Presentation to VIMS Industry Partnership
18 February 2011
Making Business Connections -- Supporting Economic Development in Greater Williamsburg and Hampton Roads (HR)

- Access to W&M support -- consulting and technical
- Link VIMS/CWM to the community
- Link the community to VIMS/CWM
- CORP: Community Outreach Research Program
- Business Outreach Education Series
- Lead the HR Research Partnership Sensors Cluster and the HR Technology Council’s Sensor Science and Technology Forum
- Manage the JCC business incubator

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Today’s Presentation

Incubators

• What are they
• What are some of the various incubator models
• Typical services
• The JCC-BTI model
Some Terms -

**Incubator**
Is a building, a facility

**Incubation**
The process of business support

Is where the Rubber meets the Road!
Business Incubation – what is it?

Incubation is a support process that –

Nurtures the business process from ideas to actions

Supports the development of startups, fledglings, and small companies

Helps accelerate overall small business development

Supports local economic development to grow their own
Why Incubation?

• Economic Gardening - **Grow your Own** economy – it is a + opportunity – big boxes are dying (Gateway, Ford, John Deere)
• 87% of all NBIA graduated member firms still in business after 5 years
• Over 80% stay in the community
• Only $1,100 per new job cost for publicly supported incubators
• Fosters entrepreneurship & business creation
• Supports area economic development goals
• Diversification
Incubator History

- *First one* – *Batavia* Industrial Center, Batavia, NY, 1959
- Concept caught on in late 1970s
- 12 Incubators in US in 1980, all in NE
- Mid 1980s the SBA began to strongly promote incubator development
- In 1982 Pennsylvania’s Ben Franklin Partnership Program was funded to create model for state support of incubation
- Control Data Corporation formed City Venture Corp. to develop incubators in large and small cities – 35 in all!
- Today there are over 5000 business incubators; 1200 in the US
- Jiang Zemin, the former President of China, hails business incubation as: “The most important creation of sci-tech industrialization in the 20th century.”
An Incubator is a facility that provides a process of incubation.
Incubator Models

The model is usually driven by the needs of the region and $$$$.

Facility Model

- Virtual and virtual + facility (GMU Innovation Center)
- **Physical facility with amenities**
- Ad Hoc space – hourly/daily, offices, meetings, secretary
- Research and Technology Parks

Financial Model

- **Nonprofit** – economic development focus – 94%
- For-profit - expect returns on shareholder investments
- Financing includes:
  - **County/City financed** (James City County - EDA)
  - Regionally financed – city + county + IDA/EDA (Franklin)
  - All of the above + major sponsors (GreenTech in Ashland)
  - Client fees, stocks/warrants, venture capital
Incubator Models

Client Models

- Mixed-use – wide variety of businesses – 54%
  Agriculture to bakeries to High-Tech
  Often lifestyle oriented
  Diluted services
  **Companies with high-growth potential**

- Technology incubators – 39%
  Pharma to telecommunications to green energy
  Virginia BioTech Incubator, VT Knowledge Works
  Looking for fast growth, huge exits– gazelles!
  Highly focused
Incubator Models

Services Model - *the most important of all!!!*

Incubator organization
- Stand alone, none or limited affiliations
- Affiliation with major sponsor
- **Affiliation with important university** – usually the best
- VC/Angel groups/banks

Service stream
- Limited services - receptionist/secretary, some amenities
- Informal programs (Brown Bag lunches)
- **Formal programs with milestones, periodic reviews, education**
The James City County – CWM Model

• Managed under contract to the CWM Technology & Business Center
• A full service program and partnership with the College of William & Mary
• Objective:
  Provide entrepreneurs and start-up businesses with a vision of strong growth with the amenities, counseling, and services to help grow a successful business
• Four Target Categories - clients
  – Traditional incubator companies
    good growth potential, add high-paying jobs
    BreatheHealthy, Beanbank Coffee Company, Colonial Coffee, Campus Massage (Now Restin Digital)
  – International companies
    MODU System Malaysia), Court Record Solutions (Australia)
  – Relocation Companies
    American Flag and Flag Pole
  – Academia
  – Phenom (fuel cells)
Technology & Business Center

- Concept: Business plan underway
- Plan: Company formed
  - Have some initial funding
  - Need a space commitment – Colonial Coffee

Traditional Incubation
Starts Here

- Funding
- Launch: Startup – get established
  - BreatheHealthy

Traditional Incubation
Ends Here

- Growth: Business reasonably stable
- Expansion: Survival likely
- Exit: Beyond launch services
  - Need sustainability coaching/services MODU Systems
JCC BTI Services

- Set goals and milestones
- Provide mandatory, formal education programs
- General business advice
- Monthly progress assessment meetings
- Quarterly Client Advisory Board reviews
- Business plan guidance
- Engage service providers
- Local, regional, state, federal, military networking
- Funding guidance
- Networking
JCC BTI Incubator services

- William & Mary intern assistance
- Professional facility
- Use of TBC and Mason facilities
- Engagement with the Mason School of Business and other CWM departments
87%
News you can Use

BUSINESS AND TECHNOLOGY INCUBATOR

A PARTNERSHIP BETWEEN JAMES CITY COUNTY AND THE COLLEGE OF WILLIAM & MARY

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