UVC UPSTATE VENTURE CONNECT

Building to qualify for outside investors

Martin Babinec – F.I.R.E. Series – June 9, 2011

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UVC Vision:

Make it easier for entrepreneurs to connect with resources who want to help them

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Accelerating High Growth Startups by Propagating Best Practice Programs – *Led by Entrepreneurs*

techstars

NY Tech Meetup

startup weekend

ACA

ANGEL CAPITAL ASSOCIATION

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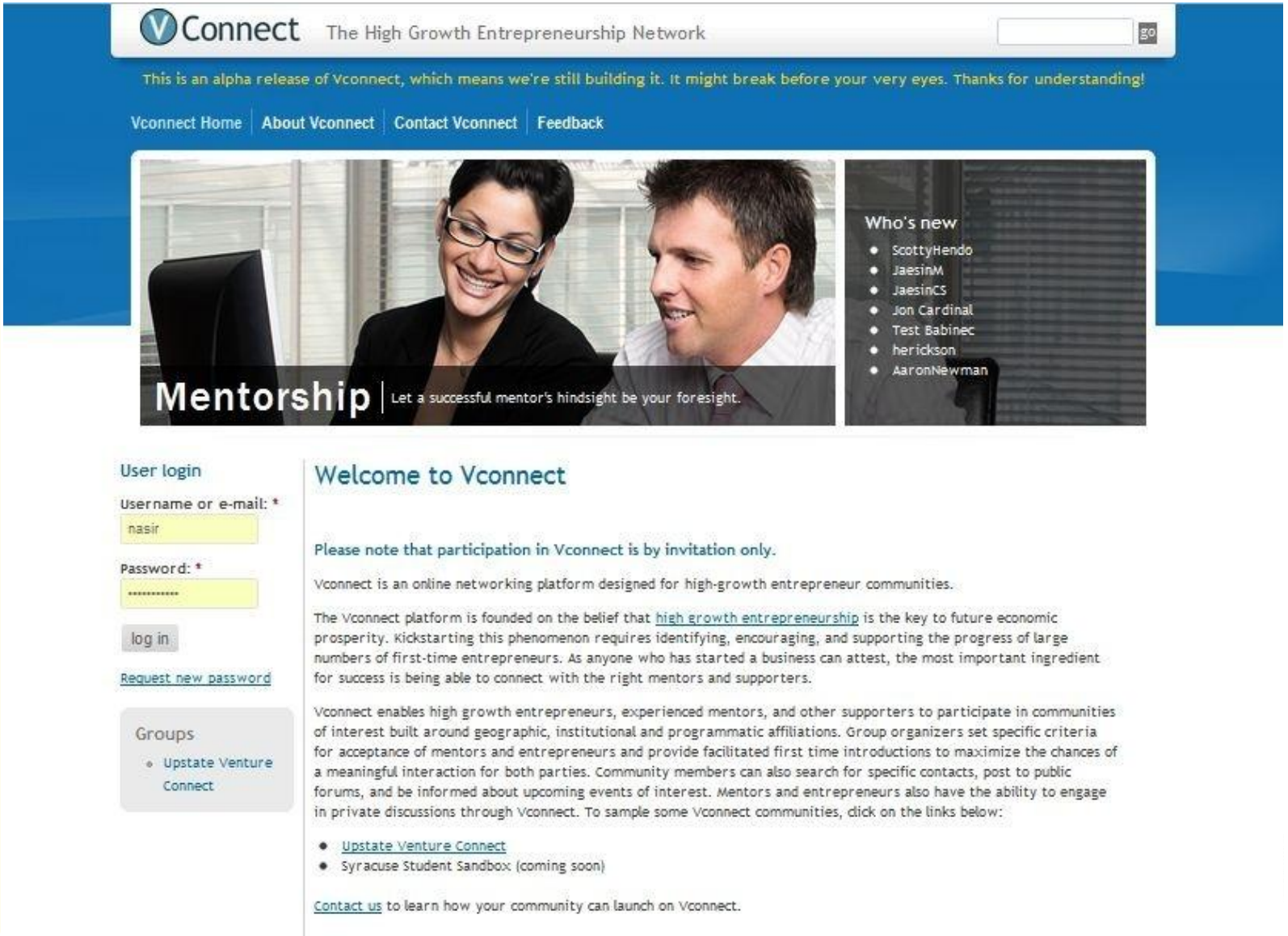
Vconnect: Online platform that connects entrepreneurs to high impact mentors



UVC: Developing the startup ecosystem to support

1000 Startups in 2000 Days

www.UVC.org

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My context: A Silicon Valley lens

A continuum of outside equity investors

- 3F's
- Angels/Seed Capital
- Strategic/Corporate
- Venture Capital
- Buy-out/Private Equity
- Public market (IPO)

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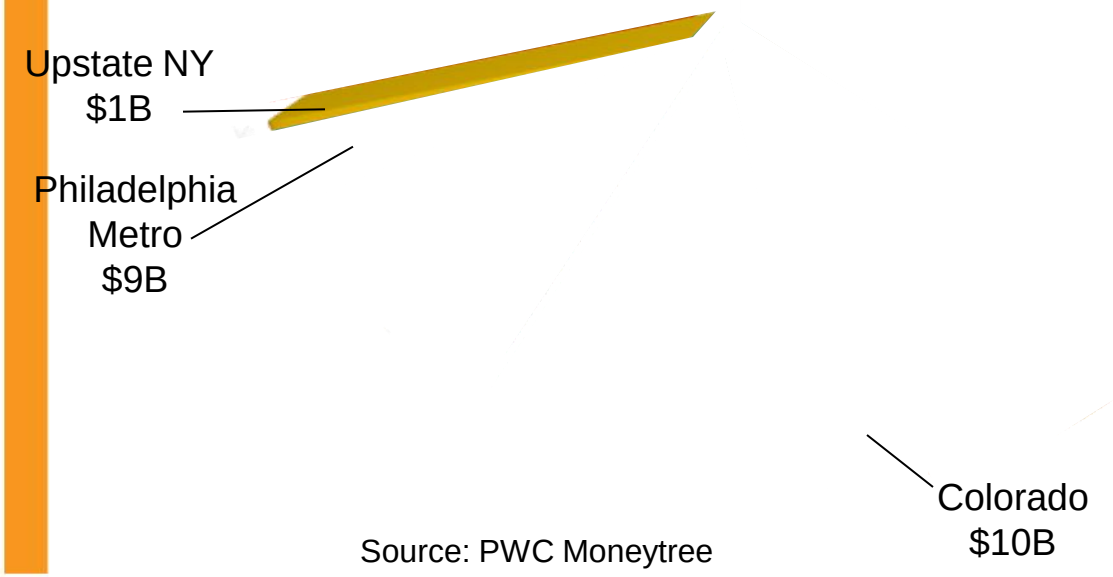
Upstate Venture Capital not in proportion with our region's assets

Venture Capital Investment 1999 to 2007



Source: PWC Moneytree

Who are the Upstate stars for commercialized research?

Representative Sources:

- **Zach Shulman**, Cayuga Ventures, Ithaca
- **Judy Albers**, Excell Partners, Rochester
- **Marnie LaVigne**, Center for BioInformatics, Buffalo
- **Nasir Ali**, Seed Capital fund of Central NY, Syracuse
- **Dick Frederick**, RPI Incubator, Capital District
- **Mike Totterman**, CEO, iCardiac, Rochester
- **Jim Senall**, High Tech Rochester
- **Tom Schryver**, Triad Foundation, Ithaca
- **Todd Tidgewell**, Nixon Peabody, Capital District

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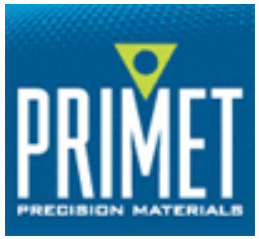
Lots of companies, where are the exits?



1st Threshold Question: Are you seeking a lifestyle business or building a company with equity value?

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2nd Threshold Question: How much time am I ready to dedicate to building a company?

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Is my company on a path to qualify for outside equity investors?

"So that's my presentation:
Could I have 100 million for the startup?"

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Equity investors require high reward potential

- *Very large and fast growing market*
- *Proprietary advantage*
- *Scaleability*
- *Team*

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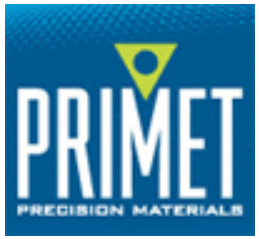
Four Principles Emerge From Upstate Commercialized Research Stars



1. Pursue early market feedback to drive strategy

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Pre-Seed Workshop – www.PSW-NY.com

Contact Us

PSW

Pre-Seed Workshop – New York

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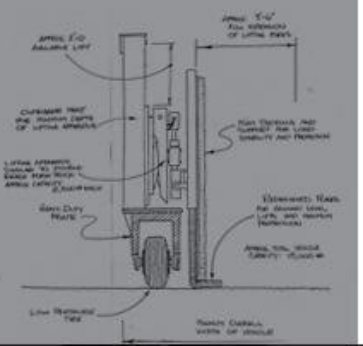
"This workshop is essential and fits well with the integrated approach New York State is taking to supporting entrepreneurship in the state."

Peter Pritchard
Program Manager
Center for Economic Growth, Albany



MOVING REAL IDEAS TOWARDS REAL COMPANIES

Pre-Seed Workshop is a community event where teams build companies—not the physical structures, but the foundational plans. And it all happens in two and a half days...

The PSW was started in 2004 and is now being held about eight times a year in various Host City locations throughout New York State including Buffalo, Rochester, Syracuse, Ithaca, Geneva, Albany, NYC, and Long Island. With 77+ major participating organizations, it is one of the largest grass-roots initiatives in the state facilitating the growth of entrepreneurship and the creation of start-up companies across the region. More about the PSW-NY Consortium.

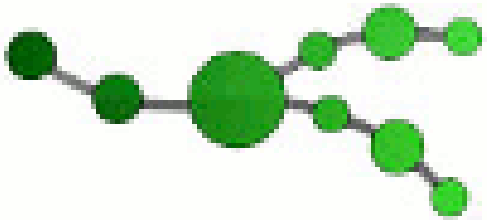
The PSW rallies highly-skilled community talent and resources around academic researchers with patented inventions. Six to eight teams are created per workshop. The teams are led through a series of structured hands-on sessions where they investigate and transform potentially commercializable technologies into pre-seed stage companies. Teams leave the workshop with a thin commercialization plan for a new start-up.

GROWING POOL OF SUCCESS

As of June 2010 we have held:

Using market input to:
narrow development focus, but as needed - pivot

Rhēonix



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2. Proactive Development:
Not just product, but relationships

- Customers
- Partners
- Funding sources
- Future team
- Mentors
- Support services

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Working multiple paths to find top mentors

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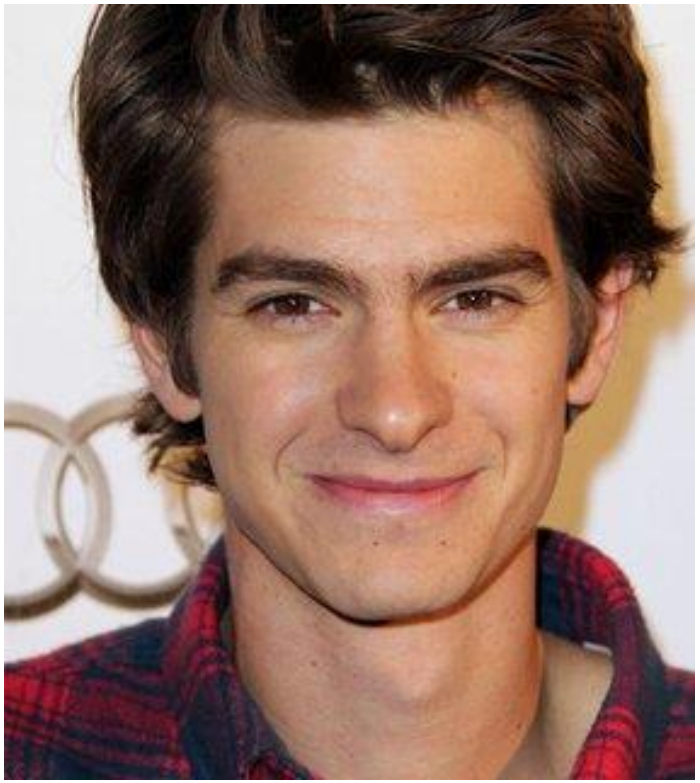
Common traps deter relationship development

"I can't tell you"

"It's going great"



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3. Learn to manage product development milestones

4. Build the company, not just the product

Getting capital ready is under your control

1. Pursue early market feedback
2. Proactive relationship development
3. Manage product development milestones
4. Build the company, not just the product

The reward is the journey

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