



Entrepreneurial Development

Presented by MATEC NetWorks



NETWORKS



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**MARICOPA
COMMUNITY
COLLEGES**

NetWorks is a part of MATEC, a member of the Center for Workforce Development in the Division of Academic and Student Affairs



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Presenters



Jack Irving

Executive Director of the Center for Entrepreneurial Innovation



Susie Pulido

Director of Institutional Advancement and Entrepreneurial Programs



Russ Yelton

President/CEO



INNOVATION AND ENTREPRENEURSHIP

Landscape and Available Resources



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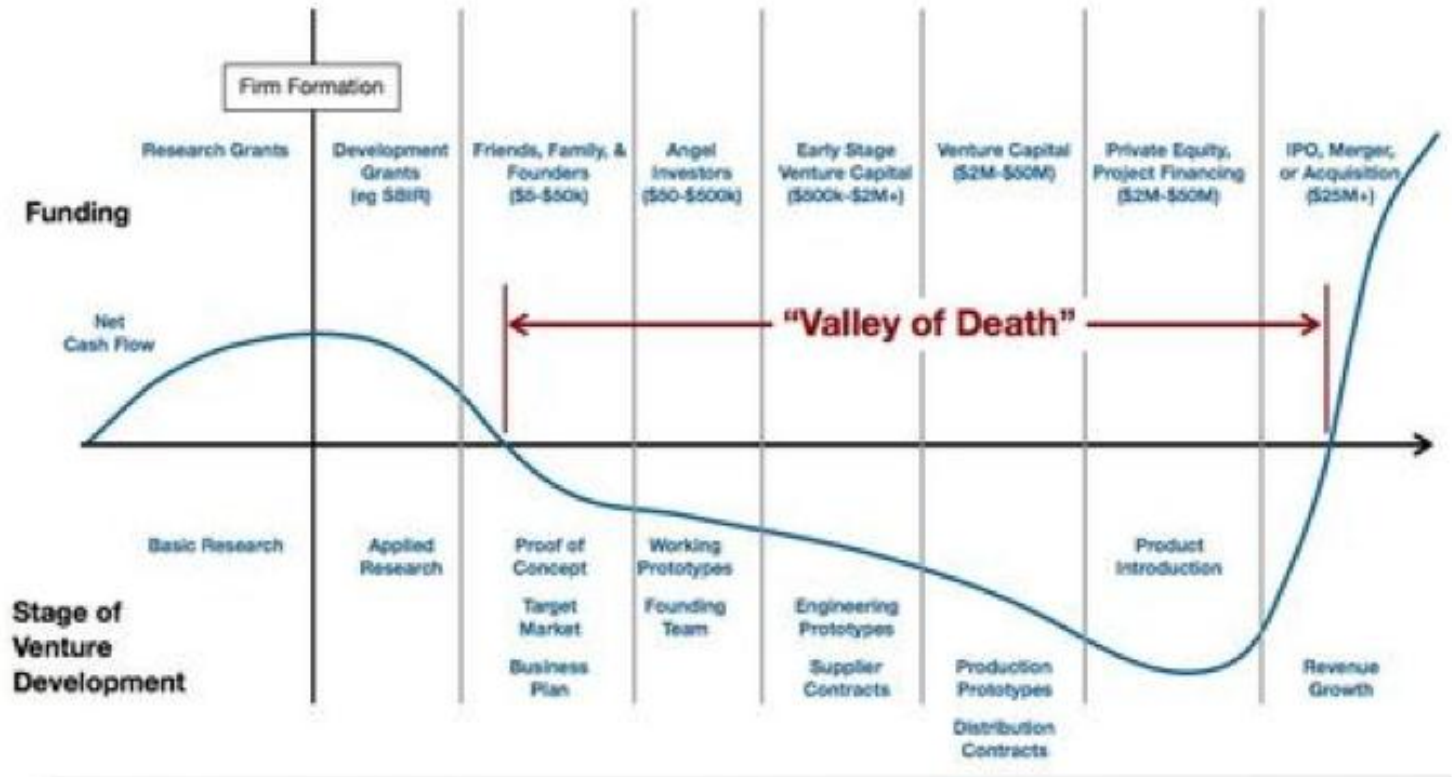
Today's Discussion

- Innovation Landscape
 - ⦿ Vocabulary
 - ⦿ History
 - ⦿ Perspective
- The CEI Story
- Opportunity
 - ⦿ Community, Students, Faculty

Vocabulary

- Co-work space
 - ⦿ Space, limited services/resources, shorter term
 - ⦿ Focused on ideation, investigation
 - ⦿ Gangplank, Co-hoots
- Accelerator
 - ⦿ Space and resources, 6 – 12 month, typically private, software/technology centric
 - ⦿ Focused on personal wealth development
 - ⦿ AZ Disruptors, Tallwave
- Incubators
 - ⦿ 2-5 year, public/private, space/resources/programs, broader company types
 - ⦿ Focused on longer term sustainable companies, employment

The Valley of Death



Incubator

- Business incubation is a business support process that accelerates the successful development of start-up, fledgling and early-stage companies by providing entrepreneurs with an array of targeted resources, services, programs and facilities.
- This can be a public and/or private entrepreneurial, economic and social development process designed to nurture business ideas through a comprehensive business support program.

Historical Perspective

- 1958, Batavia NY
- 850,000 sq ft
- Grown to 25 acres
- Employ 300 people



Incubator Evolution

- Generation 1
 - ⊙ Facility
- Generation 2
 - ⊙ Community, Coaching, Programs
- Generation 3
 - ⊙ Funding



Rise of Incubators

- ~4,000 Worldwide*
- 1,100 in the US
- Growth rate of 16% since 1984
- 87% Survival Rate after 5 years*

*According to the National Business Incubation Association

Perspective

- There is no “typical” incubator organization or form, however, there are certain practices to which all successful incubators adhere.
- Incubators vary in their client support structures. Roughly, an incubator, builds support systems, processes and programs that follow the typical growth patterns of companies.

Industry Norms

- Facility Size: 25,000-30,000 sq ft
- Diversity of space
- Layout Flexibility
 - ⦿ Maximizes net leasable square ft (at least 80% of gross)
 - ⦿ Maximizes flexibility and is divisible into small units
 - ⦿ Creates common areas such as loading docks, classrooms, conference rooms, etc.
- Good deal on lease rate and matching fund arrangements
- Building visibility and location

Perspective

- Incubators do not exist in a vacuum. Successful incubators are integrated into the community they serve and make use of available community resources to achieve theirs, and their business clients, success.

Perspective

- Mission driven
- Responsive to market need
- Sound management and leadership
- Selective client intake
- Quantifiable outcomes
- Community centric

Program Lessons

- Difficult to predict winners
- A range of services is needed as each company is at a different stage of development
- Some may never grow beyond a small “lifestyle” business
- Consistently poll tenants to learn which services are needed

CEI STORY

GateWay CC Leads Entrepreneurship



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The Foundation

- 6 years ago.....
- Funding from the EDA, City of Phoenix and Maricopa Community College District
- State-of-the-art facility
- Linked to the college, community and business community
- Mission Driven

CEI Objectives

- Targeted business services to support commercialization and discover intellectual property at GateWay Community College
- Proactive support to create a systematic link between:
 - ⦿ Technology development
 - ⦿ Compelling markets
 - ⦿ Entrepreneurial and managerial talent
 - ⦿ Early stage capital
 - ⦿ Education and training, interns

NACET and GateWay CC

- Nomination by NBIA as one of top 9 technology programs worldwide in 2011
- Leadership in creation of statewide incubation association
- Creation of AZ CoreLabs, PodCasting and SolidWorks for clients



Building Upon Success

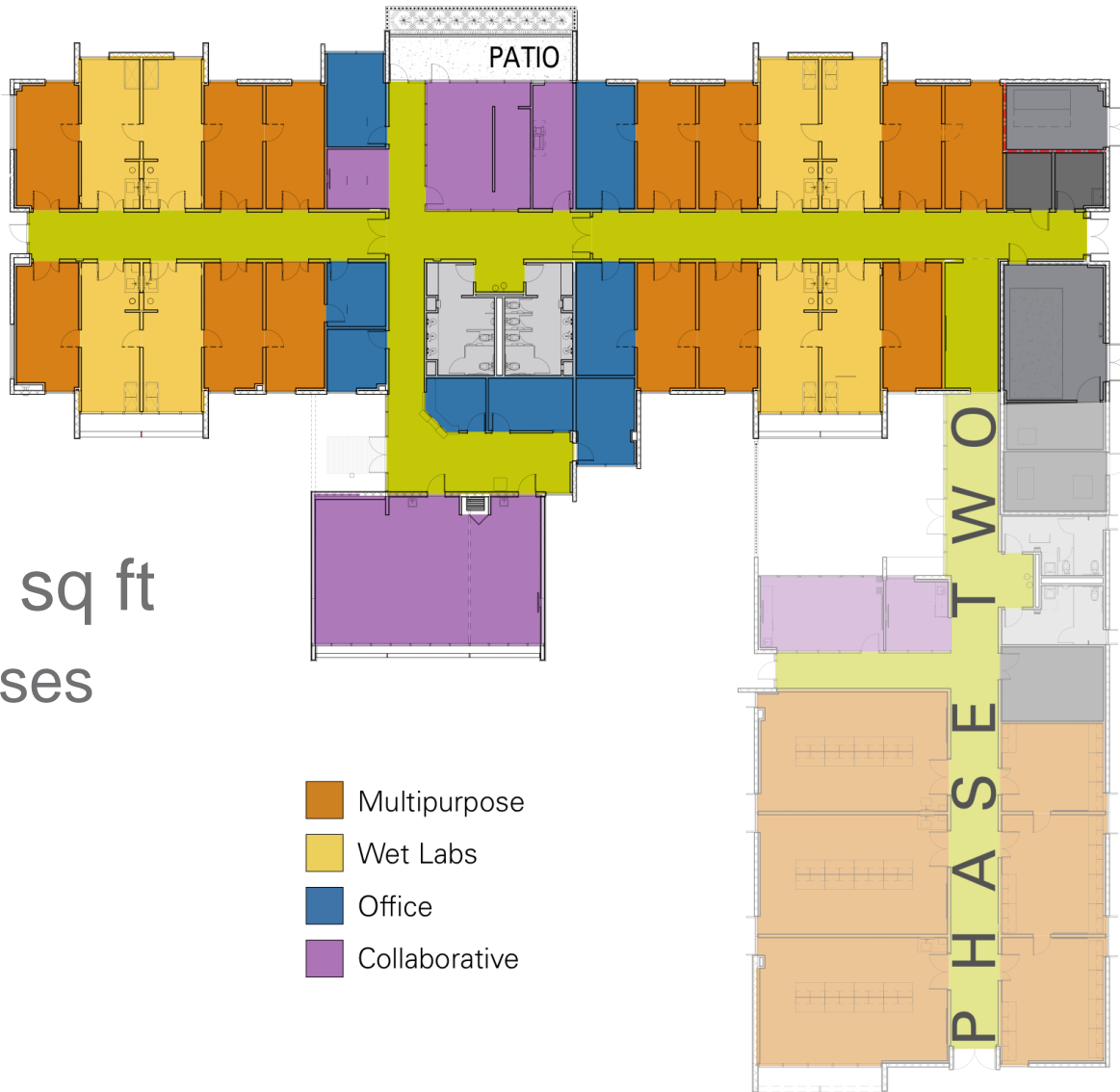
- 2009-2010 clients created 165 Jobs
 - Average salary \$75k
- Clients raised over \$46.5m in 2010
- Secured State and Federal grants
- Created Mentors Group

Core Program Elements

- Facilities
- Coaching/Counseling
- Oversight
- Mentoring
- Accountability

Facilities





- 18,000 sq ft
- ⦿ 2 phases

- Multipurpose
- Wet Labs
- Office
- Collaborative

Facilities

- Mixed Use/Non-retail
 - 40% wet lab/bio
 - Collaborative space
 - Hoteling Office
 - Administrative/Leadership



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CEI Services

- Mentors (staff and volunteers)
- Advisors – Network of managerial resources & financing contacts
- Fellowships/internships
- Early Stage/angel funding
- Space, infrastructure & office services
- Administrative support
- Business Education Classes
- Access to student and faculty

Foreign Incubator Partners

- China
- Mexico
- South Africa
- India
- France
- Belgium

Community Based

- Clients
 - ⦿ Affiliate and Resident
- Stakeholders
 - ⦿ College, City, County, Federal
- Community Org/Partnerships/Public
- Other incubators, accelerators and entrepreneurial programs
 - ⦿ AZBIA
- Mentors

Mentor Program

- All Volunteer
 - ⦿ 2 hrs per month/2 hours per client
- Core skills and Experience
 - ⦿ Marketing, IP, HR, OD, Product Management, Finance, Import/Export, Legal, Scientific
- Task Forces for Functional Areas
- Leveraged with NACET
 - ⦿ Partnerships with Arizona Technology Investors Forum, SBDC, SCORE, Discovery Triangle, and others

Selection Process

- Expectations and needs matching
- Business plan review
- Venture Capital scoring model
 - ⦿ 60% competency standard
 - ⦿ 5 key business areas
 - Model, Technology, Execution, Financing, Market
- Advisory board presentation, review and recommendation
- Inclusion

Risk Assessment

- Always Market, Not Always Technology
 - ◉ Why would someone buy
 - ◉ Technology positioning, competitive differentiation
- Leadership, experience, qualities and capabilities
 - ◉ Execution Execution Execution
- Business Model
 - ◉ Who's going to buy and how
- Financials
 - ◉ Reasonable sense for cash flow, financial controls and planning/review disciplines

Opportunity

- Student Incubation Program
- Faculty Incubation Program
- Student Research Teams
- Executive Speaker Series
- Young Entrepreneurial Scholars (YES)
- Lunch and Learn
- MentorFest

Summary

- Entrepreneurship not for everyone
- Incubation not for everyone
- Community sponsorship and participation vital for success
- Programs plus Facilities
- Breadth of resources key

Jack C Irving
Executive Director
Center for Entrepreneurial Innovation
Jack.irding@ceigateway.com

Susie Pulido, M.Ed.
Director of Institutional Advancement and Entrepreneurial Development
GateWay Community College
pulido@gatewaycc.edu

Russ Yelton
President/CEO
Northern Arizona Center for Entrepreneurship and Technology
ryelton@nacet.org



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