

SOUTH BAY ENTREPRENEURIAL CENTER

For the South Bay Cities
Council of Governments

Empowering Innovation

**“SBEC Vision - to grow business & employment in the
South Bay community”**

www.thesbec.org

2012

MISSION STATEMENT



The South Bay Entrepreneurial Center mission is to provide a venue in which new business will be nurtured by support services such as shared facilities, professional business resources, coaching & mentoring, opportunities to meet and attract investors in a friendly, collaborative environment.

The South Bay Entrepreneurial Center will produce healthy firms that are ready for sale or investment and which create jobs, strengthen the economy, and revitalize the community.

WHAT IS AN ENTREPRENEURIAL CENTER?



- ❖ Job Creation
- ❖ Accelerates growth of companies
- ❖ Physical shared space, resources, and technology at reduced cost
- ❖ Environment for innovation
- ❖ Onsite coaching mentoring and collaboration for early stage companies
- ❖ Investment resources



WHY AN ENTREPRENEURIAL CENTER?



- ❖ 89% of businesses participating in an incubator are in business after 5 years vs less than 40% for non-incubated
- ❖ Incubated businesses stay in community
- ❖ 3 Million new jobs created annually
- ❖ Large companies benefit by having an R&D center to develop new products/services
- ❖ Local businesses benefit with access to professional training and mentoring

IMPACT OF AN ENTREPRENEURIAL CENTER?

Business incubators impacts are impressive;

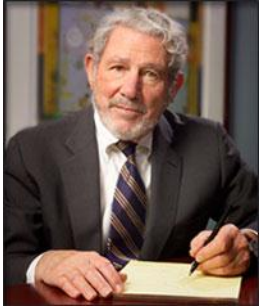
“A recent study funded by U.S. Economic Development Administration revealed that business incubators create jobs at far less costs than other EDA investments. In fact, incubators create 20 more times more jobs than community infrastructure projects do.”

TOTAL RESOURCE - EVERYTHING A BUSINESS NEEDS IN ONE LOCATION

- ❖ Coaching/Advisory
- ❖ Business services
- ❖ Common Office Facilities
- ❖ Strong Business Network
- ❖ Access to Capital/financing
- ❖ Links to key resources
- ❖ Business etiquette programs
- ❖ In house media services
- ❖ Networking/investment meetings
- ❖ Certified HPLIFE training center

SBEC MANAGEMENT TEAM

- Lee Petillon-Attorney



- Mike Grimshaw – Educator/Entrepreneur



- Cliff Numark – Councilman



- Fran Fulton –Torrance



MANAGEMENT TEAM – CONT.

- John Rosati – Technologist



- Barbara Voss – LAEDC



- Jeff Mila – TechLA GM



Advisory/Mentor Team

- Bruce Beckett - Architect
- Bart Hoffman – DMC
- Karl Schmidt - Attorney
- Robert Swaze- Activist
- Phil DeSouza - Aurora
- Russ Lefevre - IEEE
- Star VanBuren – SBDC
- Phil Borden – Essergy
- Jim Spear – Madison Capital
- Randy Coleman – Treasurer
- Richard Yoo – Entrepreneur
- Dr. Stan Stahl - CyberSecurity
- + many other talented members of the community

STRATEGY



- ❖ Strategic Partnerships:
 - SBDC's - El Camino & Long Beach
 - CSUDH/CSULB & Marymount College - Business Development
 - Government Business Growth Initiatives
 - Private sector firms – For Profit & Not For Profit
 - Angel Investment/Venture Capital Firms
- ❖ Selection - We will carefully screen applicants to ensure potential for success.

5 LOCATIONS – PLANNED IN SOUTH BAY

- ❖ 1st Center – Torrance
 - Old Town
- ❖ Educational facilities
- ❖ Commercial Retail Centers
- ❖ Industrial Parks



COLLABORATION & ALLIANCES



- ❖ EC2 at USC
- ❖ UCLA venture development program
- ❖ Accelerators - Westside (Silicon Beach)
- ❖ BINS – Business Incubator Networks SoCal
- ❖ V2TC – Ventura Ventures Technology Center
- ❖ Monday Club – Entrepreneurial mentoring
- ❖ Pasadena Angels/Tech Coast Angels/Maverick Angels
- ❖ National Business Incubation Association



CLIENT BASE & SCREENING PROCESS

- ❖ Appropriate for pre-revenue and early stage companies.
- ❖ Client criteria include but are not limited to:
 - Commercialization Timing
 - Capital - Sourcing
 - Plans – Business & Operational
 - Management/Technical expertise
 - Operations – Develop clients strategy, performance, and presentations for investment, resource and staffing purposes.

SBEC SELECTION PROCESS

- Incubator applicants are evaluated by:
 - Unique product/service or niche, with a competitive edge.
 - Near-term positive cash flow and sustainable market.
 - The venture's potential contribution to the local economy.
 - Job growth potential
 - Benefits from incubator occupancy.
 - The startup funds required.
 - The teams professional experience and education.
 - The impact on existing incubator residents.

VENTURA VENTURES INCUBATOR



JOEY, FRAN & LEE TAKING A TOUR - V2TC



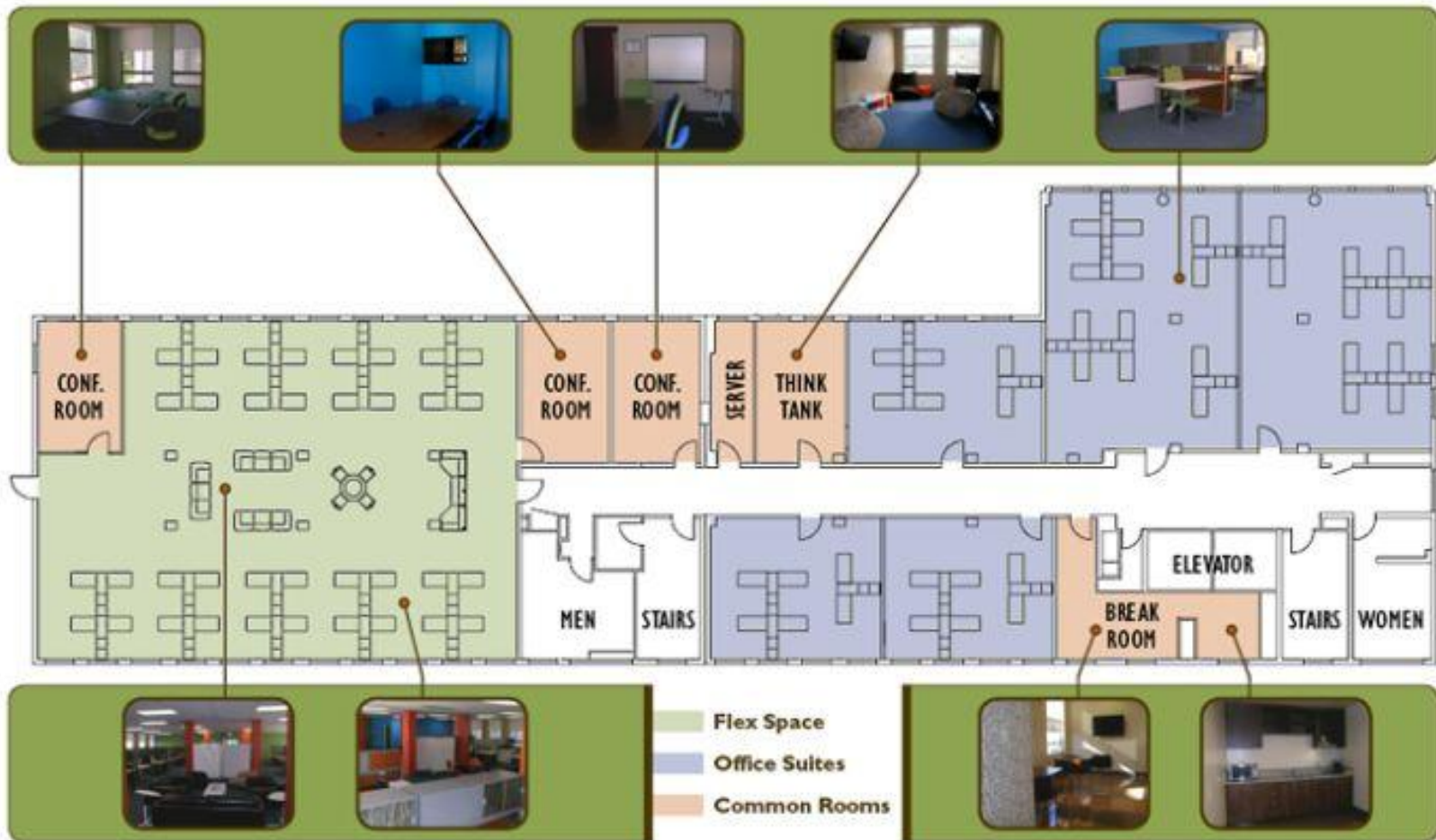
V²TC FACILITY

- The V²TC consists of over 10,000 square-feet of flexible office space with 76 workstations spread out amongst private office suites and open flex space.
- The flex space is suited for seed stage companies in the range of 1 to 3 employees who are interested in networking with other high-tech companies in a collaborative environment.
- For the larger businesses (4 - 12 employees) in need of more privacy, private office suites are also available.

V₂TC AMENITIES

- New Turnstone Furniture - 76 workstations
- Each workstation is wired with three Cat-6 lines
- Highspeed Internet included (10 mbps down / 2 mbps up)
- Reception Area
- Three Conference Rooms and a "Think Tank"
- Break Room with Kitchen and Cable Television
- Collaborative space: whiteboards, lounge area with couches and beanbag chairs
- Nintendo Wii, Table Tennis, Foosball
- Key card controlled 24/7 access
- Server room
- Audio Visual Equipment - Smart Board, Projectors and Flat Screens
- Free off-street parking
- Janitorial Services and Utilities included

V2TC Layout



V²TC FEES

- **Copier** - \$0.04/copy for B&W, \$0.09/copy for color
- **Rental Rates** - \$200 to \$500 a month per workstation depending on how much space is needed.
- Why pay for space you don't need yet? At the V²TC your lease is flexible and can expand with your company.

GROWTH OPPORTUNITY

- ❖ Collaborative environment
- ❖ Funding & resources
- ❖ Angel & Venture capital
- ❖ Economic development coalitions
- ❖ Federal, State & Local Government



FEED BACK FROM LAVA INCUBATOR EVENT 5/10

- Mark Lieberman – BTC
 - Btc Business Technology Center
 - 1998 SDA Funding 40K sq ft
 - 13 years/1700 jobs
 - \$1.90 sq ft rent
 - Warrants 1%
- Alex Maleki – Idealab (Bill Gross)
 - For profit model
 - Primarily develop own (Bills) projects
 - 1996/55 employees/full services
- Joey Briglio – Ventura Ventures Technology Center (V2TC)
 - Incubator
 - 2 years/15 companies/50 jobs
 - \$5M fund/used \$500k for VVTC
 - City property
- Size of Co's 3-40 people
- It's about Velocity
- Anchor Tenant
- Graduation
 - Stop growing
 - Non-payment
 - Out grow space
- Smart Money
- Warrants
- Sustainable model
- Marketing a must
- Sense of community
- Strong Network
- Incentives-as a company grows rate drops for rent

ALTERNATIVES

- The Los Angeles Business Owner Outreach Support and Training (LABOOST) program is operated by the [Community Development Commission of Los Angeles County](#), and graciously hosted by [Los Angeles Southwest College](#).
- The Program provides the best small business training conceived by experts in entrepreneurial incubation and small business development.
- PortTechLA – incubator for Port related technologies – Environmental, energy, logistics, security, etc.
 - Monthly Forums & annual Expo
- In 2005, Y Combinator developed a new model of startup funding. Twice a year we invest a small amount of money (average \$18k) in a large number of startups (currently 60). 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 to a large audience of investors. But YC doesn't end on Demo Day. We and the YC alumni network continue to help founders for the life of their company, and beyond.
- Since 2005 we've funded over 300 startups, including [Loopt](#), [Reddit](#), [Clustrix](#), [Wufoo](#), [Scribd](#), [Xobni](#), [Weebly](#), [Songkick](#), [Disqus](#), [Dropbox](#), [ZumoDrive](#), [Justin.tv](#), [Heroku](#), [Posterous](#), [Airbnb](#), [Heyzap](#), [Cloudkick](#), [DailyBooth](#), [WePay](#), and [Bump](#).

MISSION STATEMENTS TO AVOID...

- Our objective is to orchestrate clicks-and-mortar initiatives with better outcomes for the benefit of our leaders and other interested parties
- We are committed to enhance universal communities with bedded down systems for the benefit of our customers and other principal partners
- Our objective is to deliver virtual contribution with increased productivity for the benefit of our citizens and other end users
- To synergize leading-edge schemes with available resources for the benefit of our colleagues and other principal partners
- Our mission is to mesh enterprise partnerships with no loss of quality for the benefit of our partners and other interested parties
- Our objective is to seize global notoriety with no loss of quality for the benefit of our leaders and other local partnerships
- Our vision is to evaluate efficient knowledge management with no loss of quality for the benefit of our market and other interested parties
- Our mission is to orchestrate embedded output with available resources for the benefit of our organization and other principal partners

ACTUAL INCUBATOR MISSION STATEMENTS...

○ **The V²TC's mission**

- is to position Ventura for prosperity in the New Economy by:
- - Fostering a *CREATIVE ENVIRONMENT* where high-tech companies and entrepreneurs can network with each other, brainstorm their ideas and grow their businesses;
- - Building an entrepreneurial ecosystem that leverages a vast network of high-tech executives, venture capitalists, angel investors, universities, and economic development professionals to *ACCELERATE* the entrepreneur's path to *SUCCESS*.

- **BTC Mission:** Assist start-up and early stage technology firms grow and prosper.

○ **IDEALab - Mission**

We create and operate pioneering companies.

Our companies are based on ideas that challenge the status quo, and change the way people think, live, and work.

We commit to treat our employees, companies, partners, and communities with complete fairness, respect, and excellence.

○ **PortTechLA Mission –**

- Developing sustainable technologies for the ports of the future

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Contact:

Mike Grimshaw – mike@thesbec.org

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