor, the second largest life-science and technology cluster in Northern California. This facility offers 8,000 sq ft of lab and office space and includes access to shared research equipment.
- STARTX-QB3 LABS: Located in proximity to the Stanford campus and Stanford Medical Center, this location offers 2,000 square feet of wet lab space that includes access to a host of shared research equipment. Tenants are also able to use fee for service facilities at Stanford.

- **Medical Device Startup Support**

The Rosenman Institute, QB3's medical devices initiative, hosts major events and brings entrepreneurs together with expert mentors.

- **Core Facilities**



- **Life Science Pitch Summit**

QB3 startup competitions have always attracted intense interest both from entrepreneurs and investors. Entrepreneurs want exposure; investors need dealflow. We've launched the Life Science Pitch Summits to meet the needs of both investors and entrepreneurs. Each quarter, life-science startups from a specific sector will apply to take part in that quarter's Pitch Summit. (Accredited investors can apply to join at any time.) QB3 will pick 40 companies and an expert panel will winnow the field down to the top 10-15 entries. Entrepreneurs and investors can interact confidentially through a custom-designed platform, and the selected startups will pitch the investors on the day of the Summit.

Requirements

- From incorporation to operation to growth, QB3 provides support and resources to entrepreneurs.
- Support for launch:
 - This program is available only to entrepreneurs and companies based in California.
 - The fee is \$350, or \$250 for UC founders: faculty, staff, or students, or recent graduates, from any University of California campus. If your application is accepted, we will contact you with payment details.

Person of contact

- Brian Atwood, *Co-founder and Managing Director Versant Ventures*
- Remi Barbier, *Chairman of the Board, President & CEO Pain Therapeutics*
- Brook Byers, *Partner Kleiner Perkins Caufield & Byers*
- Ron Conway, *Founder & Co-Managing Partner SV Angel*

Website

<http://qb3.org>

How to contact QB3

- Address: 1700 4th St #214, San Francisco, CA 94158
- Phone: 415-514-9790
- Email: KASPAR.MOSSMAN@UCSF.EDU (Communications & Marketing Director Kaspar Mossman)

StartX

StartX



StartX is an educational non-profit that accelerates the development of Stanford's top entrepreneurs through experiential education and collective intelligence. StartX requires no fees and takes zero equity.

As a partner of Stanford University and Stanford Health Care as well as many Stanford programs and the Stanford student government, we support all Stanford founders, including undergraduates, Master's students, PhD students, postdocs, alumni, and professors. Founders in the StartX community are carefully selected, and each session we welcome founders who are amazingly diverse, passionate, and talented.

As members of StartX's thriving and supportive community, they help each other approach obstacles from different perspectives. They have studied medicine, engineering, business, humanities, law, science, and more. This creation of an interdisciplinary environment contributes to our community norm of trust and information sharing.

We are supported through foundation grants and corporate partnerships and take no equity in our companies.

Program

- **Accelerator Program**

The Accelerator Program for First-time Founders (relative to your stage) will focus on building your network of mentors and peers who can help you learn how to succeed. For example, if you are raising a Series B for the first time, apply to the first-time founders program to learn from mentors and other entrepreneurs who have successfully raised Series B rounds. The Accelerator Program for Experienced Entrepreneurs (Serial entrepreneurs and growth-stage companies) is designed for founders that have had past success in previous companies of the same stage, and assumes you can hit the ground running. This track will focus on surrounding each serial entrepreneur with tactical help and other serial entrepreneurs like you to help build your company bigger, better, and more efficiently than the last.

- **Student-in-Residence Program**

The Student-in-Residence program is a specialized program for student founders actively enrolled at Stanford and includes additional benefits (such as free office space, etc.) and a different educational track. In order to be eligible to apply to the StartX Student-in-Residence program, at least one founder must be a current

Stanford student/PhD. Additionally, the Stanford student founder(s) must hold a significant equity stake in the company.

- **Professor-in-Residence Program**

The Professor-in-Residence program is a customized track to fit within the constraints of teams that include an active Stanford professor.

In order to be eligible to apply to the StartX Professor-in-Residence program, at least one founder must be a current faculty member of Stanford University.

Additionally, the founder who is a faculty member must hold a significant equity stake in the company.

- **Visiting Founder Program**

If you do not fit the requirements listed above, it is still possible to join the community. StartX offers an invite-only Visiting Founder Program, for non Stanford-affiliated teams.

You will need a recommendation from 1 StartX alumni founder to confirm your application submission. To receive a recommendation, please request your StartX reference to visit startx.com/recommendations to recommend you before the submission deadline. If we haven't received the recommendation by the deadline, your application will be void. If you want to be notified as soon as applications open, you can register at [here](#). Note that companies whose founders do not have a Stanford-affiliation do not have access to the Stanford-StartX Fund.

Requirements

- You can apply to the accelerator program either as First-time Founders or Experienced Entrepreneurs (Serial entrepreneurs or Growth-stage company).
- In order to be eligible to apply to the Accelerator Program, at least one founder of the company must have a Stanford affiliation. A Stanford-affiliated founder is someone who was a Stanford undergraduate student, graduate student, faculty member, post doctoral scholar, academic staff member, or fellow in a recognized Stanford fellowship program.
- If you do not fit the requirements listed above, it is still possible to join the community. StartX offers an invite-only Visiting Founder Program, for non Stanford-affiliated teams.

Person of contact

- Mike Cassidy, *Serial Entrepreneur*
- Konstantin Guericke, *Co-Founder*
- Milt McColl, *Founder*

Website

<https://startx.com/accelerator>

How to contact StartX

- Address: 2627 Hanover St, Palo Alto, CA 94304
- Online: <https://startx.com/#contact>
- Email: suzanne@startx.com (Suzanne Fletcher, *Fund Manager*)
- Email : pj@spryhealth.com (Pierre-Jean Cobut)

Silicon Catalyst

Silicon Catalyst



The semiconductor startup landscape is in the midst of a renaissance of sorts thanks to megatrends in IoT, data centers, biomedical innovations, and mobile. Silicon Catalyst is the world's first incubator focused exclusively on semiconductor solutions startups. We address the challenges faced by these startups while guiding them from PowerPoint to prototype, to the formation of a company. The prevailing consensus sees over 30 billion connected devices by 2020 with 60% of innovations in IoT this year alone coming from startups. Silicon Catalyst exists to spur startup innovation in the semiconductor industry. With nearly 100 startup companies screened by us from around the world since April of 2015, Silicon Catalyst is reenergizing the semiconductor startup community and ecosystem.

Program

A recipient of the prestigious UBM Canon Startup Company of the Year in 2015, Silicon Catalyst selects startups to incubate in conjunction with our ecosystem of in-kind partners, industry-leading companies, and potential investors. This process leads to our start-ups forming deep relationships with people that provide value to their long-term success, from funding to product guidance. Silicon Catalyst supplies the startups we incubate with goods and services from our network of in-kind partners to dramatically reduce the cost of development. These goods and services include EDA tools, PDK access, foundry wafers, test equipment, and other critical technical capabilities from our growing network of in-kind partners.

The cornerstones of our model consists of the aforementioned portfolio of in-kind partners along with a vast and valuable mentor network of key seasoned Silicon Valley veterans coupled with strategic partnerships with major tech companies. This triumvirate of assets provides our startup partners with the greatest opportunity for a successful exit.

In addition, Silicon Catalyst helps our startups find a path to funding through our connections with venture capitalists, strategic investors, angel groups, and individual investors.

Requirements

Silicon Catalyst is the world's first incubator focused exclusively on semiconductor solutions startups, guiding them from PowerPoint to prototype, to the formation of a company. Silicon Catalyst supplies startups we incubate with goods and services including EDA tools, PDK access, foundry wafers, test equipment, and other technical capabilities valued at over \$100M. We also help startups find a path to funding through our connections with venture capitalists, strategic investors, angels, and individual investors.

Person of contact

- Rick Lanzansky, *Founder and CEO*
- Dan Armbrust, *Founder*
- Nick Kepler, *Managing Partner*
- Tarun Verma, *Managing Partner*
- Rich Goldman, *Partner*
- Alain Bismuth, *Partner*
- Raul Camposano, *Partner*

Website

<http://siliconcatalyst.com>

How to contact Silicon Catalyst

- Address: 2710 Walsh Ave, Santa Clara, CA 95051
- Email: webinfo@SiCatalyst.com

The House

The House



The House is a startup institute built for Berkeley, and home to Berkeley's founders.

We help build foundations for great businesses with a support platform providing founders at all stages with what they need, when they need it. We're working with exceptional founders to build the next generation of Berkeley's top startups through our affiliated venture fund (The House Fund), accelerator program (The House Residency), and student community.

Program

- **The House Residency**

THE HOUSE RESIDENCY IS AN ACCELERATOR PROGRAM built to provide Berkeley students, faculty, and alumni with what they need, when they need it, to turn a startup into a scaleable, venture backable business. We offer investment (up to \$120k) to all companies that join the program and work with our companies to raise their seed and Series A rounds of financing to prepare them for growth.

We'll work with you to map out your next big milestones and build a personalized pathway of resources to get you there – including help raising your seed or Series A round, closing the first few contracts or on-boarding the first few thousand users, bringing in experienced founders as CEO mentors, providing dedicated office space at The House, offering a host of free resources to reduce the cost of running your business, and opening up access to The House's network of founders, executives, talent, and investors.

- **The House Fund**

An affiliated pre-seed and early stage venture capital fund investing in Berkeley's top student, faculty, and alumni startups.

Requirements:

- Our startup programs are open to applications from all Cal-affiliated founders — including students, alumni, post-docs and faculty
- We invest up to \$20,000 in companies when they join The House Residency. We invest \$2,000 plus an additional \$4,500 per founder totaling up to \$20,000. Investments are made on very founder friendly terms on an uncapped SAFE.
- If you have additional capital needs at the pre-seed stage, The House Fund may invest \$25,000 to \$100,000. These investments, as well as the amounts invested, are evaluated based on needs and milestones.

Person of contact

- Cameron Baradar, *Founder*
- Keyan Sarrafzadeh, *Head of Business Development*

Website

<http://thehouse.build>

How to contact the house

- Address: 2560 Bancroft Way, Berkeley, CA 94704
- Email: berkeley@thehouse.build

Battery Ventures

Battery Ventures



We are a global, technology-focused investment firm pursuing the most promising companies and ideas. Founded in 1983, our firm makes venture-capital and private equity investments from offices in Boston, Silicon Valley and Israel. We work hard, but humbly, and are guided by data-driven processes. We seek out extraordinary businesses and leaders who operate the same way.

Program

- **Venture + Growth**

Battery's global venture-capital practice spans technology sectors and investment stages ranging from seed to growth. Our team ferrets out companies with potentially cutting-edge, category-defining businesses in markets including application software, IT infrastructure and consumer Internet/mobile. Learn more about our venture portfolio here and on our blog, which features stories about our companies, our portfolio executives and the broader markets in which they operate.

- **Private Equity**

Our private equity practice focuses on helping technology companies in the U.S., Europe and Israel grow organically and through acquisitions. We work primarily with businesses in the information-technology and industrial-technology sectors and partner with teams to accelerate growth, tap new markets, re-orient existing businesses and build platforms through acquisitions. Because we are technology experts, and not just financial investors, we look beyond basic profit metrics to understand the true potential of a business.

- **Portfolio Support:**

Our team has focused expertise in areas including recruiting and human resources; marketing; scaling IT infrastructure and development; PR and communications; and business development. Our experts are here to support you and your business with a variety of tools and value-added services.

- **EIR Program:**

Battery maintains a network of seasoned entrepreneurs and executives-in-residence to help develop new business ideas and grow newly acquired companies. Our executives-in-residence are longtime operating experts who can help build companies into global technology platforms.

Requirements:

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Person of contact

- Abhi Arunachalam, *Vice President*
- Alicia Halatsis Michaud, *Marketing Manager*
- Ben Johnston, *Vice President*
- Dan Nguyen-Huu, *Associate*
- Deepak Ravichandran, *Associate*
- Jeffrey Lu, *Vice President*
- Jill Richardson, *Digital Marketing Manager*
- Rebecca Buckman, *Marketing Communications*

Website

<https://www.battery.com>

How to contact Battery Ventures

- Address in Silicon Valley: 2884 Sand Hill Road, Suite 101, Menlo Park, CA 94025
- Phone in Silicon Valley: 650-372-3939
- Address in San Francisco: 260 Townsend Street, 7th Floor, San Francisco, CA 94107
- Phone in San Francisco: 415-426-5900

SOSV (HAX, IndieBio, Chinaccelerator, Food-X & Rebel Bio)

With seed, venture and growth-stage funding, we accelerate our founders' big ideas for positive change. We pledge more than funds. We partner with startups, mentor them at every stage of their growth, and build communities that provide lasting connections.

Intellectual capital may trump financial capital. We provide both... the seed capital that can get founders moving, and more importantly, we unveil the secrets that take decades of business experience to discover, which are specific to each industry and each technical discipline.

Need to manufacture thousands of some new consumer electronics device? Yes, we will help you optimize your product/market fit, your messaging, and your presentation. But with HAX, SOSV has engineering talent that can guide your design through all the steps to mass manufacturing and beyond. The team will help you to prototype quickly using the local ecosystem as well as point out flaws like battery charging circuits that could have cost a million dollars, and a year of recalls, if it'd gotten into production. And yes, we have on-staff industrial designers, mechanical engineers, mechatronics engineers, electrical engineers and design for manufacturing and assembly engineers as well as supply chain experts, etc. But it doesn't stop there. Going to market faster means a shortcut to retail,

and HAX has built a powerful bridge with the best and brightest. All this in addition to hundreds of mentors. No other accelerator comes close.

Need to create a synthetic biology startup to manufacture proteins? With IndieBio, SOSV has on-staff scientists, and includes co-working wet lab facilities equipped with \$1 million+ of the genetics and biology instrumentation that can optimize a startup's yield, getting the company de-risked, introduced to gatekeepers and marketmakers, and closer to production. No other accelerator comes close.

Likewise for our Food-X, Chinaccelerator and MOX accelerators... we bring the intellectual capital that helps de-risk startups and brings them closer to traction and secondary funding. And, we provide seed capital as well.

SOSV has funded over 500 startups. We currently fund over 150 startups per year through our accelerator programs focused on a few key areas: **HAX** (hardware and connected devices), **IndieBio** (synthetic biology), **Chinaccelerator** (software) and **Food-X** (food business). Our net IRR over the last 20 years puts us in the top 10% of all venture funds worldwide.

Contact person and CEO: Sean Sullivan

1. HAX (SF) Hardware accelerator



Visited March 3rd 2016

The main thing you'll get from HAX is hands-on help, mentorship and the HAX network: advice, expertise and fire in your pants.

They are a fast-growing family of over 100 experienced entrepreneurs, industry experts and hackers. They have an extensive support team at your disposal; eager to help you overcome your manufacturing woes, improve your user experience, or figure out retail distribution.

Program

- **HAX Accelerator:** (SHENZHEN- China) they run the world's first and largest hardware accelerator right in the center of the Silicon Valley for hardware. **30** selected per year, **\$100.000** initial investments for **9%** equity (< \$1,1M).
- **HAX Boost:** Already have a product on the market? They have the experience to help you blow it up, they have taken over **80 companies** to market since 2012. **50 selected** per year 100% product to market **42 days programme**.
- **HAX future:** HAX Futures is their test bed for innovation for specific themes in partnership with leading corporate partners. Their first program, URBAN-X, is a joint

venture with MINI. By combining HAX's best-in-class acceleration practices and expertise in connected devices with MINI's iconic design and engineering resources, the program will explore how technology and design can shape the future of urban living and connected cities.

Person of Contact

- Sherry HSU *Product Marketing Business development*
- Cyril Ebersweiler *Founder & Managing director*

Website

<https://hax.co>

How to contact Hax

- Address: 479 Jessie St, San Francisco, CA 94103
- Email: makeit@hax.co

2. IndieBio



IndieBio is the world's first startup accelerator for synthetic biology. It holds three-month programs for startups in Cork and San Francisco on a yearly basis.[1] It is backed by the venture capital fund SOSV

Program

Each team receives \$250,000 in seed funding, lab and co-working space, dedicated mentorship, and become part of a huge network of IndieBio alumni, investors, biotech entrepreneurs, investors, press, corporate partners, and more.

Twice a year, fifteen early stage biology companies move to downtown San Francisco to take part in an intense four-month program unlike anything they've ever experienced in their PhD's and Post-doctoral training. Founders engage with customers and partners, pitch to investors, and turn science into a real product people pay for.

Accelerate Your Science

A huge focus for every team while at IndieBio is going from bench to product in four months. This means making prototypes, getting them into hands of mentors and potential customers, and iterating off of their feedback over and over again.

Teams are able to do this since we have a fully equipped biosafety level 1 and 2 lab on site and accessible 24/7. It's high density with world-class scientists, and many teams have had fundamental breakthroughs due to problem-solving and working with other scientists in

their class. We also have a large network of facilities and institutions in the Bay Area that can lend teams equipment and expertise as needed.

“All the teams learn they’re capable of going at a pace that’s orders of magnitude faster than what they’re used to.”

We’re compressing years of learning for many companies and researchers into a four-month window. As a result, all the teams learn they’re capable of going at a pace that’s orders of magnitude faster than what they’re used to. This is always done with a focus on product directed discovery – doing science to discover how to make a product people actually want.

On a day to day level this means:

- Running experiments in parallel
- Working with IndieBio’s scientific staff (Ron, CSO, and Jun, Science Director)
- Talking with other teams
- Creating mentor relationships through our global network and in the Bay Area
- Participating in a weekly scientific roundtable
- Science panel discussions with major biotech CSOs

Requirements

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Person of Contact

- Alan Clayton, *Mentor*
- Thomas Nagy, *Mentor*

Website

<http://indiebio.co/about/>

How to contact IndieBio:

- Address: 479 Jessie St, San Francisco, CA 94103
- Online: <http://indiebio.co/contact/>

3.

RebelBio



RebelBio is an Innovation Engine to build the future with biology.

We invest in innovative biotechnology startups and help them solve global grand challenges through scientific innovation. We’re the leading early-stage accelerator in life sciences and part of SOSV, the accelerator VC.

Founded in 1994 by Sean O’Sullivan, SOSV — The Accelerator VC — operates eight accelerator programs around the world:

SOSV invests in over 150 companies per year and over its two-decade history has a net realized IRR of over 30%, putting it in the top 5% of private equity managers in the world. The team at SOSV dedicates approximately 20% of our own time promoting big ideas for positive global change, from organizations and movements that focus on STEM (Science, Technology, Engineering, Math) education to environmental causes such as global warming.

Program

We accelerate early-stage startups to the seed stage. We de-risk and accelerate biotechnology and build lean, profitable businesses in a revenue-focused programme, while empowering the founding team to make their vision a reality.

Our accelerator helps life sciences innovators, academics, biomakers and citizen scientists to change the world with biology. We provides early-stage funding, fully-equipped lab space, a ‘startup 101’ business training and mentorship to drive this transition in a fast-paced, intense 4 months programme. The first months offers hands-on business training to refine the business plan and strategy, then it kicks-off with three months in the lab. Each week, the teams receive intensive mentoring and training, as well as networking opportunities and pitch events throughout the programme. The accelerator culminates in a demoday showcase and we keep supporting the teams afterwards.

Can you grow a moonshot in a petridish? Our process makes it possible.

Requirements

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Person of Contact

- Alan Clayton, *Mentor*
- Alan O’Dea, *Mentor*
- Albert Flynn, *Mentor*

How to contact RebelBio

- Address: 479 Jessie St, San Francisco, CA 94103

4. Food-X



Recognized by Fast Company as one of the world's ten most innovative companies in food, FOOD-X is the #1 Food Innovation Accelerator in the world. We help food entrepreneurs bring their products and services to market at super speed. Food-X partners with early stage companies from across the food supply chain, from ag tech to consumer packaged goods.

A member of SOSV, the Accelerator VC, a global fund with \$250M assets under management and a staff of nearly 60 operating world-renowned accelerators in the areas of hardware, software, biology, food, robotics, medical devices, transportation, green energy, and beyond.

Program

- Selected teams relocate to our co-working space in the food capital of the world, New York City. There the companies will find their product/market fit, prepare to get fully funded, and work with us to scale their business BIG.
- Each week you will meet with 3-5 expert mentors to test, validate, and accelerate your business – often achieving in 3 months what other founders take years to accomplish.
- The final 2 weeks of the program you'll work with us to refine your pitch in preparation for Demo Day, where you will pitch your business to our co-investor network, and the world via a live event and live online broadcast. This is your chance to take the spotlight and pitch your business to potential investors!

Requirements

/

Person of Contact

- Dan McCombie, *CPG Expert & Co-Founder of Runa*
- Diane Hatz, *Founder of Change Food*
- Dr. Akash Goel, *Public Health Advocate*

How to contact Food-X

- Email: food-x@food-x.com

5. Chinaccelerator



Chinaccelerator is the first mentorship-driven seed-funding program in China for entrepreneurs innovating at the cutting-edge of information technology to create successful companies.

Program:

- INVESTMENT

\$70,000 investment

Twice a year, we handpick a small number of promising startups to join the program in exchange for an investment of US\$70,000 — program costs of US\$40,000 and cash investment of US\$30,000 – provided through a capped ACE and 6% common equity (the type of shares that only entrepreneurs have, not the preferred shares normally taken by investors) provided through an SPA.

- PROGRAM

3+3 months program

The first 3 months are residential and culminate in demo day. Startups are required to relocate to Shanghai. The second 3 months are flexible. Companies can choose to stay at our office where we will continue to provide fundraising support and next steps.

During the program, we spend \$40,000 on every team to organize key activities such as Geeks On a Train, 8x8 speaker series and an invitation only demo day for investors.

- MENTORSHIP

1:1 support from 250+ mentors

Startups get 1:1 support from our fantastic mentor network (250+ serial entrepreneurs). In addition, they get to leverage the many years of expertise from our 6 Experts in Residence, in areas such as financial modeling, PR / Communications, branding, growth hacking. Last but not least, startups can collaborate with our vast network of corporate partners through Chinaccelerator's corporate innovation program.

- SPACE

We provide free co-working space up to 6 months at People Squared near Jing'an Temple, the heart of Shanghai. People Squared is China's largest co-working space.

- PERKS

Every startup, past and present, has access to perks valued close to \$500,000. This access provided through the Global Accelerator Network, SOSV Community or directly negotiated by the Chinaccelerator team. We also organize weekly workshops.

Requirements

/

How to Contact Chinaccelerator

- Online: <https://chinaccelerator.com/contact/>
- Email: contact@chinaccelerator.com
- Donghai Plaza Foreign Commercial Bldg 3, Jing'an, Shanghai, China,, 28 Yuyuan E Rd, China, 200040

VENTURE CAPITALS

Ranked by number of deals in 2015

BUSINESS NAME/PRIOR RANK WEBSITE	ADDRESS/ PHONE	DEALS IN 2015	TOTAL INVESTMENT IN 2015	TOTAL BAY AREA DEALS IN 2015	TOTAL BAY AREA INVESTMENT IN 2015	BAY AREA INVESTMENT AS A % OF TOTAL
NEW ENTREPRISE ASSOCIATES nea.com	2855 Sand Hill Rd, Menlo Park, CA 94025 650-854-9499	120	\$790.31 million	47	338.59 million	43%
Kleiner Perkins Caufield & Byers LLC kpcb.com	101 S Park St, San Francisco, CA 94107 650-233-2750	97	703.36 million	58	392.63 million	56%
Andreessen Horowitz LLC a16z.com	2865 Sand Hill Rd #101, Menlo Park, CA 94025 650-798-5800	73	751.52 million	60	627.48 million	84%
Keiretsu Forum keiretsuforum.com	268 Bush St #3338, San Francisco, CA 94104 925-283-8829	73	52.8 million	15	4.48 million	8%
Accel Partners & Co Inc. accel.com	428 University Ave, Palo Alto, CA 94301 650-614-4800	62	530.09 million	39	213.31 million	40 %
Canaan Partners canaan.com	2765 Sand Hill Road, Menlo Park, CA 94025 650-854-8092	59	197.4 million	27	93.79 million	48%

Intel Capital intelcapital.com	2200 Mission College Blvd. Santa Clara, CA 95025 408-765-8080	56	237.13 million	32	107.43 million	45%
Sequoia Capital sequoiacap.com	2800 Sand Hill Rd #101, Menlo Park, CA 94025 650-845-3927	54	\$597.95 million	36	\$485.04 million	81%
GV gv.com	1489 Charleston Rd. Mountain View, CA 94301 NR	54	\$349.86 million	37	\$189.48 million	54%
True Ventures trueventures.com	530 Lytton Ave. #303 Palo Alto, CA 94301 650-319-2150	50	\$195.76 million	28	101.99 million	52%
Khosla Ventures LLC khoslaventures.com	2128 Sand Hill Rd, Menlo Park, CA 94025 650-376-8500	41	\$238.5 million	29	193.27 million	81%
500 Startups 500.com	Mountain Bay Plaza, 444 Castro St #1200, Mountain View, CA 94041 650-743-4738	39	\$35.55 million	29	\$25.93 million	73%
Foundation Capital LLC foundationcapital.com	250 Middlefield Rd, Menlo Park, CA 94025 650-614-0500	36	\$329.19 million	29	\$309.68 million	94%

DFJ dfj.com	2882 Sand Hill Rd #150, Menlo Park, CA 94025 650-233-9000	36	\$257.52 million	16	\$64.23 million	25%
Data Collective LLC dcvc.com	665 3rd St Suite 150, San Francisco, CA 94107 415-840-7337	35	85.84 million	28	73.35 million	85%
Lightspeed Venture Partners lsvp.com	2200 Sandhill Rd. Menlo Park, CA 94025 650-234-8300	31	\$295.78 million	23	\$205.52 million	69%
Salesforce Ventures salesforce.com/ company/ventures	The Landmark at One Market #300 San Francisco, CA 94105	31	\$188.54 million	20	\$152.99 million	81%
Trinity Ventures LPP trinityventures.com	2480 Sand Hill Rd #200, Menlo Park, CA 94025 650-854-9500	31	\$132.76 million	21	89.36 million	67%
Menlo Ventures menloventures.com	2884 Sand Hill Rd #100, Menlo Park, CA 94025 650-854-8540	31	\$123.79 million	19	\$74.29	60%
Formation 8 formation8.com	501 2nd St, San Francisco, CA 94107	30	\$132.42 million	22	\$90.36 million	68%
U.S. Venture Partners usvp.com	1460 El Camino Real Suite 100, Menlo Park, CA 94025 650-854-9080	30	\$54.35 million	18	\$25.15 million	46%

The Founders Fund foundersfund.com	1 Letterman Dr #420, San Francisco, CA 94129 415-230-5800	29	\$1.13 billion	19	\$1.01 billion	89%
Institutional Venture Partners ivp.com	3000 Sand Hill Rd. Bldg. 2 #250 Menlo Park, CA 94025 650-854-0132	28	\$625.38	16	\$474.49	76%
Crosslink Capital Inc. crosslinkcapital.com	2 Embarcadero Ctr. #2200 San Francisco, CA 94111 415-617-1800	28	\$55.55 million	14	\$35.71 million	64%
Redpoint Ventures redpoint.com	3000 Sandhill Rd. Bldg 2, #290 Menlo Park, CA 94025 650-926-5600	27	\$147.34 million	23	\$128/78 million	87%

“

Follow-up early stage investor meeting @ Palo Alto

1

Give the floor to investors! Tips & tricks

”

SAN FRANCISCO, 2017

Panelists

- Jim Scheinman, Founder, Investor, Advisor @**Maven Ventures** - VC and Incubator
- Sandy Miller, Managing Director, **Angels Forum** - Angel Investor group

Baudouin de Hemptinne, 2017

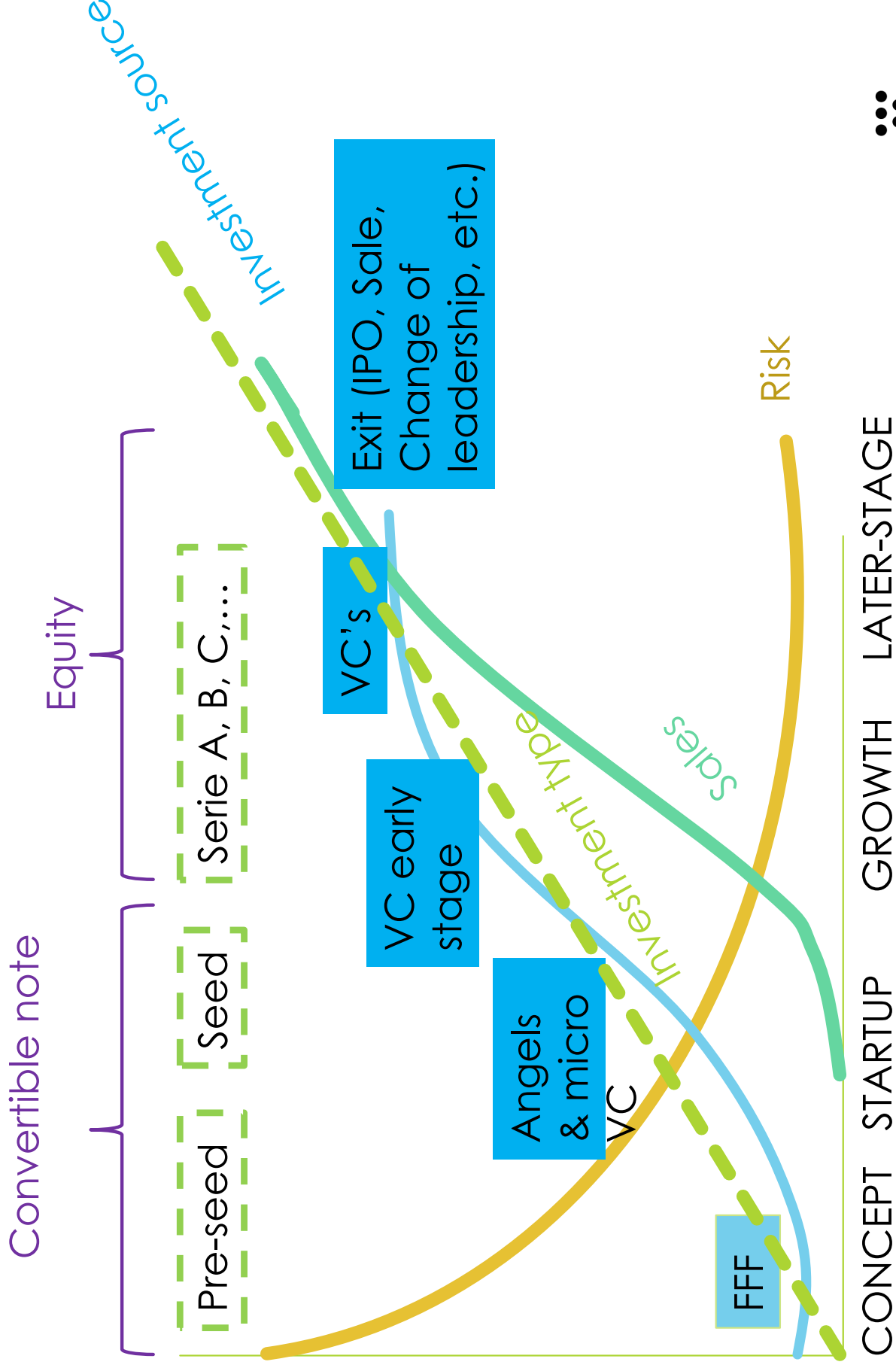


Wallonia.be
EXPORT
INVESTMENT



Stages of company development, investment type and source

2



- Jim Scheinman, Founder, Investor, Advisor
@Maven Ventures - VC and Incubator



3

Jim Scheinman is a serial entrepreneur, angel investor, and advisor to start-up companies in Silicon Valley. He is a pioneer in social networking and engagement marketing, a relatively new form of marketing and the predominant source of revenue for Facebook and other online social networks.

Target @ Maven: early stage consumer startups;
Seed & Serie A (up to \$ 250 k)

What is key to success, few patterns consistent with most successful consumer startups:

4

#2 Have a clear vision. What are you fighting for?

- (1) **What are you bringing to the world** that is worth all the time, effort and money required for success?
- (2) **Are you passionate** about this vision? What excites you?
- (3) **What is the market opportunity?**

Are there **existing solutions** that are **good enough** that **already solve the problem**?

(4) Seed investors prefer to invest in startups that are **solving new and unique problems**, that have **discovered a secret that others haven't noticed yet**. They love investing in companies when after they launch, people say, **“that's a great idea, so obvious, why didn't we think of doing that.”**

Building a new consumer habit is one of the hardest things a consumer startup founder will need to achieve, and if there's already existing solutions to the problem that are “good enough,” that almost always spells doom for the nascent venture.

Baudouin de Hemptinne, 2017

#3 Have a culture

Even with a small founding team of 2 or 3 people, **a company culture already exists.**

Your company culture will define the tone for the rest of your startup's existence.

Define it early and re-examine it every year. Startups are made up of people and are living organizations, so as you grow and mature, you will need to revisit your company's values and culture.

Why?

Among other things (core business, values, etc.) it will help you **hire the right people** for your startup.

#4 Get listed!

Many Angel investors give significant credit to startups already listed namely on platforms such as **Angellist** and **Crunchbase** and **Sharktank**.

- Sandy Miller, Managing Director @ Angels Forum
- Angel Investor group



Sandra Miller is Managing Director of The Angels' Forum, a group of high net-worth investors based in Silicon Valley. She manages the group's deal flow and outreach.

Target @ Angel's Forum: Technology, Life Sciences and Consumer Products. Post seed-stage (\$ 100 k – 1m)

Focus: US-based companies!

Main Criteria's

Be US based, be close

Submitting a Plan

Is your company already located within **50 miles** of Mountain View, CA?

☐ Yes
☒ No

Submit a Plan

Sorry, but only companies that are located within **50 miles** of Mountain View, CA can apply for funding at The Angels' Forum. To find an Angel Group near you, click [here](#).

Most US investors are likely to invest **only** in US-based startups. There are a lot of non-US startups dreaming of going to USA to find investors but without the intention of establishing their company in the bay area, they are wasting time and money...

Get the correct legal structure?

8

As a freshly settled tech startup in Silicon Valley, which status should you opt for ? S-corp? C-corp ? LLC?

Entities are very **dependent on the business**. When starting a tech startup in California however you might prefer **starting as a C corporation in Delaware* or as an LLC**. Why?

Typically, we consider three types of entities in the US: Limited Liability Corporation (or **LLC**), S Corporation (**S-Corp**) and C Corporation (**C-Corp**)

Why Delaware? A) for tax purposes; B) Delaware law is known in all 50 states. Each state recognises their own state law and Delaware's law. It Works in all US States.

1. Pass through entity

LLC and S-corp are **pass-through tax entities**. **MEANING:** profit of the company is distributed to the owners (reported on a K1) and then taxed.

For C corporation, as they are non pass-through entities, double taxation is applied (income is taxed, then dividends are taxed as well)

2. Legal protection

Formality and paperwork! With S and C corporation, many paperwork is required (informational filing (1120S), K1 distributed to shareholders and accounting & booking) as these entities must comply with a list of corporate regulations (not the case with LLC)

LLC, S-CORP & C-CORP: Taxation & legal aspects

	Taxation	Legal protection	Tech-startup main advantage	Tech-startup main disadvantage
LLC	Pass-through entity ☺ Self-employment tax on all non-passive income ☹	Protection of personal assets ☺ No corporate regulations ☺ Requires separation from personal funds ☹	Very easy and cheap to set up (not much formality and paperwork) ☺ Good if you plan on keeping your business small ☺ More flexible ☺	VC's really don't like pass-through entities; (2) the tax partnership rules are super complicated; (3) it allows for less stock option plans, etc. ☹
S-CORP	Pass-through entity ☺ No self-employment tax but « fair & reasonable salary » ☺ Profits distributed as ownership %	Protection of personal assets ☺ Compliance with all corporate regulations ☹ Requires separation from personal funds ☹	Good if you plan on keeping your business small ☺	Less flexible, complicated from an accounting/tax/legal standpoint ☹
C-CORP	Not pass-through entity (double taxation) ☹	Protection of personal assets ☺ Compliance with all corporate regulations ☹ Requires separation from personal funds ☹	Optimal for startups that are looking to raise VC/Angel money or who plan to reinvest profits back to the company ☺	Less flexible, complicated from an accounting/tax/legal standpoint ☹

Further tips...Communication

The bad politician or athlete metaphor

Matt Eventoff

11

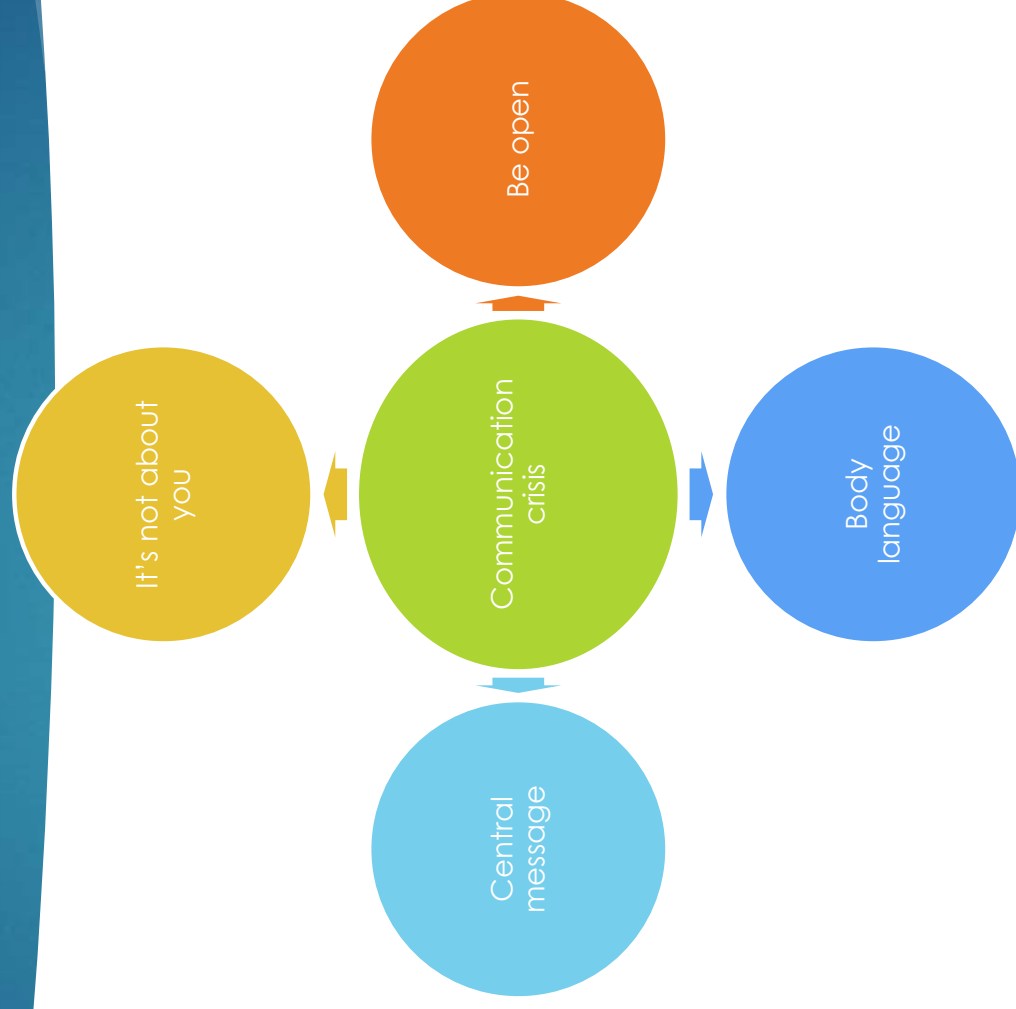
As a start-up looking for funding, you have more in common with a politician or athlete caught behaving badly than you might think. A politician caught misbehaving, an athlete photographed doing something he or she shouldn't be doing,... have one thing in common – how they communicate will likely determine whether the incident is a speed bump or a career ender. What's the point when pursuing VC funding? Crisis communication!

Crisis communication identified as **the effort to protect and defend an individual, organization or corporation's reputation when crisis strikes and public confidence in the individual or organization is shaken or thrown into question.**

When trying to raise capital, the crisis is always the same – a lack of funding puts the entire start-up in danger – no funding, no operating budget, key personnel pack up and head for greener pastures, and the start-up is in a lot of trouble. So what is a start-up to do? Pitch (communicate with) VC's to raise the capital to end the crisis – crisis communications!

Pitch to VC based on Crisis Communication

12



Pitch to VC based on Crisis Communication

13

It's not about you

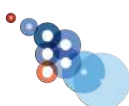
The athlete accused of using banned substances often forgets that it is not about him – it is about the fan that has placed his or her trust in loyalty in the athlete and now feels betrayed. The point of view the athlete takes often determines whether he is forgiven or the loyalty is gone forever.

As much as a pitch may be about your company, it isn't entirely – it is about the VC that you're are pitching, his or her investment, and **what that investment in your company will mean to the VC in terms of opportunity cost, time, energy, effort and ultimately the ROI**

Central message

Do you picture the politician standing at a balcony, wife at this side and then stumbles through a very awkward and very longwinded statement that says twenty different things, which means he has said — Nothing!

Why should the VC invest in your company? The risk to the VC is obvious, and the potential reward may or may not be as well. **What mitigates that risk and gets the company across the finish line?**



Pitch to VC based on Crisis Communication

Be open

Like investigative reporters, VC's are (usually) very adept at plying their trade, and that means that, when crisis strikes (or you need funding), just like the reporter, the VC will probably know what the hot button issues are and where to look.

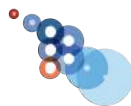
Be open – hiding information, trying to gloss over or bury a problem will do more harm than good. If there is bad news, it will get out – get it out on your terms.

What you don't say says a lot.

Body language

An apology given with a smirk, or with arms crossed and a hostile look is always recognized, and the result is never good. In that same vein, looking down the entire pitch, shuffling in your pockets, fidgeting, bouncing back and forth on each foot (very common) always sends a message.

Is body language the major difference maker for a pitch – of course not. Does it matter – of course it does – it sends a message.



INVESTORS IN THE SEATTLE AREA



Small Business Development/Incubators

Strategic Assessment
DISCUSSION DRAFT

March 22, 2016

Submitted to:



Submitted by:





*Community Attributes Inc. tells data-rich stories
about communities that are important to decision makers.*

President and CEO

Chris Mefford

Analysis

Radhika Nair

Katy Nally

Alexandra Streamer

Community Attributes Inc.

1411 4th Ave., Suite 1401

Seattle, Washington 98101

www.communityattributes.com

EXECUTIVE SUMMARY

Introduction

Incubators are key elements of economic development through their support for innovation, entrepreneurship and new venture creation in the economy. The Port seeks to enhance its role in economic development through understanding the range of small business support organizations throughout King County, as well as the opportunities and hurdles of small business development.

The Port is specifically interested in small business assistance in four sectors: **manufacturing, maritime, construction and food production**. Incubators and accelerators that cater to tech startups were consulted on a limited basis to incorporate their perspective.

CAI worked with the Port to define a list of interviewees from incubators, accelerators, maker spaces and co-working spaces based in King County. Only a few tech-focused incubators and accelerators were chosen. The final list included 29 interviewees. Interviews were conducted over the phone and in person.

Key Findings

- **A majority (55%) of incubators in this study are nonprofit models.** This is in line with national trends where a majority of business incubators are nonprofit organizations focused on economic development (2012 State of the Business Incubation Industry, NBIA).
- **Supplemental funding contributes to program success.** Only three of the incubation programs in this study operate without public sector support from local government agencies, economic development groups, colleges or universities. Sources of funding are diverse but public sector support through federal grants and local government support are key sources.
- **Championing and coordinating small business assistance, providing space, and funding existing incubators were the most common responses as to how the Port could promote small business development.** Coordinating assistance opportunities and providing space the most common responses from interviewees. Directly funding existing incubators was the third most popular response among interviewees when asked how the Port could help small business development in King County.
- **Successful incubators provide more than space.** Incubators are complex and demanding in terms of management and administration. Several of the established incubators CAI examined provide additional services and a scripted process of facilitation and engagement, in addition to physical space. The array of services offered range from business

basics, networking activities among incubation program clients, marketing assistance, help with accounting or financial management, access to capital, or connections to higher education resources and/or strategic partners.

- **Incubator success depends on both design/development at the outset and successful operations management on an ongoing basis.** The match between the incubator services and the business community's needs is a critical element of design/development while selecting clients based on fit, reviewing client needs at entry, showcasing clients to the community and potential funders, and establishing effective entry and exit criteria are operational management best practices.
- **Funding is the top concern among entrepreneurs.** Regardless of type of business or stage in growth, interviewees cited funding as the greatest challenge entrepreneurs face when trying to expand their business. Funding challenges are diverse and encompass lack of financial planning skills, as well as low creditworthiness in addition to access to capital or investor networks.
- **Among food-focused entrepreneurs, space ranked ahead of funding as a top concern.** For small-scale food production, space constraints can drastically affect business growth.
- **Industrial manufacturing incubators are the least prevalent among existing operators.** With the exception of Industry Space, all other manufacturing incubators in King County work with small scale producers.
- **Tech incubators confirmed the Port's involvement is not necessary in their industry.** Tech-focused incubators said they were unsure how the Port would assist incubators and accelerators in the technology sector in King County.

Recommendations

Representatives from all but three of the incubators in this study saw an opportunity for the Port to play a role in small business assistance in King County. The Port's patient capital and ability to provide a long-term commitment to ensure incubators are embedded in the community were cited as significant assets. Feedback on the best role for the Port from existing organizations, small business advisors and experts coalesced around two broad themes – championing and convening small business assistance across the region and the direct provision of space. The following section presents specific ideas that were cited under these two broad themes.

Champion Small Business Assistance and Coordinate Assistance Opportunities

When asked how the Port could help small business development, coordinating assistance opportunities was the most popular answer among interviewees. However, suggestions as to how the Port could provide this coordination varied across industries and organizations. The following suggestions outline how the Port could play a convening role to support small business development, and indicate potential partnerships.

- **Coordinate technical assistance workshops and networking events for entrepreneurs**
- **Strengthen market channels by working with small business assistance organizations to connect entrepreneurs with the Port's existing markets**

Provide Space or Land for Incubators

There was broad consensus from the study that the Port was well positioned to go beyond a convening role and make a larger real estate commitment. The provision of long-term space for incubators either as land or real estate building space the Port could provide would be invaluable. A range of specific concepts for the spaces were identified. These are explored in greater detail in the recommendations below.

MARINE INDUSTRY INCUBATOR

Utilize Port-owned land at Fisherman's Terminal or uplands at Terminal 91 to support an incubator focused on the marine industry. Easy access to storage sheds, material handling equipment and net repair areas makes the Fisherman's Terminal location unique and attractive for maritime companies.

Next Steps

- **Capitalize on the Port's historic presence at Seattle's waterfront and use the Fisherman's Terminal (or other marine properties) as sites to explore marine industry incubator opportunities**
- **Explore partnerships with Thinkspace**

CONSTRUCTION INCUBATOR

Utilize some of the Port's available building space to develop a one-stop support center for small businesses in construction, architecture, engineering or similar fields. This would build on the Port's long standing procurement technical assistance center for businesses interested in contracting opportunities with the Port.

Next Steps

- **Coordinate with the City of Seattle, King County and Sound Transit to explore potential construction business incubator**
- **Enhance the Port's presence at Tabor 100 events**
- **Explore partnerships with William Factory**

COMMERCIAL FOOD PROCESSING INCUBATOR

Provide a shared-use, licensed, commercial kitchen that allows entrepreneurs to develop products and enterprises without the high overhead cost of purchasing facilities, equipment, and necessary licensing.

Next Steps

- **Work with the cities of Tukwila and SeaTac to evaluate potential commercial kitchen space**
- **Explore partnerships with Food Innovation Network, Seattle Made and Healthy Food Accelerator**

MANUFACTURING INCUBATOR

Establish an incubator with suitable space, mentoring support, and shared tools/resources for small startup manufacturing companies.

Next Steps

- **Conduct feasibility research to identify demand for an advanced versus low-tech manufacturing incubator**
- **Approach a manufacturing incubator from a regional perspective, and coordinate with the cities of Kent, Bellevue, Seattle and Federal Way on potential partnerships**
- **Explore partnerships with the University of Washington, Green River College and Seattle Made**

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INTRODUCTION

Background and Purpose

The mission for the Port of Seattle establishes the agency's commitment to creating "jobs by advancing trade and commerce, promoting industrial growth, and stimulating economic development." In support of that mission statement, the Port of Seattle endeavored to learn more about small businesses development, specifically how incubators assist small business manufacturing and contractors. Understanding the range of these support organizations, as well as the opportunities and hurdles of small business development, will help the Port enhance its role in economic development.

The Port is specifically interested in small business assistance in four sectors: manufacturing, maritime, construction and food production. Incubators and accelerators that cater to tech startups were consulted on a limited basis to better understand their perspective.

Methods

CAI worked with the Port to define a list of interviewees from incubators, accelerators, maker spaces and co-working spaces based in King County. CAI drew from existing lists from the Economic Development Council of Seattle-King County and GeekWire, and segmented interviewees by industry focus. The full list of considered interviewees appears in **Appendix A**. Most of the incubators and accelerators focused on tech startups and companies were removed, as this is an industry already heavily represented in King County and not of significant interest to the Port. The finalized list included 27 incubators, accelerators, maker spaces co-working spaces as well as small business advisors/experts to be interviewed.

CAI designed the interview instrument to investigate the nature of assistance provided by existing operators and to gather feedback on the best role the Port can play in small business assistance. The interview instrument was developed by CAI and approved by Port of Seattle (**Appendix B**). Full summaries of the interviews are available in **Appendix C**.

INTERVIEWEE PROFILE

Incubators, maker spaces, co-working spaces and accelerators vary substantially in their focus, structure and missions. King County has each of these models, all providing small business assistance to entrepreneurs at different stages and companies of varying sizes. Definitions of incubators, maker spaces, co-working spaces and accelerators used for the study are presented below.

Incubator. A business incubator is a multitenant facility that provides rental space and flexible leases, shared basic business services and equipment, technology support services, and assistance in obtaining the financing necessary for company growth. Several incubator operators offer additional programming based on their client needs to augment the services above. Incubators typically focus on early stage companies, helping them transition from ideation to product development.

Maker Space. A maker space is a general term for shared spaces for industrial light manufacturing work, where people can also access shared tools, supplies, and materials. Some maker spaces offer classes and training to help workers sharpen their craft skills and business acumen. Maker spaces can provide access to equipment but they don't typically offer the clear heights, truck access and loading facilities needed for heavy manufacturing.

Co-working Space. Co-working spaces are membership-based workspaces where diverse groups of freelancers, remote workers, and other independent professionals work together in a shared, communal setting.

Accelerator. Accelerators are typically defined as a late-stage incubation program, assisting entrepreneurial firms that are more mature and ready to grow and scale their business by procuring external financing. Its defining features are a highly competitive selection process, and a time-limited, cohort-based program.

Of the 28 interviewees, nearly half were operators of incubators or accelerators. Several targeted specific sectors such as food production, while others accepted tenants from a range of industries. Maker spaces, Co-working spaces and membership networks were also represented among the interviewees, though to a smaller extent. Nearly a fifth of the interviewees were small business advisors and/or experts in experts in small business assistance (**Exhibits 1, 2 and 3**).

Criteria for entering and exiting incubators and accelerators varied. More traditional incubators required a certain stage of growth to enter. Other incubators based tenants' entrance off of best fit with the overall organization. Exit criteria among interviewees was often tied to a

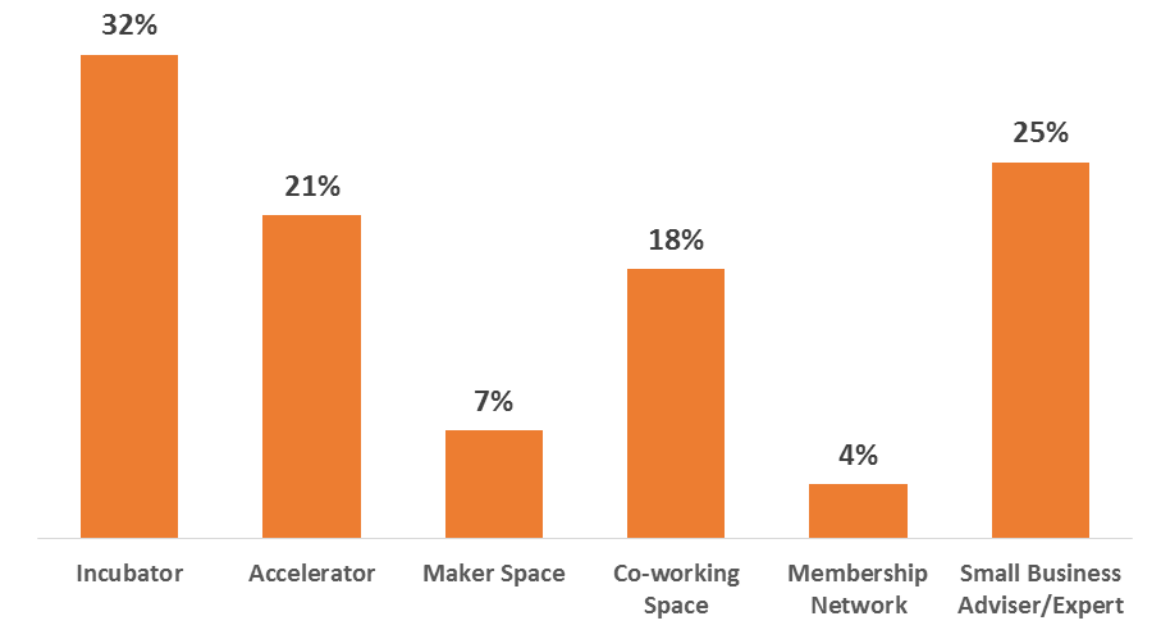
timeframe or duration of training. Only one incubator had specific revenue milestones for companies to exit. The majority of incubator and accelerator interviewees did not have exit requirements for tenants. (See **Exhibit 4** for a summary of entry/exit criteria.)

Exhibit 1. List of Interviewees by Type

Incubator	CoMotion Incubator
	Food Innovation Network
	Industry Space
	Kenmore Biz Incubator
	Kick
	Seattle Tilth
	SODO Makerspace
	SURF
	William Factory
Accelerator	Entrepreneurs' Organization Accelerator
	Fledge
	Healthy Food Accelerator
	McKinstry
	Seattle Made
	Washington Interactive Network
Co-working	ActiveSpace
	Impact Hub
	Startup Hall
	SURF
	Thinkspace
Maker Space	Metrix Create:Space
	SODO Makerspace
Membership Network	Tabor 100
Small Business Adviser	City of Auburn
	City of Kent
	City of Seattle
	Community Capital Development
	Department of Commerce
	Federal Way Chamber of Commerce
	Highline SBDC and Startzone

*this list counts interviewees twice if the organization fits into multiple categories.

Exhibit 2. Proportion of Interviewees by Type



*This exhibit counts interviewees twice if the organization fits into multiple categories.

Exhibit 3. Location of Interviewees



THE PORT OF SEATTLE & ECONOMIC DEVELOPMENT

The Port's Mission

Included in the Port of Seattle's mission is a decree to grow jobs and support its surrounding community. According to a 2013 economic impact report, 216,000 jobs were generated through Port activity, which accounted for \$4.2 billion in direct wages and salaries (Martin Associates, 2014). The Port has contributed to job growth—not only through trade—but also by acquiring privately held properties and transferring them to business, public and community uses.

In 2011 the Port ratified a 25-year strategic plan called the Century Agenda, which outlines the Port's objective to add 100,000 jobs, for a total of 300,000 port-related jobs in the region. The Century Agenda states the Port will promote small business growth and workforce development through training and business opportunities specifically in the maritime, trade, travel and logistics sectors.

The Role of Incubators

Supporting incubators and accelerators is another option for the Port to support local economic development and help generate jobs. Incubators are key elements of economic development through their support for innovation, entrepreneurship and new venture creation in the economy. Business incubators can be effective economic development tools since they create jobs and help new businesses take root and grow. Incubators can also help create linkages among firms and benefit the local economy.

Studies have found that the cost of creating jobs through business incubation is competitive in comparison to other strategies to attract firms to a local economy (Markley and McNamara, 1995). A 1997 study funded by the U.S. Economic Development Association found that incubation programs create new jobs for a low subsidy cost of \$1,109 per job. In addition, incubation programs create firms that have higher survival rates and remain in their communities (Molnar, Grimes, 1997).

KEY FINDINGS

A majority (55%) of incubators in this study are nonprofit models Five of the nine incubators in this study are nonprofits. This is in line with national trends where a majority of business incubators are nonprofit organizations focused on economic development (2012 State of the Business Incubation Industry, NBIA).

The for-profit incubators in the study focus on technology startups. This finding suggests that for-profit incubation programs may not be successful models for industries other than technology. Instead, the most important goals of currently established incubation programs are related

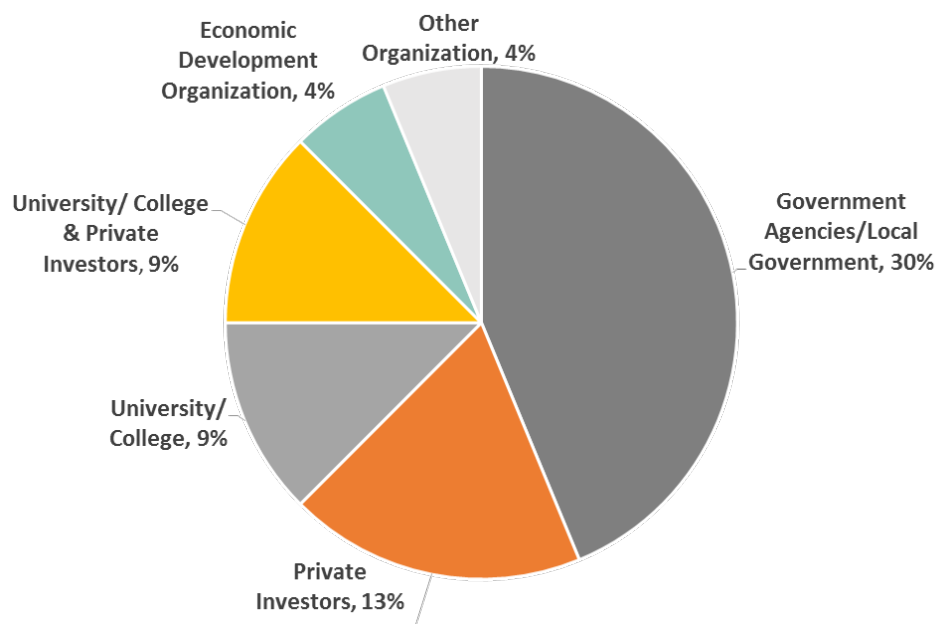
to economic development and societal good. These goals encompass creating jobs and fostering the entrepreneurial climate in the community, diversifying the local economy, building or accelerating new industries and businesses, and attracting or retaining businesses to the region.

Supplemental funding contributes to program success

Incubators are rarely able to finance their operations through the rent or fees they charge. Only three of the incubation programs in this study operate without supplemental funding support from local or federal government agencies, economic development groups, colleges or universities. See **Exhibit 4** for a summary of sources of supplemental funding among interviewees.

Thus, this research suggests that some level of supplemental funding or investment from the public sector is needed for incubators to operate and succeed. This is especially true for incubators that focus on industries such as manufacturing and marine-related sectors since they require a relatively longer time to incubate and grow into viable businesses.

Exhibit 4. Sources of Supplemental Funding



Championing and coordinating small business assistance, providing space, and funding existing incubators were the most common responses as to how the Port could promote small business development

Coordinating assistance opportunities and providing space the most common responses from interviewees. Directly funding existing incubators was the third most popular response among interviewees when asked how the Port could help small business development in King County.

Successful incubators provide more than space

Incubators are complex and demanding in terms of management and administration. Several of the established incubators CAI examined provide additional services and a scripted process of facilitation and engagement, in addition to physical space. The array of services offered range from business basics, networking activities among incubation program clients, marketing assistance, help with accounting or financial management, access to capital or investor networks, or connections to higher education resources and/or strategic partners and mentors.

Incubator success depends on both design and development at the outset and successful operations management on an ongoing basis

In terms of the design and development of an incubator, a critical element for success is the match between the policies and services and the community's needs. Our research revealed a wide range of needs for small businesses and incubator clients. These needs vary depending on their stage of business, industry sector, and management skills.

In terms of successful operation, practices most represented among established programs are selecting clients based on fit, reviewing client needs at entry, showcasing clients to the community and potential funders, having a payment plan for rents and service fees and having effective entry and exit criteria. Several incubators/accelerators in this study had well defined entry and exit criteria. **Exhibit 5** offers a summary of entry and exit criteria from six interviewees.

Exhibit 5. Entry and Exit Criteria for Incubators/Accelerators

Interviewee	Entry Criteria	Exit Criteria
Kenmore Business Incubator (for non-virtual tenants)	<ol style="list-style-type: none"> 1. Be a new venture that is a for-profit business in the early stages of business development. 2. Have a product or service that can be commercialized within two years. 3. Demonstrate strong market for products or services. 4. Have potential for positive economic impact on the community through: <ul style="list-style-type: none"> • A technology, product or service deemed to have a high potential impact in the marketplace or community. • Potential for company growth and the associated creation of new high paying jobs. • Positive impact on the tax base of local and state government. 5. If at all possible the company should plan to remain headquartered in Kenmore, and be willing to be listed as graduates/participants in the program. 6. The Founder/President/CEO/Director will be located in the incubator. 7. Have a basic business plan or a written description of the business, a market analysis, and a financial forecast. 8. Have a management team plan that demonstrates an ability to handle both the technical and managerial aspects of the business. 9. The management team is willing to seek and accept assistance from the KBI and its partners and service providers. 10. Be well-suited as a business to benefit from the KBI services, the business incubator environment, technical and business expertise. 11. Be compatible with other participants in order to maintain a productive environment for all participants. As applicable, adhere to KBI policies regarding video/computer game content. 12. Should not be in direct competition with other Incubator businesses 13. Agree to participate in the incubator's business assistance/networking programs and to cooperate in achieving the incubation program's mission. 14. Willingness to attend at least six (6) business incubation program educational seminars/workshops per year. 	<p>The client may graduate from the incubator when one or more of the following achievements have been met:</p> <ul style="list-style-type: none"> • The new venture has launched and reaches annual sales of \$1 million. • The company may have been acquired by a more established firm and can continue to foster its growth. • The startup receives a successful public or private stock offering of more than \$250,000. • The firm exceeds the physical capacity of the KBI. (pertains to resident companies only) • The company is a client for more than two years.
McKinstry Incubator	<p>Requires firms to have gone past incubation stage – have a lawyer, business plan and can afford to pay rent.</p> <p>The selection process involves making sure each company has robust technology with at least:</p> <ul style="list-style-type: none"> • A tested prototype • Potential markets that are deep and strong • A clear plan to access these markets • An organizational team • Financing 	<p>A yearly review of progress based on proximity to going to market (pilot programs, product/service advances, partnerships and potential client engagement etc.).</p> <p>Evaluating whether the firm is on track to launch an/or get further funding secured is key. There are no specific revenue milestones.</p>
Seattle Made	Requires firms to have 1 FTE, sales through 1 retail outlet, manufacture/produce at least 1 product in Seattle; one or more standard product lines	None. Since Seattle Made is a membership based organization there is no formal exit.
Fledge Accelerator	For-profit entrepreneur's team (need at least two people), the impact of its enterprise (Fledge wants to fund for-profit businesses that address homelessness, poverty, clean tech and financial tech - is the world significantly better if this company existed?) and viability or the odds of its success as a profitable company "What are the odds that this company will earn \$2 million in revenues, and if so, how long might that take?"	End of 10 weeks
CoMotion Incubator	Priority for UW-affiliated start-up companies through their early stages of company and product development; overall fit with program	By scale or growth depending on review by incubator manager
Healthy Food Accelerator	Fit of business with mission. Extensive due diligence checklist based on profitability and cash flow. Businesses at any stage of maturity can join.	No format exit - businesses are offered support for the duration of their choosing
Industry Space Incubator	Businesses with a manufacturing focus and ability to pay rent. Businesses at any stage of maturity can join.	None
Seattle Tilth	Immigrants, refugees and low-income individuals with limited resources in South King County interested in becoming organic farmers.	End of 20 weeks
Startup Hall	Entrants selected by a mixed university/industry advisory board	None

Funding is the top concern among entrepreneurs

Regardless of type of business or stage in growth, interviewees cited funding as the greatest challenge entrepreneurs face when trying to expand their business. Moreover, incubators and accelerators noticed a lack of understanding and awareness amongst entrepreneurs regarding sources of available funding and financing mechanisms.

Among food-focused entrepreneurs, space ranked ahead of funding as a top concern

For small-scale food production, space constraints can drastically affect business growth. Many food and beverage startups, especially immigrant- and minority-owned, begin production at home and start a customer base of friends and neighbors. Moving into a larger kitchen space for these individuals can mean legitimacy through licensing and permits, and access to new market channels. Some food incubator models help entrepreneurs with this step by providing licensed production work stations in a shared kitchen space that is permit-ready.

The various challenges entrepreneurs face as cited by interviewees are summarized by rank in **Exhibit 6** below.

Exhibit 6. Top Challenges for Entrepreneurs

	Weighted Score	Percentage
Money	12	63%
Space	9	47%
Sales and Marketing	9	47%
Fundraising	8	42%
Talent	8	42%
Access to Capital	5	26%
Contracting Opportunities	4	21%
No Background in Finance	4	21%
Access to Markets	3	16%
Being strategic	3	16%
Lack of Ability to Make Prototypes	3	16%
Lack of Planning	3	16%
Poor Credit	3	16%
Tools and Equipment	3	16%
Social Capital	3	16%
Visibility/PR	3	16%
Ability to Reach Prospective Clients	2	11%
Best Practices	2	11%

	Weighted Score	Percentage
Initial Capital	2	11%
Isolation	2	11%
Lack of Collateral	2	11%
Lack of Commitment	2	11%
Low Creditworthiness	2	11%
Mentoring	2	11%
Access to Land	1	5%
Business Development	1	5%
Market Competition	1	5%
ESL Training	1	5%
Lack of Fortitude	1	5%
Lack of Outside Perspective	1	5%
Project Management	1	5%
Scaling	1	5%
Sector Experience	1	5%
Technical Assistance and Training	1	5%
Unrealistic Expectations of Financing	1	5%

Industrial manufacturing incubators are the least prevalent among existing operators

With the exception of Industry Space, all other manufacturing incubators in King County work with small scale producers. Maker spaces, as well, typically are not equipped for heavy manufacturing and metal fabrication. While only one industrial manufacturing incubator currently exists, there may be demand for additional such manufacturing incubator spaces (in the 5000 SF per business range) that can accommodate larger equipment and with features such as clear heights, easy access for truck loading, the ability to have an open flame and distance from residential centers.

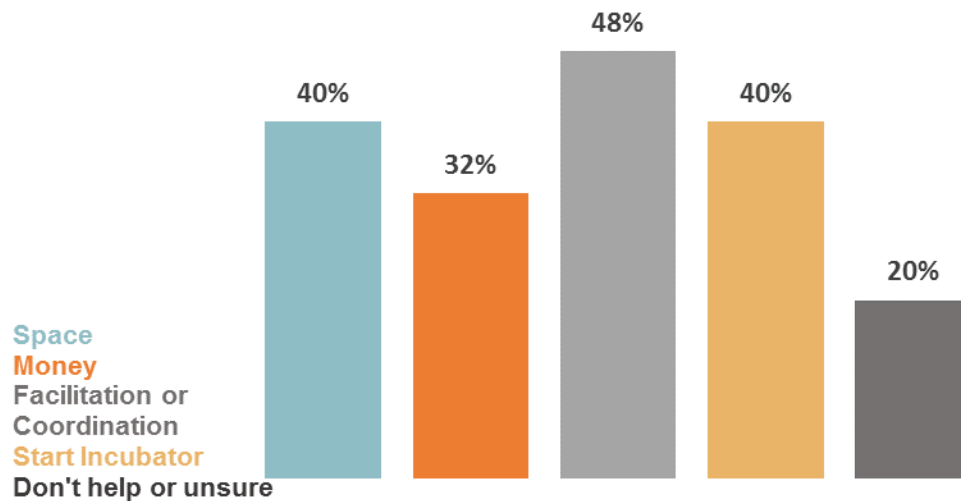
Tech incubators confirmed the Port's involvement is not necessary in their industry

Three companies—two of which were focused on supporting tech businesses—said they were unsure how the Port would assist incubators and accelerators in the technology sector in King County. Fledge and Surf, which cater to tech startups, said they were wary of the Port starting its own incubator or accelerator because it could present parallel competition for existing businesses. In addition, the two tech incubators said they were skeptical a non-tech, sector-specific incubator would have a great enough demand.

RECOMMENDATIONS

The Port has a key role to play. All but three of the incubators in this study saw an opportunity for the Port to play a role in small business assistance in King County. The Port's patient capital and the ability to provide a long-term commitment to ensure incubators are embedded in the community were cited as significant assets. Feedback from existing organizations, small business advisors and experts coalesced around two broad themes – championing and convening small business assistance across the region and the direct provision of space. **(Exhibit 7)**

Exhibit 7. Responses to How the Port can Help



Champion Small Business Assistance and Coordinate Assistance Opportunities



When asked how the Port could help small business development, coordinating or facilitating assistance opportunities was the most popular answer among interviewees. However, suggestions as to how the Port could provide this coordination varied across industries and organizations. The following suggestions outline how the Port could play a convening role to support small business development, and indicate potential partnerships.

Coordinate technical assistance workshops and networking events for entrepreneurs

Kenmore Business Incubator advocated for a Port-sponsored networking or seminar series that could rotate throughout the county. Co-sponsoring existing networking and training events was also suggested.

William Factory SBI suggested the Port expand on the organization's current work with entrepreneurs in the specialty trades and manufacturing sectors. Drawing on the Port's connections and existing network would help boost participation and understanding among disadvantaged small contractors.

A commercial kitchen feasibility study commissioned by the **Food Innovation Network** recommended expanding technical assistance opportunities for food-focused entrepreneurs. The study suggested developing a business mentor program to pair entrepreneurs with food industry professionals; and organizing seminars for entrepreneurs to hear how other businesses were started and key lessons learned.

Thinkspace suggested the Port host education events around transportation and logistics. Often times entrepreneurs are producing products in quantities so small they can't be shipped. The Port could help new entrepreneurs navigate shipping logistics, as well as exporting internationally.

Strengthen market channels

Tabor 100 Meet and Greets offer Port officials the chance to talk with Tabor 100 members about the public bidding process and highlight current bidding opportunities. These events are also an opportunity for the Port to work with Tabor 100 to meet specific firms of interest. Enhancing participation in these networking events is an easy step toward forging a partnership with Tabor 100.

Seattle Tilth suggested the Port could leverage its connections to help farmers in its Seattle Tilth Produce program identify small-scale buyers interested in locally and organically-grown produce.

Food-focused entrepreneurs often don't have access to a robust network of connections through which to market their product. The **Food Innovation Network** suggested the Port could help individuals tap into the right market channels by providing introductions and contacts to startups.

Washington Interactive Network, which supports independent gaming companies, suggested the Port publicize locally made games on the SeaTac Airport homepage. Travelers would have the chance to play a free game while they wait for their flight.

Federal Way Chamber of Commerce suggested the Port participate in its business retention outreach efforts. The Chamber currently holds monthly luncheons with Puget Sound businesses to determine what has been working for them and what can be improved. An added effect of this effort is helping to unite industry needs with education and training programs.

Provide Space or Land for Incubators

The study found broad consensus that the Port is well positioned to go beyond a convening role and make a larger real estate commitment. Ten out of 25 interviewees suggested space as a way the Port could help small business development.

The provision of long-term space for incubators either as land or real estate building space the Port could provide would be invaluable. A range of specific concepts for space/land were identified. These are explored in greater detail in the recommendations below.

Marine Industry Incubator

Utilize Port-owned land at Fisherman's Terminal or uplands at Terminal 91 to support an incubator focused on the marine industry.



The maritime industry is an economic engine. Seattle's maritime sector includes businesses engaged in fishing, water transportation, ship building and repair, marine goods and services, seafood processing, cold storage, and marine construction. The industry provides more than 22,000 jobs and contributes approximately \$2.1 billion to the local economy. The maritime industry provides important economic diversification for the city and includes many stable, multi-generational companies that provide family-wage jobs.

Maritime industry job growth. Maritime-related occupations are estimated to produce 3,048 job openings between 2016 and 2021 in King County (CAI). Based on occupational demand and the supply of available workforce, the industry is projected to experience a labor shortage of 295 openings annually countywide. Occupations with the three largest

shortages are Sailors and Marine Oilers; Captains, Mates and Pilots of Water Vessels; and Laborers and Freight, Stock, and Material Movers, Hand.

Fit with Century Agenda. The Port's Century Agenda includes a goal of doubling the economic impact of the fishing and marine industry in Seattle over ten years. Fishermen's Terminal is the historic center of the fishing industry in Seattle, and continues to be an important center for the industry (Madison Bay Commercial, 2015).

Locational advantages of Fisherman's Terminal. Fisherman's Terminal has been the home of the North Pacific fleet for the past hundred years. The fleet benefits from the critical mass and support services provided by Fishermen's Terminal. Key amenities include the storage sheds, shared access to material handling equipment, and net repair areas. In addition, the local ecosystem includes suppliers such as Ballard Hardware and Supply Company and a critical mass of highly skilled workers such as shipwrights and people skilled in electronics and hydraulics who can repair and work on fishing vessels. For these reasons, the Fisherman's Terminal location is a critical asset with no easy substitutes in the region.

Land and building space are increasingly scarce due to market pressure. The Ballard Interbay industrial submarket, which includes Fishermen's Terminal, has an extraordinarily low vacancy rate of 0.60% at the end of Q3-2015, below the Puget Sound industrial real estate market vacancy rate of 4.91%, and far below the national average of 6.70%. Coupled with the limited supply of industrial property in the overall Seattle market, this has resulted in rising rents and building sale prices. This may result in suppliers and vendors being unable to locate in the area.

Demand from suppliers and vendors in the area. Recent surveys of the fleet, its suppliers and vendors have unearthed several specific needs. The fleet would like to see an industrial space added in the area with an on-site chandlery, hardware supplier, heated storage and shop space, and metal fabrication and machine shop services. Suppliers and vendors favor light industrial facilities with a warehouse/shop area, office space, and either grade-level or dock-high loading capabilities. A facility size range between 5,000 square feet and up to 110,000 square feet has been proposed.

The Port is uniquely positioned to help. As an important partner of the maritime industry and major landowner in the Fisherman's Terminal area, the Port is uniquely positioned to support the fishing industry. The development of light industrial space on its upland land in the Fisherman's Terminal area would be a unique and timely opportunity to help the industry and ensure diversification in the local economy.

EXISTING EFFORTS

Thinkspace. Founder and CEO Peter Chee said he was open to entertaining partnerships with the Port, specifically around running a marine incubator. He noted the sufficient demand for new technologies to improve maritime operations, and said Thinkspace even had members that were focused on technology for deep sea diving and underwater research.

NEXT STEPS

- **Capitalize on the Port's historic presence at Seattle's waterfront and use the Fisherman's Terminal (or other marine properties) as site to explore marine industry incubator opportunities**
- **Explore partnerships with Thinkspace**

Construction Incubator

Utilize some of the Port's available building space to develop a one-stop support center for small businesses in construction, architecture, engineering or similar fields. This would build on the Port's longstanding procurement and technical assistance center for businesses interested in Port contracting opportunities.



The Port is a source for contracting opportunities. As a public entity, the Port solicits construction bids and possesses in-house expertise on trade, construction and logistics. With this background and established network, it would be a quick transition to support a construction-focused incubator.

King County is in the midst of a construction boom. Construction employment in King County is forecasted to grow at a rate of 2.3% per year through 2020 (CAI). The largest source of demand for construction jobs is from the private sector, at 83% in King, Snohomish, and Pierce County. On the public side, Sound Transit's currently-funded projects represent, on average, approximately 11% of total public works employment in the region. Federal, state and local projects represent the remaining 89% of public works projects. This level of economic activity presents an opportunity for the Port to help small business shape the future of the industry.

93% of the state's construction firms had fewer than 20 employees in 2015 (WSESD). Small businesses that may be missing out on large contract opportunities would benefit from co-locating in a Port incubator and leveraging the Port's procurement processes.

Fit with Century Agenda. Construction occupations are often well paying, family wage jobs that offer opportunities for economic advancement. In King County, however, there is a relative lack of diversity within the construction workforce (CAI). Economically disadvantaged individuals constitute an important source of new workers who are able to meet the requirements of the construction industry. Serving these segments will help address equity, and help disadvantaged populations capitalize on the economic benefits of this growing industry.

EXISTING EFFORTS

William Factory Small Business Incubator currently houses more than 40 companies focused on specialty trade construction, applied technologies and business services. Tenants are charged \$250 per month for shared office space, or between \$500 and \$2,000 per month for private offices. Client businesses have 24/7 access to the Tacoma facility without the burden of a long-term, binding lease. William Factory SBI draw from its a network of mentors and interns to provide support for client businesses. In addition to programs and office space, William Factory SBI also provides several free small business training sessions throughout the year that are open to the public. Attendees are surveyed in anticipation of the event to determine the topic of the workshop.

More than 200 companies have graduated from William Factory SBI. Of these firms, 75% are woman- or minority-owned, and historical data show an 80% success rate for all incubator graduates. At entrance, the majority of clients have one- to two-person operations with gross commercial revenues up to \$50,000. Typical companies employ anywhere from 5 to 40 workers, and gross \$250,000-\$2 million upon graduation.

Tabor 100 is an association that helps minority entrepreneurs through education and advocacy. Members of Tabor 100 are small business owners or self-employed individuals who predominantly work in the construction and trade sectors. The organization is currently working to establish a Business Development Center that would help contractors looking to start their own business. President of Tabor 100 Ollie Garrett explained Tabor 100 would serve as a “back office” for business owners and help with everything from bookkeeping to providing legal advice to searching bid opportunities. Garrett said Tabor 100 is open to Port involvement and establishing a presence at the center.

NEXT STEPS

- **Coordinate with the City of Seattle, King County and Sound Transit to explore potential construction business incubator**
- **Enhance the Port’s presence at Tabor 100 events**
- **Explore partnerships with William Factory**

Commercial Food Processing Incubator

Provide a shared-use, licensed, commercial kitchen that allows entrepreneurs to develop products and enterprises without the high overhead cost of purchasing facilities, equipment, and necessary licensing.



There is sufficient demand to support a commercial food processing incubator. Multiple interviewees indicated there is sufficient demand to support a commercial food processing incubator in King County. CoMotion Incubator Associate Director Elizabeth Scallon called this option “low-hanging fruit” for the Port of Seattle because entrepreneurs are already familiar with the idea and have expressed support. Seattle Made Co-Director Christine Hanna said the Port should take into consideration naturally developing consumer trends in food preferences. For instance, she noted, specialty products that are vegan or gluten-free are growing niche markets that usually require separate production facilities. Moreover, Hanna pointed out the vast range of businesses that could operate out of a commercial food processing incubator, and said the Port should determine what stage of businesses it would support.

A recent food business incubator feasibility study prepared for the Food Innovation Network (FIN) also found sufficient demand to support a commercial kitchen in south King County. The study, which solely focused on south King County, found market demand in that area is projected to be “moderate” because of the limited supply of shared commercial kitchen space plus emerging entrepreneurial activity. “Overall, King County has seen growth in the food sector in recent years with an expansion of food processing, food services establishments, mobile food units, and shared commercial kitchen rentals.” (Dawn Meader McCausland Consulting).

The number of WSDA Food Processor licenses issued is rising. A simple metric for measuring the growth of food processing and manufacturing in King County is the number of food processor licenses issued by the Washington State Department of Agriculture. From 2012 to 2015 that number jumped from 264 to 589, showing a 123% increase (Dawn Meader McCausland Consulting). Specifically in South King County, food processor licenses increased from 78 to 159 over the same time period.

Food purchasing trends are shifting toward local, artisan companies. Mirroring national trends, King County's artisan food sector has grown considerably. Demand for local and sustainable ingredients has gained traction and smaller, artisan food producers have filled the niche. The trend has been reflected in larger food conglomerates purchasing smaller, profitable and popular artisan producers (Dawn Meader McCausland Consulting).

Millennials and ethnic minorities are diversifying overall food preferences. One force changing food preferences is due to purchasing power of millennials and ethnic minority groups who present a new food culture. As consumers, millennials value authenticity in their purchases. In the case of food, millennials want to know the source of their food and the story behind its production. This emphasis on origins affects food supply chains and places a premium on local and artisanal products. Ethnic and international foods have been steadily gaining mainstream popularity. Moreover, in a hyper-diverse region like King County, ethnic cuisine is already well established and embraced by the general public.

Fit with Century Agenda. Providing a commercial kitchen will likely help the Port create jobs that would reach immigrant and low income residents of King County. Recent immigrants often gravitate toward starting their own business in food production because it's a transferable skill and also offers a way to retain their culture. The food business incubator feasibility study surveyed area entrepreneurs and determined the most likely candidates to use a commercial kitchen were: from diverse backgrounds, predominantly women, and had limited household income.

EXISTING EFFORTS

Food Innovation Network (FIN), which operates in SeaTac/Tukwila, is planning to pilot its own kitchen incubator in partnership with Project Feast in 2016. FIN, the incubation arm of Global to Local, addresses health and income disparities in SeaTac and Tukwila by growing the local food sector through job creation and entrepreneurship opportunities. Current programming assists mostly disadvantaged entrepreneurs and helps them create business plans for food-focused enterprises. Project Feast is a nonprofit that offers training, catering and cooking classes to recent immigrants and refugees. FIN's first step toward establishing a kitchen incubator was to complete a feasibility study, which found

sufficient demand from entrepreneurs. FIN is also actively looking for available kitchen space in south King County. The organization anticipates renovating a 2,500 square foot space inside a YMCA in SeaTac to run a pilot kitchen incubator program with five to 10 entrepreneurs.

FIN Project Manager Kara Martin said the pilot program is still in its planning stage, but said it would likely target low income, minority and women residents in south King County. The feasibility study found these populations to have a strong interest in joining a commercial kitchen incubator. To accommodate the community, Martin said FIN might charge on a scaled rate. Martin also noted the overlap between a commercial kitchen and locally-sourced ingredients. She said this project was an opportunity to merge the two ideas, and moreover, to bring locally-sourced ingredients to low income residents.

While demand from entrepreneurs for a commercial kitchen is strong, supply of kitchen space, especially for beginning enterprises, is low. Martin and the recent feasibility study both noted this space shortage. Martin suggested the Port provide space as one way to assist food entrepreneurs. In addition, Martin said the Port could also boost exposure for food production startups and help business owners grow their markets. Lastly, as food enterprises are heavily regulated, Martin suggested the Port help train entrepreneurs to navigate food production and handling permits.

Seattle Made supports small businesses that produce goods within Seattle. About 40 percent of Seattle Made members focus on food and beverage production. To join Seattle Made, companies must have at least one full-time employee, and sell their product in at least one retail outlet. Companies in their infancy are therefore rejected. Co-director Christine Hanna explained, while there is plenty of demand, there is a lack of local, food-focused incubators to where she can refer companies that are too new to join Seattle Made.

Healthy Food Accelerator (HFA) operates out of the Pop! Gourmet Popcorn factory in Tukwila and assists between four and six food startups at a time. HFA is run by several partners who have established food businesses or connections with local market channels. While the exact equity exchange is confidential, HFA invests in food entrepreneurs and their businesses. HFA aims to have a lifelong partnership with the businesses it accelerates, so there are no exit criteria.

NEXT STEPS

- **Work with the cities of Tukwila and SeaTac to evaluate potential commercial kitchen space**
- **Explore partnerships with Food Innovation Network, Seattle Made and Healthy Food Accelerator**

Manufacturing Incubator

Explore opportunities for an incubator with suitable space, mentoring support, and shared tools/resources for small startup manufacturing companies.



Manufacturing jobs are important to the regional economy. The region's manufacturing sector is a vital economic engine and it continues to be critical to the diversification and strength of the economy. It represents a wide range of subsectors, including maritime, industrial machinery and fabricated metal, aerospace, printing, stone, clay, glass and concrete products, home and office furnishings, food and beverage production, construction, transportation, and wholesale distribution.

Manufacturing employment growth. King County's manufacturing sector is a significant employer in the region, representing 105,790 employees in 2013 (CAI). The sector is projected to produce an average of 1,815 job openings per year from 2018 to 2023 in King County. This represents an annual growth rate of 0.9 percent, with manufacturing jobs increasing from 96,378 in 2018 to 100,571 in 2023.

Combining the elements of expected supply with projected demand, yields annual occupational gaps. On average, manufacturing is projected to experience an annual shortfall of local talent of 823 positions per year. The greatest absolute final gap in this category is among machinists, with an annual shortfall of 102 employees.

Manufacturing businesses need complex, expensive resources. Manufacturing businesses require relatively complex and expensive building, infrastructure and land needs. These include features such as building spaces with clear heights, heavy equipment, access to loading and unloading, heavy lifting capacity, compressed air, and access to heavy

power. Locational needs include sites buffered from residential uses but with easy truck access. These complex requirements can create a higher barrier to entry for emerging manufacturing businesses than for businesses in other sectors.

Land and building space are increasingly scarce due to market pressure. Sites in Seattle where heavy manufacturing uses are allowed (uses that impacts such as noise, odor) have seen rising rents and building sale prices in recent years. These higher prices may not be affordable to early stage businesses and may result in them priced out of the region.

Fit with Century Agenda. The manufacturing sector is a significant source of jobs for people without a college degree, or people facing language barriers or other barriers to entry. These jobs provide higher wages, and greater benefits and advancement opportunities than other jobs available to low-skilled workers

EXISTING EFFORTS

Industry Space, which operates out of an old metal factory in South Park, supports manufacturing tenants in industrial machinery, printing, food and beverage production and more. As a manufacturing incubator, Industry Space offers tenants a workspace with clear heights, truck access and loading zones, and maintains enough distance from residential uses to control noise. The facility is 47,500 square feet and owner Johnny Bianchi charges tenants \$0.85 per square foot per month. Bianchi noted the shortage of such large industrial facilities, which are also the most in demand by small manufacturing entrepreneurs.

Seattle Made supports small manufacturers and producers based in Seattle. Co-founder Christine Hana explained the local business climate is becoming bifurcated—moving toward an analyst- versus service-based economy. Still, the city is home to hundreds of small-scale manufacturers, including those outside of the logistics and maritime sectors. When companies first join Seattle Made, Hana said about 40 percent of members are seeking more space to expand operations and production. She suggested the Port could provide space for these growing companies as a way to support Seattle’s manufacturing sector.

NEXT STEPS

- **Conduct feasibility research to identify demand for an advanced versus low-tech manufacturing incubator**
- **Approach a manufacturing incubator from a regional perspective, and coordinate with the cities of Kent, Bellevue, Seattle and Federal Way on potential partnerships**
- **Explore partnerships with the University of Washington, Green River College and Seattle Made**

APPENDIX A. CONSIDERED INTERVIEWEES

1. 9Mile Labs
2. Accelerator Corporation
3. Activspace
4. Agnes Underground
5. Arcturus UAV
6. Autodesk, Inc
7. Ballard Labs
8. Blu Ocean
9. Cambia Grove
10. Center of Excellence Global Trade & Supply
11. City of Auburn
12. City of Kenmore Business Incubator
13. City of Kent
14. City of Seattle
15. Community Capital Development
16. CoMotion Incubator
17. Department of Commerce
18. Eastside Incubator
19. Element 8
20. Entrepreneurs' Organization
21. Federal Way Chamber of Commerce
22. Fledge
23. Food Innovation Center (Global to Local)
24. Founder Institute
25. Green River College
26. Grow50
27. Healthy Food Accelerator
28. Highline SBDC
29. IcoGenex
30. Impact Hub
31. Industry Space
32. Innovate Washington Foundation/Affiliate of Ignite
33. Ivy Softworks
34. Laser Cutting NW
35. McKinstry Innovation Center
36. Mercury Medical Incubator
37. Metrix Create:Space
38. Microsoft Ventures
39. My Branch Office
40. Office Nomads
41. Omax Corporation
42. OneRedmond
43. Pacific Northwest National Laboratory
44. Playhouse Arts Incubator
45. Product Creation Studio
46. RBC Signals/RBC World Watch
47. Seattle Fashion Incubator
48. Seattle Made
49. Seattle Tilth
50. Small Business Accelerator at Everett Community College
51. SODO Maker Space
52. Sorensen Group
53. Space Angels Network
54. Startup Hall -UW
55. Surf Incubator
56. Tabor 100
57. Techstars
58. The Pioneer Collective
59. Think Space
60. Up Seattle
61. Ventures
62. Village 88 Techlab
63. WA Space MeetUps
64. Washington Interactive Network's Reactor
65. Washington State University SBDC
66. We Work
67. William Factory Small Business Incubator

APPENDIX B. INTERVIEW GUIDE



King County Incubators and Accelerators Research

As a public agency committed to creating jobs and growing the local economy, the Port of Seattle wants to learn more about small businesses development, specifically how incubators assist small business manufacturing and contractors. Understanding the range of these support organizations, as well as the opportunities and hurdles of small business development, will help the port enhance its role in helping local businesses grow.

I work for [Community Attributes Inc.](#), a consulting firm working with the port to research this topic and speak with organizations that are directly involved with incubators and small business development. If you're willing to participate in this process, please respond to the questions outlined below.

Your responses will be used for internal research purposes only. All of your answers will be strictly confidential. Thank you for your time.

BUSINESS PROFILE INFORMATION

PROFILE QUESTIONS	
Name:	Date interviewed:
Title:	Email:
Company name and description:	
Address:	HQ location:
Age of company:	Time in Location:
Number of employees:	Total employees:

Overview and Mission

Please describe your program, as related to the following:

- Overall mission
- Types of programming and support offered
- Total days of active training offered
- Duration of active support offered by the program

- Average class size or average number of enterprises or entrepreneurs trained per cohort or class
 - Any formal partnerships with investors
 - Fees charged to incoming program participants.
 - How is your company funded?
 - How did you get started? What was initial source of seed funding?
 - What is ongoing revenue model?
1. As you work with community businesses, what are the top three issues that come up as they work to grow their business?

Focus Areas

2. Describe any focus areas (industry, geography, stage of company) you may have.
3. Is there enough deal flow, or enough early-stage startups, in *X* field (maritime, aerospace, UAS, outer space, medical devices) to sustain an incubator in our region?
4. What would some of the benefits of an industry-specific incubator?
5. What are some of the drawbacks?

Feedback on Port's Initiative

The Port of Seattle is very interested in small business development, and particularly interested in incubators that support contractors and small businesses (for example, small manufacturers in food production, marine manufacturing, general purpose manufacturing or construction).

6. What are your thoughts on the role the port can play on small business assistance? What are some opportunities for the port to support small businesses, either by leveraging existing efforts or through a new initiative (for example a maritime business incubator or a construction trades support center)?
7. Do you see any opportunities for partnership with the port on this initiative?

Future Plans

8. Please describe your near- and long-term plans.

Goals and Results

9. Please share some lessons learned from your experience in promoting small business development.
10. Briefly describe what has worked well for certain initiatives. For example, do specific industries need help or do better than others in the region?
11. What are some opportunities for new incubators and accelerators in King County? Are there specific industries that may need small business assistance to work well in King County?

12. Please provide a list of program participants (including current participants and alumni) to date. (Include companies that may not currently operate but still participated in the program.)
13. Describe your results over time. Consider the following metrics when responding:
- Annual revenue of businesses upon exit versus entry or revenues over time
 - Capital raised by businesses within two years of program completion or introductions to investors
 - Increase in profitability
 - Business growth in employees or units sold within two years of program completion

APPENDIX C. INTERVIEW SUMMARIES

CoMotion Incubator

Small Business Development Strategic Assessment



BUSINESS PROFILE

The CoMotion Incubator was founded in 2012 with the goal of continuing to fulfill University of Washington's decree to the State to foster economic development and create jobs. CoMotion assists UW and non-UW entrepreneurs, though UW startups receive priority. Enrollment is open to companies in all sectors.

Headquarters	Seattle
Address	4311 11th Ave NE #500
Time in Location	Since 2012
Number of Employees	2

The Incubator is unique in the length of time it allows companies to develop under its guidance. "I believe in the long-term approach," said CoMotion Associate Director Elizabeth Scallon. For example, IT companies are typically incubated for 1-2 years, medically-focused ones usually receive 3-5 years, and life sciences enterprises remain for 3-6 years. These timelines are tailored to each individual company, and their duration at the incubator depends on their readiness to leave.

Mission: CoMotion Incubator provides dedicated space and facilities to support UW-affiliated startups and other companies through their early stages of company and product development.

KEY TAKEAWAYS

- > CoMotion sees many opportunities to partner with the Port
- > CoMotion has the space and sufficient demand for a life sciences incubator, but needs funding
- > Food processing incubator is low-hanging fruit for Port
- > A manufacturing incubator in King County would have enough demand
- > Incubated businesses benefit from wraparound services

BUSINESS MODEL

When CoMotion receives an application from a prospective startup, the incubator evaluates their business plan, their equipment needs, and the personality of the group to be sure it's a good fit. If the product spun out of UW faculty or student research, CoMotion helps to license it out, and provides priority space in the incubator.

Incubator revenue is derived from client company rent. CoMotion offers low or comparable rents: cubicles are \$270 per month, private offices are \$415 per month, and lab benches with equipment are \$850 per month.

Courses and Services. The Incubator's on-campus location makes it easier for UW faculty and graduate students to stay engaged with startup teams, and it reduces costs and distractions by providing space inclusive of Internet access, shared office equipment, and meeting spaces. Clients work alongside each other, sharing in the joys and challenges of entrepreneurship. Proximity to UW, both its faculty and equipment, is a defining strength of the CoMotion incubator.

Wraparound Services. Scallan said companies at CoMotion greatly value the support, mentoring and opportunities for collaboration. CoMotion programming includes speaker series, workshops, office hours, and mentorship. Additionally, it hosts several CEO Roundtable discussions throughout the year where local leaders share experiences and solutions with incubated companies. The CoMotion Incubator Idea Lab is also a key component of the Incubator's services. This arm offers educational and networking events to CoMotion's client companies.

Partnerships. UW-related startups likely benefitted from the University's relationship with more than 280 specialized research centers. In addition to collaboration, UW received more than \$1.24 billion in sponsored research funds in 2013. CoMotion has a strong interest in partnering with the Port.

TOP ISSUES FOR SMALL BUSINESSES

Scallan highlighted challenges surrounding scaling a business from an idea to a market-ready product:

1. **Funding.** It's difficult for small businesses to secure funding without reliable network connections or pitching experience.
2. **Hiring.** Entrepreneurs often struggle in assembling a dependable, productive team that works well together.
3. **Business Development.** Taking a product idea, and developing a positive user experience can be a challenge for startup companies. Production scalability is also a strategic issue multiple entrepreneurs face.

HOW THE PORT CAN HELP

Scallan had several suggestions for startup markets the Port could invest in. She specifically mentioned a food and food processing incubator in Columbia City as a starting point. CoMotion has seen entrepreneurial demand for these sectors, and this sort of program would have high visibility. A construction incubator would also be an easy program to develop and implement. The manufacturing sector has a significant amount of entrepreneurial demand, as well.

Funding. CoMotion is interested in creating a life sciences-specific component of its existing program. Scallan reported that there is enough demand from entrepreneurs in that sector, and the idea she's considering wouldn't work without a UW-Port partnership. The Incubator has the pipeline of entrepreneurs and the space to sustain a life sciences program, but lacks the resources to get it off the ground.

LOOKING AHEAD

Saturated Co-working Market. CoMotion continues to experience high demand for the type of programming it's offering to startup enterprises, but Scallan noted waning entrepreneur interest in co-working spaces. In many instances, the cost-benefit analysis reveals that small businesses are better off renting their own space when mentor expertise in a particular program isn't up to par.

Entrepreneurs' Organization Accelerator

Small Business Development Strategic Assessment



BUSINESS PROFILE

Entrepreneurs' Organization Accelerator is the accelerator arm of Entrepreneurs' Organization. Established in 2005, EO Accelerator provides educational programming for entrepreneurs, teaching them about strategic planning, sales and marketing, finance, human resources and more.

Locations	Seattle, worldwide
Established	2005
# of Programs	38 worldwide
Target Industry	None

Mission: empower entrepreneurs with the tools they need to grow their business to more than US\$1 million in sales and provide them with the skills to become better entrepreneurs and leaders.

KEY TAKEAWAYS

- > The Seattle EO Accelerator chapter currently has 25 entrepreneur members
- > EO Accelerator is a global network, with 38 programs in 11 countries
- > Entrepreneurs enter with at least \$250,000 in revenue and must hit \$1 million to graduate

BUSINESS MODEL

EO Accelerator is a nonprofit that works with entrepreneurs aiming to grow their business to the \$1 million mark. Board Member (and CEO of Thinkspace) Peter Chee explained incoming entrepreneurs must already have at least \$250,000 in revenue, or have at minimum \$250,000 from investors. Chee said the EO Accelerator Seattle Chapter currently assists 25 small businesses in varying industries, and provides training sessions at Thinkspace.

Training. EO Accelerator taps EO members and subject matter experts to determine the yearlong curriculum for incoming entrepreneurs. Training sessions are shaped around four main pillars: strategy, sales and marketing, finance and people. Entrepreneurs in the Seattle EO Accelerator chapter pay about \$2,000 a year to participate.

Yearlong Programming. The EO Accelerator program runs for one year, with quarterly meetings and monthly Accountability Group sessions to keep entrepreneurs on track.

Graduation. Chee explained, companies graduate the EO Accelerator when they achieve \$1 million in revenue. Because programming lasts one year, if a company hasn't hit the \$1 million mark by then, they can continue to stay in the accelerator for up to three years.

Connection to EO. To qualify for the EO Accelerator, entrepreneurs must have an interest in joining EO upon graduation.

Greater Federal Way Chamber of Commerce

Small Business Development Strategic Assessment



SMALL BUSINESS ASSISTANCE

The Greater Federal Way Chamber of Commerce is a private, nonprofit membership-driven organization comprised of businesses, civic organizations, educational institutions and individuals. The Chamber aims to promote regional economic prosperity in communities along the Seattle-Tacoma business corridor by providing leadership and advocacy for its members. Sandwiched between the Port of Seattle and the Port of Tacoma, Federal Way has a “workforce of choice” for port operations, said Federal Way Chamber CEO Rebecca Martin.

KEY TAKEAWAYS

- > The Federal Way Chamber is currently working with the Port of Tacoma to establish a high school internship program
- > The South Sound has a “workforce of choice” for ports
- > More work could be done to connect education and workforce training programs with Port-focused employment

EXISTING EFFORTS

Previous Incubator. In 2010 the Federal Way Chamber of Commerce established the South Sound Regional Business Incubator, which did not have a particular industry focus, and later changed direction to support tech startups. The parent organization, Jobs for South Sound changed the incubator’s focus in an effort to initiate a technology cluster in Federal Way. The incubator’s name was then changed to Cascadia Velocity and run by private consultants. At that point, the Chamber was only partly involved in its operations. In 2014 the incubator dissolved, and now the Chamber is redirecting the focus of Jobs for South Sound toward job opportunities that are “business-based” said Martin.

Internship Program. The Chamber is currently working with the Port of Tacoma to establish a high school internship program, which would serve as the beginning end of a maritime employment feeder. Martin said the Chamber would definitely be interested in doing the same with the Port of Seattle.

Business Retention Outreach. Martin suggested the Port participate in its business retention outreach efforts. The Chamber currently holds monthly luncheons with Puget Sound businesses to determine what has been working for them and what can be improved. An added effect of this effort is helping to unite industry needs with education and training programs.

HOW THE PORT CAN HELP

Partnership. Since the collapse of the South Sound Regional Business Incubator, the Chamber is refocusing Jobs for South Sound (the incubator’s parent organization) and actively forging partnerships and growing contacts.

FEEDBACK FOR PORT

Martin said the Chamber is very open to partnering with the Port and sees opportunities for collaboration on industry-focused incubators. She ranked the four incubators below as follows:

1. **Maritime.** Federal Way sees the maritime sector as a source employment and a chance to connect business operations within the Puget Sound corridor. Federal Way has the workforce, but business opportunities

surrounding the ports have yet to be coordinated. And more can be done to connect education and workforce training programs with Port-focused employment.

2. **Construction.** Demand for this incubator is possibly greater than expected, Martin said, because contractors and small businesses might not know about available resources.
3. **Food Production.** Martin said several entrepreneurs have approached the Chamber asking for a commercial kitchen space.
4. **Manufacturing.** This incubator had the least potential for Federal Way, which focuses primarily on light manufacturing.

LOOKING AHEAD

For Federal Way, the waterfront and its opportunities of employment, is “low-hanging fruit,” but will require more coordination and effort to connect supply chain, business, workforce and education needs. The Chamber will continue its efforts to serve as a regional, gateway connector for businesses.

Fledge Accelerator and Kick

Small Business Development Strategic Assessment



BUSINESS PROFILE

Fledge and Kick, founded in April 2012 by Michael “Luni” Libes, operates out of Impact Hub in Pioneer Square, and participates in the Hub’s mission to accelerate socially-conscious entrepreneurs. The Fledge model has been replicated 28 times, with locations in 13 U.S. cities and 15 different countries.

Headquarters	Seattle
Address	220 2nd Ave S
Time in Location	3.5 years
Number of Employees	1
Target Industry	Socially-conscious Companies

Mission: Helping mission-driven, for-profit companies succeed.

KEY TAKEAWAYS

- > Fledge owner is wary of Port involvement in local incubator community
- > Fledge aims to grow globally by founding branches outside the U.S.
- > Seattle is a hotbed of socially-conscious companies

BUSINESS MODEL

Fledge is structured like a technology incubator where the investment model is based on startup revenue rather than exits. The return on investment is not contingent on the fledgling company graduating or leaving the program at a specified time. This structure allows Fledge to be a partner in the success of each startup. Libes explained, “Our incentives are aligned with the founders, to find a path to sufficient, sustainable revenues. [Fledge] succeeds when the fledgling succeeds in earning revenues from customers.”

The incubator secures 7% ownership in each startup, which is structured as redeemable equity, in exchange for \$20,000 in seed money. The startup repurchases Fledge’s shares in the company with 4% of future revenues. If a business does not succeed, nothing is owed to Fledge beyond anything already repaid.

The Seattle office fields applications from around the world; half of the companies that apply to Fledge are from outside the U.S. Accepted enterprises are enrolled in a 10-week program where they are exposed to over 300 mentors in the Fledge network who provide guidance on traditional business components—sales, marketing, finance, leadership, etc.—to more innovative skills, like theater stage presence and speech coaching.

Courses and Services. In addition to the aforementioned regular Fledge programming, the incubator also offers ‘Kick’ sessions for businesses who were denied entry into the 10-week sessions. Kick applies to 97% of entrepreneurs who were initially turned away. The course itself is composed of 12 sessions and workshops over 6 weeks, and prepares companies to enter the accelerator stage. Each participant goes through an intensive restructuring process where they have the option to reconstruct their business from scratch. Kick assists entrepreneurs in uncovering core problems, identifying solutions, and building a “Minimum Valuable Product” (MVP). At the end of the sessions, individuals present

their companies and ideas to an audience of potential investors and customers with the goal of persuading the aforementioned group to believe in their business.

The incubator also attempted FledgeX—a one-time experiment in fall 2015 to determine if the 10-week Fledge programming could be replicated entirely online. 13 companies participated—9 different countries were represented, and 3 were from Seattle. FledgeX only lasted 8 weeks, and while Libes believes it was successful, the level of engagement of the in-person course was difficult to duplicate online.

Results. Fledge has 39 program graduate companies, most of which are outside the U.S. So far, the incubator isn't profitable yet, but Libes expects it to be in the future. It's funded by 30-40 angel investors in Seattle who donated about \$1 million during the first round of funding. Fledge expects needing another million in the coming months.

TOP ISSUES FOR SMALL BUSINESSES

Overall, Libes has noticed that many entrepreneurs lack necessary knowledge about best practices and financing. He has also noticed that many entrepreneurs lack confidence about their ideas and business decisions.

1. **Funding.** Entrepreneurs have little to no experience raising money.
2. **Sales Skills.** New businesses don't have hands-on experience in sales. Entrepreneurs tend to be wary of overselling their products and, subsequently, afraid of closing a sale.
3. **Finance Best Practices.** The leadership in startups, especially those focused on social good, typically don't have any background in finance.
4. **Narrowed Markets.** Entrepreneurs shouldn't limit the scope of their audience, and should look for entrepreneurial ventures outside the U.S.

HOW THE PORT CAN HELP

Overall, Libes expressed hesitation about the Port developing an incubator because government involvement can be a significant barrier. Very few incubators and accelerators are funded by government grants; potential incubates don't want to deal with government bureaucracy. Privately-owned incubators can take money from investors, and obtain higher return on investments than publicly-held companies can.

Diversify Assistance. Based on his experience, Libes stated there aren't enough entrepreneurs within a single sector in a small geographic area to sustain an incubator. He recommends the Port consider curating startups from multiple market sectors.

Local Support. Libes said the Port should support local incubators like Surf and Impact Hub, and ensure local small businesses don't falter when faced with new competition.

Support Underprivileged Entrepreneurs. The Port should consider helping to make Craft3 loans possible for small businesses, which the Small Business Association won't do.

Partnerships. Fledge currently has 30-40 angel investors who fund investments in startups and day-to-day programming, and is not looking for other partners at this time.

LOOKING AHEAD

Program Expansion. Fledge aims to replicate its investment model in more cities in the region. Once new locations are established, Libes intends to begin hiring.

Food Innovation Network

Small Business Development Strategic Assessment



BUSINESS PROFILE

The Food Innovation Network (FIN) is the incubation arm of SeaTac-based Global to Local (GTL). GTL was founded in 2010 through a partnership between Swedish Health Services, HealthPoint, Public Health Seattle & King County, the Washington Global Health Alliance, and the Cities of SeaTac and Tukwila. These entities recognized that access to good health is predicated on economic opportunity, education, and job skills. Twice as many residents in SeaTac and Tukwila live below the federal poverty line than in the rest of King County, indicating a concentrated need for economic development in the area.

FIN unites public and private partners to address health and income disparities by growing the local food sector through job creation and entrepreneurship opportunities in the SeaTac and Tukwila communities. FIN was founded in 2012, but did not receive its first grant until 2014. At this point, FIN is in a targeted planning stage to build a long-term kitchen incubator. Project Manager Kara Martin is leading FIN through the implementation phase.

Headquarters	SeaTac
Address	2800 S 192nd St #104
Time in Location	Since 2012
Number of Employees	1 FTE and 1 Contractor
Target Industry	Food Production

Mission: A successful food innovation network would create a business cluster environment that spurs local and regional food system development and economic self-sufficiency while improving access to fresh, local food in a community with clear interest and deep cultural and culinary assets to contribute.

KEY TAKEAWAYS

- > FIN will likely pilot its own food incubator in partnership with Project Feast
- > A commercial kitchen feasibility study identified sufficient demand for a food incubator in South King County
- > English language proficiency is a hurdle for many low-income food-focused entrepreneurs

BUSINESS MODEL

FIN operates as a subsidiary of Global to Local and has both public and private partners.

Courses and Services. FIN just completed a feasibility study for its kitchen incubator facility. In 2016, it will run a pilot program with 5-10 entrepreneurs in the food industry. FIN located 2,500 square feet of unused space in a SeaTac YMCA, and anticipates renovating that space for the incubator pilot program. Courses will include internal education and training for the pilot group of entrepreneurs, as well as nutrition classes for YMCA members.

Existing workshops assist disadvantaged entrepreneurs in the food industry with business plan development, identifying startup costs and marketing channels, public health or state processing permitting, and securing loans or credit. The Food Innovation Network coordinates training and funding provided by partner organizations, and connects

local entrepreneurs with these assets. Training providers offer a series of 6-week workshops where participants graduate with a business plan. Classes last about 2 hours each, and are limited to 10 entrepreneurs each.

Partnerships. FIN has many partners that provide funding, including Pinchot University, Boeing, and the Seattle Foundation. Martin explained FIN currently has a variety of trainers to provide business counseling for entrepreneurs, but could use assistance from the Port to launch new businesses into the food industry.

TOP ISSUES FOR SMALL BUSINESSES

Martin described several barriers to food industry entrepreneurs.

1. **Kitchen Space.** Renting and permitting a space for food production can be unaffordable to many startups.
2. **Startup Fees.** Capital costs for equipment can prevent entrepreneurs from expanding production.
3. **ESL Training.** For disadvantaged entrepreneurs, English is often a second language. Individuals have to be fluent enough to participate in many FIN workshops. Project Feast, one of FIN's partners, offers a class geared toward people with a lower level of English proficiency that teaches participants Western terms for working in an American kitchen.

HOW THE PORT CAN HELP

Martin noted the strong demand for an incubator that caters to commercial food production, and highlighted several ways the Port could assist these businesses.

Space. There is a lack of food processing and commercial production facilities entrepreneurs can utilize in the early stages of business development.

Market Opportunities. If entrepreneurs are able to scale production, they frequently don't have access to a robust network of connections through which to market their product. The Port could help individuals tap into the right market channels by providing introductions and contacts to startups.

Regulation Assistance. After individuals acquire a business license for food production, they're often overwhelmed by the requirements they must fulfill in order to sell their food through established market channels. FIN has noticed food labeling causes a significant amount of confusion, for example.

LOOKING AHEAD

Following Demand. A recent kitchen incubator feasibility study revealed the level of entrepreneur demand and market would support a kitchen incubator, however, there is a lack of commercial kitchen space in South King County.

Highline Small Business Development Center

Small Business Development Strategic Assessment



SMALL BUSINESS ASSISTANCE

The Small Business Development Center at Highline Community College supports local business owners to build profitable businesses. Since 2002, the SBDC has been helping promising startups and established small businesses reach the next level by providing no cost business consulting.

KEY TAKEAWAYS

- > It is important the Port play a role in small business assistance given it's such a large organization.
- > Land is a key thing the Port could contribute.
- > The Port's focus on industry-specific incubators is a good idea. Successful incubators are specific and focused on one industry.
- > A maritime or manufacturing incubator sound like the best ideas for the Port given alignment with Port activities and the high-wage jobs that would be created.
- > For food processing and construction, the Port could partner with the Food Innovation Network and ongoing efforts by the Port to provide technical procurement assistance for contracting.
- > Access to marketing channels is a key need for small businesses. Another challenge is the lack of creditworthiness.
- > An important practice for incubator success is the presence of a good sorting mechanism or clear criteria on entry and exit.
- > Incubators are rarely self-financing. They tend to need outside money so there must be an ongoing dollar commitment.
- > Currently the Port has an ongoing commitment to help minority, women-owned and disadvantaged businesses. This should be a continued area of focus.

EXISTING EFFORTS

The SBDC at Highline specializes in providing business and training services to entrepreneurs and existing businesses. The center provides:

- Knowledgeable, trusted and confidential one on one advice on all aspects of business
- A link to 23 other SBDC centers in the statewide network for additional advice
- Guidance on the purchase of an existing business or a franchise
- Assistance in finding the best sources of capital to grow businesses
- Support for established businesses ready to take their business to the next level
- Identification of improvement opportunities for existing businesses
- Matching businesses with resources that can accelerate their success trajectory through referrals
- Information about training and funding opportunities

The Small Business Development Center serves a diverse population. The population served consists of women-owned businesses (38%), African-American-owned businesses (21%), veteran-owned businesses (16%), Asian-owned businesses (10%) and Hispanic-owned businesses (4%). A related initiative, called StartZone serves those not yet ready for SBDC services, such as recent immigrants or refugees.

By design, the assistance center is not focused on companies at a certain stage of maturity or in a specific sector. Assistance is provided to entrepreneurs in the community at any stage in their business.

HOW THE PORT CAN HELP

Shockley had several suggestions for areas in which the Port could invest. His main suggestion was for the Port to provide land or space for small business incubation. He specifically mentioned manufacturing and maritime incubators as the best fit for the Port. The relatively higher wage jobs these sectors create and the fit with Port activities are significant advantages. Highline SBDC has seen entrepreneurial demand for these sectors, and this sort of program would have a high chance of success. Shockley also wanted the Port to continue its existing efforts to help small, disadvantaged businesses through its Technical Procurement Assistance Center.

Shockley reported there was demand from entrepreneurs for commercial kitchens as well as co-packing facilities but expressed concern jobs created in food processing may not pay a living wage.

Entrepreneur Challenges. In his experience, small business entrepreneurs, typically struggle most with sales and marketing. In many cases, he has encountered entrepreneurs who lack a clearly differentiated product or the ability market or sell their products through retail or other channels. Entrepreneurs also struggle with access to capital because of their lack of creditworthiness.

FEEDBACK FOR PORT

Shockley thought the Port could play an important role in small business assistance.

1. **Maritime.** This is a sector that creates relatively higher wage jobs and is well aligned with the Port's activities.
2. **Manufacturing.** Similar to maritime, manufacturing is also a sector with the potential to create living wage jobs that is well aligned with the Port's activities.
3. **Construction.** Building on existing efforts from the Port through its procurement technical assistance center for businesses interested in contracting opportunities with the Port is a good idea.
4. **Food Production.** There seems to be a lot of demand for this but the jobs created by food processing may not be as high-wage as manufacturing or maritime jobs. In addition to commercial kitchens, co-packing facilities are also in demand. The Food Innovation Network will be a good partner for the Port in this specific effort.

Impact HUB

Small Business Development Strategic Assessment



BUSINESS PROFILE

Brian Howe, the founder of Impact Hub Seattle, was working in social impact investing, and wanted to create a space that brought small enterprises and entrepreneurs together. Impact Hub Seattle was established in July 2012, and the Bellevue branch was opened almost 3 and a half years later in November 2015. There are a total of 70 Impact Hubs in the worldwide network.

Headquarters	Seattle
Address	220 2nd Ave. S.
Time in Location	Since July 2012
Number of Employees	7
Target Industry	Socially-conscious companies

Headquarters	Bellevue
Address	555 116th Ave. NE #242
Time in Location	Since November 2015
Number of Employees	3

Mission: To support entrepreneurs, not-for-profit and for-profit organizations that want to have positive social impact through their enterprises.

Between the two locations, Impact Hub has about 700 individual members with an average of roughly 1 organization per person, which translates to a little less than 700 separate enterprises. Individuals running a single-person effort often feel isolated or lonely, which can derail their endeavors. Impact's spaces aim to combat seclusion by fostering a strong sense of community and collaboration in communal working environments.

KEY TAKEAWAYS

- > Impact Hub in Bellevue needs to relocate soon because the building will be demolished
- > Local businesses can host events at Impact Hub
- > Impact Hub Seattle is partnering with Technology Access Foundation to support youth entrepreneurship

BUSINESS MODEL

Impact Hub cultivates socially-conscious entrepreneurs that aspire to have a lasting, positive social impact. Unitus Seed Fund, a company that strives to invest in and support smaller companies and teams that have the potential to scale their services to benefit the masses, is one example of a company that operates out of the Seattle Impact Hub. The Hubs are funded through membership fees and office space rentals, as well as on-site corporate events. Membership fees start at \$35 per month on the low end, while dedicated workspace in their otherwise open-seating environment is about \$400-\$500 per month. The Hubs generate around \$1.5 million in revenue annually.

While the national network of Impact Hubs provided a considerable amount of best practices and business model support, the Seattle Impact Hub didn't receive much material startup support. The Seattle Hub was a joint venture between HUB Seattle, the Bainbridge Graduate Institute (BGI), and Social Venture Partners. BGI offers a MBA in sustainable business and other certificate programs on-site, bringing like-minded students and entrepreneurs together. In addition to the co-working spaces offered to members, fixed office rentals are also available to socially-conscious companies, such as Unitus Seed Fund, mentioned above.

Courses and Services. It's up to members to decide how many weekly active training days and events they would like to attend. Training includes instruction on best practices, classes on how to scale businesses to match market demand, and coaching members on how to find healthcare coverage for themselves and their future employees. Impact Hub also facilitates networking events to connect small businesses to like-minded, established firms.

Physical Space. BGI, SVP, and numerous other companies and entrepreneurs share 30,000 square-feet of co-working office space.

Partnerships. The Impact Hub is currently working with Technology Access Foundation that is focused on entrepreneurship and young people. The Hub is assisting with business strategies.

TOP ISSUES FOR SMALL BUSINESSES

Social Capital. The Interim CEO, Peter Temes, communicated how integral social capital is to small business success. Entrepreneurs need a dependable network of peers and mentors—an informal community—to support their missions. Social and intellectual capital are the engines that allows small businesses to keep growing when funding runs out. Temes also spoke on the ripple effects of social consciousness and capital—the indirect and induced economic impacts that result from a successful socially-beneficial business are profound. For example, if one social firm prospers, the accounting business that serves this enterprise grows, which supports the accounting firm employees' favorite restaurant. The employees and their families represented in all of these business relationships thrive.

HOW THE PORT CAN HELP

Space. The Bellevue Impact Hub is currently located in the Lincoln Center building slated for demolition to make way for the Bellevue light rail line. The Hub is currently paying below market price for this space, and cannot afford to remain in Bellevue and pay at-market rent. Peter Temes mentioned hearing that the Port is potentially looking to develop space in Bellevue, and believes the Port and Impact Hub would make great partners in this endeavor. If the Port could supply space of any kind—traditional workspace, a hanger, boat, basin, or warehouse—the Hub could continue its mission in Bellevue.

Scale. Incubators and accelerators have to prove their value over time. When the right model is found, there needs to be a very large set of participating entrepreneurs that may or may not succeed. The more commitment individuals have to operate an incubator or accelerator, the easier it is to build a model with minimal cost, which increases the probability that participating enterprises will succeed.

"It comes down to getting the largest possible number of smallest possible bets to empower the largest possible number of new enterprises." – Peter Temes, Interim CEO

Improving Business Climate. The Port of Seattle and SeaTac Airport can specifically assist the ecosystem of services and small businesses near the Airport. Providing space and training programs would be valuable, and would help the Port gain visibility

LOOKING AHEAD

Program Expansion. In the long term, Impact Hub wants to continue to grow membership, especially adding more programs for low-income individuals, and add square footage to co-working spaces.

Industry Space

Small Business Development Strategic Assessment



BUSINESS PROFILE

Seattle Mayor, Ed Murray, awarded \$100,000 to Seattle Industry Space to create an incubator to assist new, local manufacturing businesses. The grant was funded by Seattle's New Markets Tax Credit (NMTC) program. NMTCs attract private investment for development and other projects benefitting low-income neighborhoods. In 2008, the City's Office of Economic Development created the Seattle Investment Fund (SIF) to participate in the NMTC program. Stadium Place, The Bullitt Center, and the Pike Place Market renovation are all projects that utilized these tax credits. Fees on these investment projects have allowed the City and SIF to support small business growth, such as façade improvements for businesses in the Chinatown/International District. Small business lending activity is also made possible through the Office of Economic Development and the National Development Council's Grow Seattle Fund.

Headquarters	Seattle
Address	8009 7th Ave S
Time in Location	Since January 2016
Number of Employees	0 (Owner manages property)
Target Industry	Manufacturing

The Seattle manufacturing industry encapsulates a variety of subsectors, ranging from industrial machinery to printing and publishing to food and beverage production. Some types of manufacturers require large warehouses, but many of them require 5,000 square-feet or less. Industry Space was borne out of evidence of a lack of supply for smaller spaces. Owner Johnny Bianchi used some of his own capital in combination with the aforementioned grant to found Industry Space. Located in an abandoned metal factory in South Park, Industry Space currently houses 3 tenant companies after opening its doors at the beginning of 2016.



Mission: To create an incubator focused on the manufacturing industry that consists of co-located, intentionally-selected tenants with the goal of encouraging the manufacturing of complementary goods, networking, sharing of information, and mentoring.

KEY TAKEAWAYS

- > Industry Space tenants require large facilities equipped to handle heavy machinery
- > The Port could provide industrial manufacturing space
- > Industry Space plans on expanding into SODO or Ballard
- > Industry Space tenants pay only \$0.85 per square foot per month

BUSINESS MODEL

Industry Space's revenue is derived from client company rent. Tenants can rent industrial space or office space or both. Industrial space is approximately \$0.85 per square-foot per month, and office space is rented for \$500 per month. The incubator is flexible on lease terms, but short-term contracts are more expensive. Typical lease terms range from 1 to 5 years.

Courses and Services. The Industry Space site offers tenants a fully-functional industrial space, with features like heavy lifting capacity, truck access, compressed air, and access to heavy power. Because it's so early in the incubator's tenure, Industry Space does not currently offer programming for start-ups, but is interested in organizing workshops and courses in the future if tenants express interest.

Physical Space. Industry Space offers tenants 47,500 square-feet of industrial and office space in the South Park neighborhood. Suites offered to manufacturing incubators include clear heights and loading hooks. The building itself has easy truck access and loading and unloading facilities. A shared kitchen is also available for common use.

Partnerships. Industry Space does not have any partners to date, but is interested in partnering with the Port once it has some concrete ideas and plans for its incubator. Bianchi is not interested in ideation, but would be happy to work with the Port to ensure that future incubator space aligns with the needs of the entrepreneurs it aims to serve.

TOP ISSUES FOR SMALL BUSINESSES

Functional Space. Manufacturing companies require expensive and complex space, infrastructure, and equipment needs. When these are not provided, manufacturing startups have high up-front costs, making it difficult for small businesses in this sector to take root. There is definitely a shortage of incubators that offer the space and amenities Industry Space provides to its tenants. Bianchi referred to a shortage of suitable spaces in the below 5000 SF range as the most in demand by small manufacturing entrepreneurs.

HOW THE PORT CAN HELP

Space. Manufacturing companies in need of industrial workspace struggle to find functional sites. Attributes such as clear heights, truck access, loading zones, and distance from residential uses are frequently difficult for tenants to find.

LOOKING AHEAD

Expansion. Industry Space is interested in expanding to more locations in SoDo or Ballard. Bianchi is currently looking for properties and deals that would work.

Kenmore Business Incubator

Small Business Development Strategic Assessment



BUSINESS PROFILE

The City of Kenmore founded the Kenmore Business Incubator to support an innovative community spirit and foster startup entrepreneurs. Tenants pay a monthly fee for co-working space and membership includes a suite of services such as mentorship, business development support, networking events, workshops and seminars. The incubator operates out of a 3,000 square foot office space in downtown Kenmore.

Headquarters	Kenmore
Address	7204 NE 175th Street
Time in Location	Since 2013
Number of Employees	1 FTE

Mission: Kenmore Business Incubator aims to nurture our homegrown businesses and to get Kenmore on the map as a place where innovative biz want to locate.

KEY TAKEAWAYS

- > Kenmore City Council is considering whether to maintain the on-site incubator or only support virtual services
- > Tenants focus on technology, healthcare, finance and business services
- > Co-sponsoring the incubator's seminar series would support the Port's regional initiatives
- > Having an incubator downtown reinforces Kenmore's emphasis on innovation

BUSINESS MODEL

The Kenmore Business Incubator offers co-working spaces from a dedicated workstation to private offices. It currently support about 25 businesses on site, and several more through its virtual services. Funding from the City of Kenmore covers the incubator's base rent and membership fees make up the rest of the operating budget. In January 2016 the incubator was nearly at capacity in terms of tenants, which took about two years to achieve.

Diversity. There is no particular industry focus among tenant, however current members work in technology, finance, healthcare and business services. Nancy Ousley, assistant city manager, said the diverse group of entrepreneurs was helpful for businesses to learn from one another and establish partnerships.

Courses and Services. Membership includes individual mentoring with a program consultant, access to a seminar series on best business practices, and group consulting. The incubator also holds networking and other informal events.

Virtual Membership. Through the incubator's virtual option, entrepreneurs forego the on-site office space, but still have the opportunity to meet with a business consultant and take part in group consulting.

TOP ISSUES FOR SMALL BUSINESSES

1. **Strategy.** Often entrepreneurs and small business owners to have the time to think long-term and strategically about growing their operations.

2. **Isolation.** Ousley said she's noticed entrepreneurs gravitate toward co-working spaces because a home office can be isolating.
3. **Lack of outside perspective.** A strength of the Kenmore Business Incubator is its diverse set of tenants, Ousley said. Although members focus on different industries, each share commonalities as business owners and can learn from each other.

HOW THE PORT CAN HELP

Ousley listed several ways in which the Port could provide small business assistance. And, even though Kenmore doesn't share Puget Sound waterfront, Ousley noted Kenmore was still a community that supports the Port and its activities.

Technical Assistance. While the incubator currently offers technical assistance services for its tenants, Ousley said representatives from the Port could augment existing workshops.

Sponsorship. The Port could lend expertise to share through the incubator's seminar series. Co-sponsoring these kinds of events would reinforce the Port's regional reach and objectives.

Space. The Kenmore City Council is considering whether to maintain the on-site incubator or only support virtual services. Ousley suggested one option is the Port could provide the co-working space.

LOOKING AHEAD

On-site versus Virtual. The Kenmore City Council is exploring alternative models for running its incubator. Options include keeping the on-site co-working space, switching to only virtual programs, or concentrating on business consulting. The city plans to explore partnerships for maintaining the incubator and its current services.

McKinstry Innovation Center

Small Business Development Strategic Assessment



BUSINESS PROFILE

The McKinstry Innovation Center was founded in 2010 to with a goal to focus on startups in the clean tech and life sciences sectors. The Center has since expanded its focus to include businesses in the education sector. The Center functions more like an accelerator than an incubator.

Headquarters	Seattle
Address	210 S. Hudson St. Seattle, WA 98134
Time in Location	Since 2010 in Seattle, 2012 in Spokane
Number of Employees	2

Mission: The McKinstry Innovation Center provides dedicated space and facilities to scale and grow companies past the incubation stage in the clean tech, life sciences and education sectors.

KEY TAKEAWAYS

- > The Port has a key role to play as both a convener as well as a provider of space/land
- > Food processing incubator is an important sector and a good fit for Port
- > A manufacturing incubator in King County would have enough demand

BUSINESS MODEL

Entry and Exit Criteria. Enrollment in the McKinstry Innovation Center is open to firms at various stages of maturity but they must have come past their infancy or early incubation stage and have a business plan and ability to pay market rent. The McKinstry Innovation Center houses a mix of tenants from established companies with proven ideas who use the facility as their base of operations to newly-formed companies and one-person offices that benefit from the experienced assistance of the Center's mentoring team.

The Center conducts a yearly review of progress of its tenants based on proximity to going to market (pilot programs, product/service advances, partnerships and potential client engagement etc.). Evaluating whether the firm is on track to launch and/or get further funding secured is key.

Courses and Services. Amenities provided include office spaces, meeting rooms, access to common spaces, and the use of McKinstry's manufacturing areas for prototype development, demonstration space and mock-up demonstration platforms for testing. Tenants are charged market-rate rent for class A office space for their individual office space alone.

Wraparound Services. David Allen of McKinstry said companies at the Innovation Center greatly value the opportunity to mix and gather feedback from McKinstry's thought leaders and skilled tradespeople. The ability to produce pilot products or prototypes and gather feedback from industry experts at McKinstry is a valuable service.

Partnerships. McKinstry has partnered with the Gates Foundation to bring the education initiative, the STEM center, to the Innovation Center.

TOP ISSUES FOR SMALL BUSINESSES

Allen highlighted challenges surrounding scaling a business from an idea to a market-ready product:

1. **Lack of Opportunities to Test Prototypes or Pilot Projects.** It's difficult for small businesses to test their ideas without the ability to produce prototypes and gather feedback from industry experts on it.
2. **Funding.** Entrepreneurs often struggle to access capital and investor networks.

HOW THE PORT CAN HELP

Space. Allen had several suggestions for startup markets the Port could invest in. He specifically mentioned a food and food processing incubator as an important and timely investment the Port could make. McKinstry has seen entrepreneurial demand for these sectors, and this sort of program would have high impact. The manufacturing and marine sector has a significant amount of entrepreneurial demand, as well. The construction incubator program was cited as a program with potential but a crowded field of current incubator operators was seen as a potential deterrent.

Seattle Made

Small Business Development Strategic Assessment



BUSINESS PROFILE

Christine Hanna and Erin Nelson, co-directors and founders of the Seattle Good Business Network (SGBN), also run Seattle Made, which supports small, local manufacturers and producers. Seattle Made operates like an accelerator and was modeled after the successful SF Made in San Francisco. Hanna said Seattle Made's mission to support small, urban producers is imperative because they provide dependable, living wage employment. She added this effort is especially important now, as the local business climate is becoming bifurcated, and moving toward an analyst- versus service-based economy.

Headquarters	Seattle
Address	220 2nd Ave. S.
Time in Location	Since March 2015
Number of Employees	1.5 FTE
Target Industries	Manufacturing

Mission: To promote a sustainable, local economy by inspiring people to produce, invest and buy locally.

According to Hanna, local production is vital to Seattle's economy. The city's urban manufacturing doesn't just encompass the logistics and maritime subsectors; there are hundreds of small-scale manufacturing businesses that require assistance. Members of Seattle Made range from propeller producers to chocolate manufacturers.

KEY TAKEAWAYS

- > About 40% of Seattle Made member companies say they need more space to expand production when they first join
- > About 40 percent of Seattle Made members focus on food and beverage production
- > Seattle Made is currently doing a landscape study of a potential garment district in Seattle
- > The Port should move away from a positive ROI model and focus more on economic development

BUSINESS MODEL

Seattle Made caters to enterprises that have made it past the incubation phase. Membership criteria includes: manufacturing or producing one or more physical product in Seattle; offering one or more standard product lines; employing at least one full-time employee; and, provided the enterprise produces consumer products, selling through at least one retail outlet or online. Entrepreneurs are also asked when they expect to need capital, production space, and a workforce.

There is no time limit on membership, which is free thanks to investors and partnerships. Seattle Made has a contract with the City of Seattle's Business Retention and Expansion Program, where the city partners with local organizations to support business development, such as helping enterprises secure space or permits. Seattle Made acts as a middle man, and is paid by the city to make connections. Seattle Made is also a member of the Urban Manufacturing Alliance, a national collective of nonprofit, for-profit, and governmental stakeholders focused on growing manufacturing businesses and creating diverse living wage jobs.

Courses and Services. Seattle Made works like an accelerator and offers somewhat established businesses branding and marketing training, funding, and assistance in locating the right space for business growth. The organization also assists businesses with outreach and publicity. In one instance, KOMO TV, a founding partner, did a segment called Seattle Made Minute and featured six member companies. During the 2015 holiday season, Seattle Made also launched a gift card for shoppers to buy its members' products.

Capital. Companies that join Seattle Made typically seek loans that fall below the threshold of traditional bank loans. To assist its members, Seattle Made has partnered with Community Sourced Capital, an organization that links entrepreneurs with local investors, and provides a platform for small businesses to run funding campaigns. In addition, Seattle Made implemented the Seattle Made Matching Fund. Together, a member company would raise \$10,000 through Community Sourced Capital, and the Seattle Made Matching Fund would supply another \$10,000.

Physical Space. Seattle Made operates out of Impact Hub Seattle. Its 300 members have their own spaces.

Partnerships. Founding partners include the City of Seattle, BECU, Vulcan, and KOMO4.

TOP ISSUES FOR SMALL BUSINESSES

1. **Space.** About 40% of Seattle Made member companies say they need more space to expand production when they first join.
2. **Sales.** Entrepreneurs play many or all roles in the earlier stages of their business, but typically have the heaviest hand in sales and marketing before joining Seattle Made. Company founders often need coaching about how to approach these topics as they attempt to scale their businesses.
3. **Scaling.** Young companies need assistance with the growing pains of scaling, both in the difficulties of managing growth and in the logistics of market expansion.
4. **Capital.** Members not only struggle with lack of capital, but also with what level of revenue is appropriate for entrepreneurs and their enterprises at various stages in their growth.

HOW THE PORT CAN HELP

If the Port can move away from a positive return-on-investment model and focus more on economic development, it could have a sizeable impact on Seattle's manufacturing sector, said Hana. The Port has land and other valuable assets, and could create a release valve for small-scale production space.

Space. Young businesses are in need of long-term space solutions.

Manufacturing Incubator. About 40 percent of Seattle Made members focus on food and beverage production. To join Seattle Made, companies must have at least one full-time employee, and sell their product in at least one retail outlet. Companies in their infancy are therefore rejected. Hanna explained, while there is plenty of demand, there is a lack of local, food-focused incubators to where she can refer companies that are too new to join Seattle Made.

Demand Factors. Overall, Hanna urged the Port to consider multiple demand factors before deciding to act. A couple questions to consider are: What sector(s) should the Port's space be geared toward (i.e. what equipment is needed)? Do businesses want to be surrounded by other businesses in similar sectors or should there be a mix?

LOOKING AHEAD

Market Research. Seattle Made is committed to meeting the needs of its member companies and ideal candidates. Because manufacturing has a wide array of subsectors, different manufacturers and producers have vastly different equipment and space needs. For example, to meet their individual needs, Seattle Made is currently doing a landscape study of a potential garment district to learn more about the textile sector in Seattle.

Seattle Tilth Farm Works

Small Business Development Strategic Assessment



BUSINESS PROFILE

Seattle Tilth is a nonprofit dedicated to educating and empowering the community to build a sustainable and equitable local food system. The organization's incubator program, Seattle Tilth Farm Works, provides farm business training and support to immigrants, refugees, and people with limited resources in South King County. Participants attend farm and business trainings, tour neighboring farm operations, and gain hands-on experience growing and harvesting food using organic practices.

Headquarters	Seattle
Address	4649 Sunnyside Ave N, #100
Time in Location	38 years
Number of Employees	50
Target Industry	Small, Disadvantaged Farmers

Mission: To inspire and educate people to safeguard our natural resources while building an equitable and sustainable food system.

KEY TAKEAWAYS

- > Access to infrastructure and land are crucial to growing a farming enterprise
- > Port could help connect farmers with distribution and market channels
- > Seattle Tilth's incubator is interested in securing more land for its farmer participants

BUSINESS MODEL

Each year Seattle Tilth Farm Works accepts eight to 10 new farmers as part of a new cohort. Participants in good standing have the opportunity to continue accessing the land base, infrastructure and ongoing technical assistance in an effort to further their enterprises. In 2015, 20 farm enterprises operated at the incubator site—10 were new farmers and 10 were returning farmers.

Courses and Services. The Seattle Tilth Farm Works provides an experiential learning Organic Farm Educational Program, which focuses on organic farm practices, small business management, and marketing. Participants attend farm and business trainings, tour neighboring farm operations, and gain hands-on experience growing and harvesting food using organic practices. The program runs for 20 weeks from February to June each year. Cohorts of 8-10 farmers meet twice per week throughout the duration of the program. Technical assistance, land base, infrastructure, and marketing outlets continue to be available to farmers in good standing after the program concludes.

Farmers currently operate on a micro-farm scale. Most farmers start with one-eighth of an acre; some returning farmers operate 1 acre. Current program participants and graduates share Seattle Tilth farm land in order to eliminate many startup capital costs, such as equipment, and to create a knowledge-sharing environment.

Fees. The fee structure is a sliding scale, and is determined by the enrolling farmer's household income and number of dependents. Additionally, a decreasing subsidy structure is in place—first year farmers receive the highest level of subsidy and it decreases over time as their businesses grow. After 7 years, farmers are paying full market rates.

Many farmers draw on nano-loans (up to \$1,500) from Seattle Tilth. These loans are repaid throughout the season as product sold through the Produce Food Hub.

Physical Space. Seattle Tilth's main offices are in Wallingford, where they hold courses and classes for incubatees and members.

Results. Success varies from farmer to farmer, but the program has positive results overall. Strong farmers see a 200% increase in revenue over 3 years. As a whole, program participants have totaled more than a 300% increase from 2013. The average gross revenue for a first year farmer is \$2,700, while returning farmers average \$9,300 in gross revenue. Average gross sales of the farmers in the program increased by 137%.

Partnerships. Seattle Tilth does not currently have any formal partnerships, but would be interested in partnering with the Port.

TOP ISSUES FOR SMALL BUSINESSES

Barriers small farmers when growing their businesses include:

1. **Access to Markets.** Entrepreneurial farmers have limited experience in selling their produce.
2. **Capital.** Small farmers lack the funds required to invest in equipment, infrastructure, or marketing.
3. **Land.** This goes hand-in-hand with funding—new farmers often can't afford to acquire more land to increase the scale of production.

HOW THE PORT CAN HELP

Infrastructure. Access to infrastructure, such as washing/packing facilities, food processing equipment, and cold storage, is very important to the growth of the Seattle Tilth Program

Land. Entrepreneurial farmers need an appropriate land base for farming/aggregation. If the Port could provide this, Seattle Tilth could increase the number of farmers it could accommodate in the Organic Farming cohorts.

Connections. The Port could connect Seattle Tilth Produce and its farmers with potential small-scale buyers interested in locally and organically-grown produce.

LOOKING AHEAD

Land. In order to continue operating within the farm hub model, the incubator component of Seattle Tilth needs to acquire a larger land base. This would mean the farmers can scale-up business and continue to benefit from the support systems (i.e. technical assistance, in-place infrastructure, and marketing channels). The idea is that farmers would not need to make large individual investments for land, equipment, or infrastructure, and an agency would make market rate leases and/or piece meal rates available.

Market Expansion. The next steps for Seattle Tilth Produce Food Hub include growing its direct market CSA, and pursuing wholesale/bulk markets that fit with the scale of its growers.

SODO Makerspace

Small Business Development Strategic Assessment



BUSINESS PROFILE

For co-founder Eric Renn, SODO Makerspace was his chance to develop a self-sufficient community. The 3,000 square foot space behind a doughnut shop in SODO acts as a center for supporting projects in advanced manufacturing in an effort to help people “solve local problems.”

Headquarters	Seattle
Address	1914 Occidental Ave S
Time in Location	Since 2014
Number of Employees	15 (mostly contractors)

Mission: To educate and incubate the general public on advanced manufacturing technology to make new products to solve local problems.

KEY TAKEAWAYS

- > SODO Makerspace asked the Port to provide space—any available buildings or unoccupied rooms to house manufacturing machinery
- > SODO Makerspace received grant funding from the City of Seattle’s Office of Economic Development to commence a 12-week course for a small cohort
- > One of SODO Makerspace’s first incubator successes was in 2015 with the small business Rainworks

BUSINESS MODEL

Renn became intrigued by the “maker movement” in September 2013 and traveled for three months to visit and investigate established maker spaces. From there, he drew from concepts he’d learned and brought his new-found knowledge back to Seattle. He secured a space in the back of a restaurant in his neighborhood, and invited others through posts online to utilize the space. Eventually his nascent maker space grew into a 500 square foot garage and attracted more likeminded individuals. In one year he had gone from an idea, to occupying 3,000 square feet in SODO.

Renn and fellow co-founder Jon Madamba opened SODO Makerspace in fall 2014.

Courses and Services. SODO Makerspace offers educational classes that are open to the public to learn advanced manufacturing skills such as 3D modeling, soldering, Computer Aided Design and more. Patrons can also rent equipment on a pay-as-you-go basis, and membership is not required to register for courses or to utilize machinery. For entrepreneurs or small businesses, the company provides consulting expertise on how to use the manufacturing equipment.

Educational Outreach. Over the past year, Renn has also branched out from SODO and has begun working with area K-12 schools and PTA groups to educate kids on advanced manufacturing techniques. In addition, this effort supplements STEM curricula.

Partnerships. SODO Makerspace recently received funding from the City of Seattle's Office of Economic Development to commence a 12-week course for cohort of four students. Other partnership opportunities have come from both the Port of Seattle and the City of Kent. Talks with the Port of Seattle were focused on setting up a hardware incubator in the city; and the City of Kent was interested in working with SODO Makerspace to start a maker space in Kent.

TOP ISSUES FOR SMALL BUSINESSES

For the entrepreneurs who set up shop in SODO Makerspace, a few hurdles stand in their way of expanding their business. In order of priority, Renn listed these top three issues that small businesses face.

1. **Funding.** Whether they're still holding their full-time job and have elected to pursue a business idea on the side, or they've devoted themselves fully to a new venture, both types of entrepreneurs need seed money to get started. Ideas may be free, but the execution is often expensive. Small micro-loans (as low as \$500) can make a difference for an entrepreneur trying to get a business off the ground.
2. **Mentoring.** Often times entrepreneurs come to SODO Makerspace full of ideas, but might be less aware on how to actually run a business. Because SODO Makerspace supports startups from concept to creation, entrepreneurs take advantage of staff expertise to learn about crowdfunding, marketing and distribution. Consistency, following a schedule and setting easily attainable goals are all guidelines that have helped incoming entrepreneurs succeed.
3. **Teaming.** Advanced manufacturing takes a great deal of sweat equity, so growing a team can directly help start-ups grow. Teams foster collaboration and inspire new ideas. Entrepreneurs in SODO Makerspace can find likeminded individuals to assist in developing their project.

HOW THE PORT CAN HELP

Space. SODO Makerspace asked for one thing from the Port of Seattle—space. The company was interested in any available buildings or unoccupied rooms the Port owns, to house manufacturing machinery. Harbor Island was suggested as an area for future expansion. Donating a building or other available space would coincide with the sharing economy central to maker spaces. In addition, Renn stressed, the port would help empower the local community to solve its own problems through manufacturing.

"Find us a space, and we can fill it up with our likeminded folks. We can continue to expand on what we've started." – Eric Renn, Co-founder, SODO Makerspace

LOOKING AHEAD

Workforce Development. A major long-term goal for SODO Makerspace is workforce development. Cultivating a manufacturing workforce begins with educating K-12 students on advanced manufacturing techniques. These students then apply their new skills to start and grow businesses, and in turn generate jobs.

Investing in Manufacturing. According to Renn, manufacturing offers one of the best returns on investment over a short time period because manufacturing businesses are often self-reliant. Focusing on manufacturing takes places like China out of the equation because parts are made locally.

SUCCESS STORY – RAINWORKS' INVISIBLE SPRAY

The SODO Makerspace saw one of its first incubator successes in 2015 with the small business Rainworks. Creator of Rainworks and Seattle resident, Peregrine Church, came to SODO Makerspace ready to launch his product. Rainworks had developed a super hydrophobic spray that repels water, and can be used like temporary invisible ink to write messages on sidewalks—the liquid goes on invisibly and then appears once concrete gets wet.

Once at SODO Makerspace, Rainworks worked with Renn to make the spray consumer-ready. Together they created a spray bottle to contain the liquid, along with a stencil set, and packaged the two items for retail. Renn and Church initiated a two-day crowdfunding campaign via Kickstarter and raised more than \$5,000 through 700 orders. That investment was used to broaden product distribution and allowed SODO Makerspace to buy capping and labeling machinery.

Since December, Rainworks and its invisible spray has been featured on NPR and aims to sell the product for general online purchase.

"This is a great example of going from an idea to production." – Eric Renn, Co-founder, SODO Makerspace

Tabor 100

Small Business Development Strategic Assessment



BUSINESS PROFILE

Tabor 100 is an association that helps minority entrepreneurs through education and advocacy. Members of Tabor 100 are small business owners or self-employed individuals who predominantly work in the construction and trade sectors. Tabor 100 was founded in 1998 and named after its founder, David Tyner III, who was dedicated to economic, educational and political advancement of African Americans.

Headquarters	Bellevue
Address	2330 130th Ave NE
Time in Location	Since 1998
Number of Employees	1

Mission: Tabor 100 is an association of entrepreneurs and business advocates who are committed to economic power, educational excellence and social equity for African-Americans and the community at large.

KEY TAKEAWAYS

- > Tabor 100 would like to see enhanced Port involvement in its events
- > Often the problem isn't lack of programming to educate entrepreneurs, the problem is low attendance
- > Tabor 100 is currently working on starting a construction-focused Business Development Center

BUSINESS MODEL

Tabor 100 has a membership of around 150 entrepreneurs and business owners. Dues are \$150 per year for each member and fund services such as mentoring and networking events. Some programs are open to the public and free of charge. Tabor 100 is a 501(c)3 nonprofit and covers operations costs through membership dues and fundraising.

Courses and Services. Membership in Tabor 100 includes instant access to the organization's existing network of small contractors and business owners in construction. Often times entrepreneurs in construction are very skilled at their trade, but don't have the administrative background and understanding of what it takes to run a business. Tabor 100 staff and volunteers mentor its members on business fundamentals such as bookkeeping and marketing.

Meet and Greets. In the past, Tabor 100 has also held forums with elected official and meet-and-greets with purchasing personnel, Port officials and other public sector representatives. Members were encouraged to ask questions about the bidding and contracting process to learn more about the public side of construction projects. The events created a comfortable atmosphere where firms and agencies felt began building business relationships. As a result, many minority firms earned contracts.

Attendance. For a multitude of reasons, minority entrepreneurs often don't take the necessary steps to grow their enterprises. Ollie Garrett, President of Tabor 100, explained the problem isn't a lack of available training, it's getting individuals to attend programs. Garrett said minority entrepreneurs might not have time to seek mentorships or educational programs because they're running a fledgling business. Garrett said she's also noticed minority business

owners can be intimidated by what they don't know and are too proud to admit they need help. One way to overcome this is to form cohorts that go through training courses together.

TOP ISSUES FOR SMALL BUSINESSES

Barriers that stand in the way of Tabor 100 members who want to expand their businesses:

1. **Access to Capital.** Small business owners face challenges to access to capital such as a lack of collateral, poor credit or a history of bankruptcy.
2. **Contracting Opportunities.** Navigating the public contracting process can be challenging and time-consuming.
3. **Business Know-how.** Business owners running a small construction company are well versed in their trade, but may lack the background and understanding of what it takes to run a business.

HOW THE PORT CAN HELP

Construction Incubator. Tabor 100 is currently working to establish a Business Development Center that would help contractors looking to start their own business. Garrett explained Tabor 100 would serve as a “back office” for business owners and help with everything from bookkeeping to providing legal advice to searching bid opportunities. Garrett said Tabor 100 is open to Port involvement and establishing a presence at the center.

Partnership. Garrett suggested Tabor 100 members could benefit from enhanced Port involvement in Meet and Greets to talk with members about the public bidding process and highlight current bidding opportunities. These events are also an opportunity for the Port to work with Tabor 100 to meet specific firms of interest. This participation is an easy step toward forging a partnership with Tabor 100.

LOOKING AHEAD

Leadership. Tabor 100 membership has nearly tripled since its first few years, from 50 to 150. For Garrett, this solid growth means it's “time to take Tabor to the next level.” Establishing the Business Development Center is a move in that direction, but more work needs to be done to inform entrepreneurs of existing resources.

Thinkspace

Small Business Development Strategic Assessment

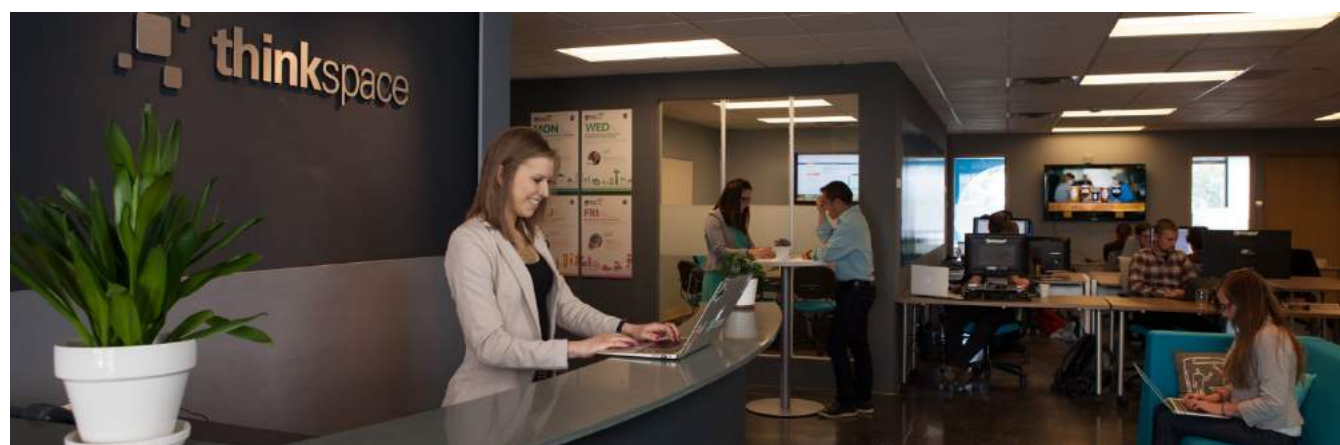


BUSINESS PROFILE

Thinkspace provides office and co-working space for tech startups and small businesses. Included in membership are support services such as recruiting, marketing and administrative functions. Before joining Thinkspace, staff vet entrepreneurs, looking for companies with core values that align to the organization's mission.

Locations	Seattle, Redmond
Addresses	936 N 34th St, Ste. 400 8201 164th Ave NE, # 200
Target Industry	Tech

Mission: to build a strong community of entrepreneurs, tech startups, small businesses, and nonprofits which share similar core values. We passionately operate as a part of each company's team; celebrating in their successes, contributing to their sustainable growth, and creating an environment that inspires.



KEY TAKEAWAYS

- > Thinkspace is a potential partner for a marine incubator
- > Recruitment is prized service for Thinkspace members
- > Tech startups attract entrepreneurs and other small businesses from different sectors
- > The Port could host educational events around transportation and logistics

BUSINESS MODEL

The majority of Thinkspace members are tech companies – about 75 percent – while the other small businesses are mostly service-based, said Founder and CEO Peter Chee. When first establishing Thinkspace, Chee said he focused on attracting tech startups because they were in line with his background. Since then, Chee explained, the tech members have attracted other startups from different sectors because, “they want to be around growth and innovation.”

Space. Thinkspace offers office space, co-working stations, meeting rooms and virtual offices.

Services. Chee said he realized early on entrepreneurs often take on too much while starting up their businesses. Whether that's building a website, bookkeeping or marketing, they often aren't "playing into their strengths." Services at Thinkspace are geared toward helping entrepreneurs grow their initial enterprise thereby leaving them time to focus on their mission.

Recruitment. Recruiting support evolved organically after Thinkspace helped several members find and secure talent. It's now a service offered to all members.

TOP ISSUES FOR SMALL BUSINESSES

Chee outlined the top three issues facing entrepreneurs trying to grow their businesses:

1. **Hiring.** For tech startups especially, convincing top talent to join a startup over established tech companies can be a hurdle for new entrepreneurs.
2. **Funding.** Securing a traditional bank loan can be difficult for a new startup.
3. **Sales and Marketing.** Tech entrepreneurs, Chee said, sometimes underestimate the time involved in quality marketing that makes an emotional connection with customers about a particular product.

HOW THE PORT CAN HELP

Chee said he was open to entertaining a conversation about partnerships with the Port, and said he could envision Port-led events. In regards to initiating incubators in King County, he said the Port should pursue ideas that align with the agency's expertise.

Marine Incubator. Chee said Thinkspace could potentially help the Port run a marine incubator. He noted the sufficient demand for new technology to improve maritime operations, and said Thinkspace even had members that were focused on technology for deep sea diving and underwater research. Moreover, a marine incubator aligns well with the Port's expertise.

Food Incubator. Even though a food venture doesn't represent the Port's expertise as well as a marine business, Chee said there was enough momentum among Seattle entrepreneurs in the food and beverage industry for the Port's assistance to be worthwhile. He said he knew of a few food entrepreneurs in Georgetown who are in need of space.

Logistics Education. An easy way to support the startup community, Chee said, would be for the Port to host education events around transportation and logistics. Often times entrepreneurs are producing products in quantities so small they can't be shipped. The Port could help new entrepreneurs navigate shipping logistics, as well as exporting internationally.

LOOKING AHEAD

Driving Innovation. Thinkspace will continue to help entrepreneurs and drive innovation in the local economy, Chee said. "We make Seattle a better place for all businesses and put Seattle on the map as doing something totally innovative."

