

# EDCO Ventures

# BizLaunch

## Agenda – The BizLaunch Process

- About EDCO
- BizLaunch Structure
- Assessment and Templates
- Program Guidelines/Requirements

# About EDCO



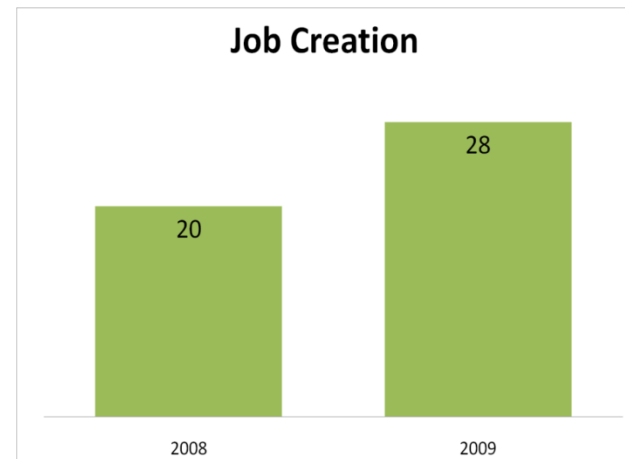
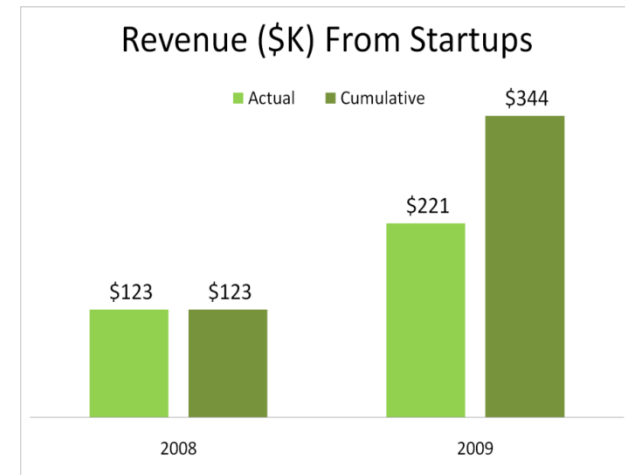
EDCO Ventures is a 501(c)(3) non-profit creating great jobs and innovative companies in economically disadvantaged regions.

- What we do

- Community Development thru high growth companies who:
  - Create high quality jobs and
  - Benefit their community through tax revenue
- Work with selected entrepreneurs to qualify, incubate, and capitalize a new enterprise with help in:
  - Business Planning
  - Business Development
  - Raising Capital
  - Management Team and Board Recruitment
  - Mentoring and Networking
  - Pre-Seed Investment (Ventures only)

- History

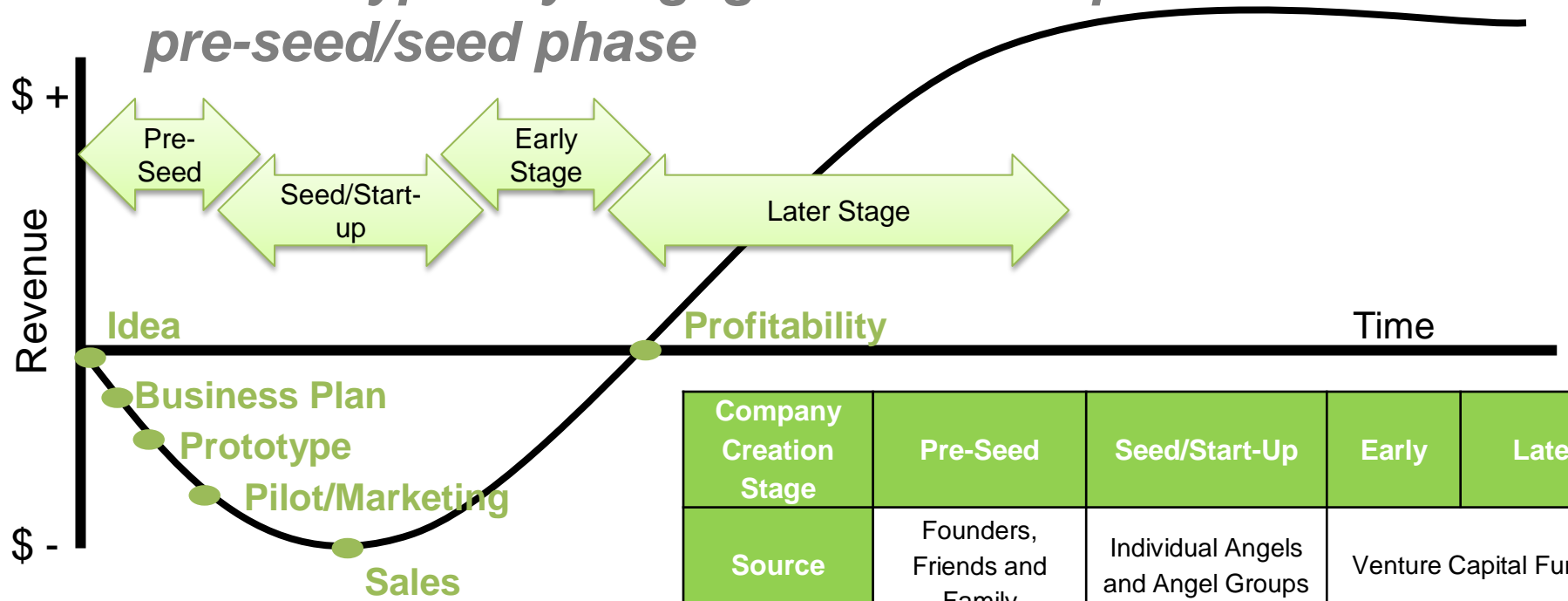
- Formed in 2005 and received an EDA seed grant in 2006
- In 2009, EDA renewed the grant and EDCO's Executive Director began fulltime efforts



# Typical Start-Up Stages



*EDCO Typically Engages with companies in the pre-seed/seed phase*



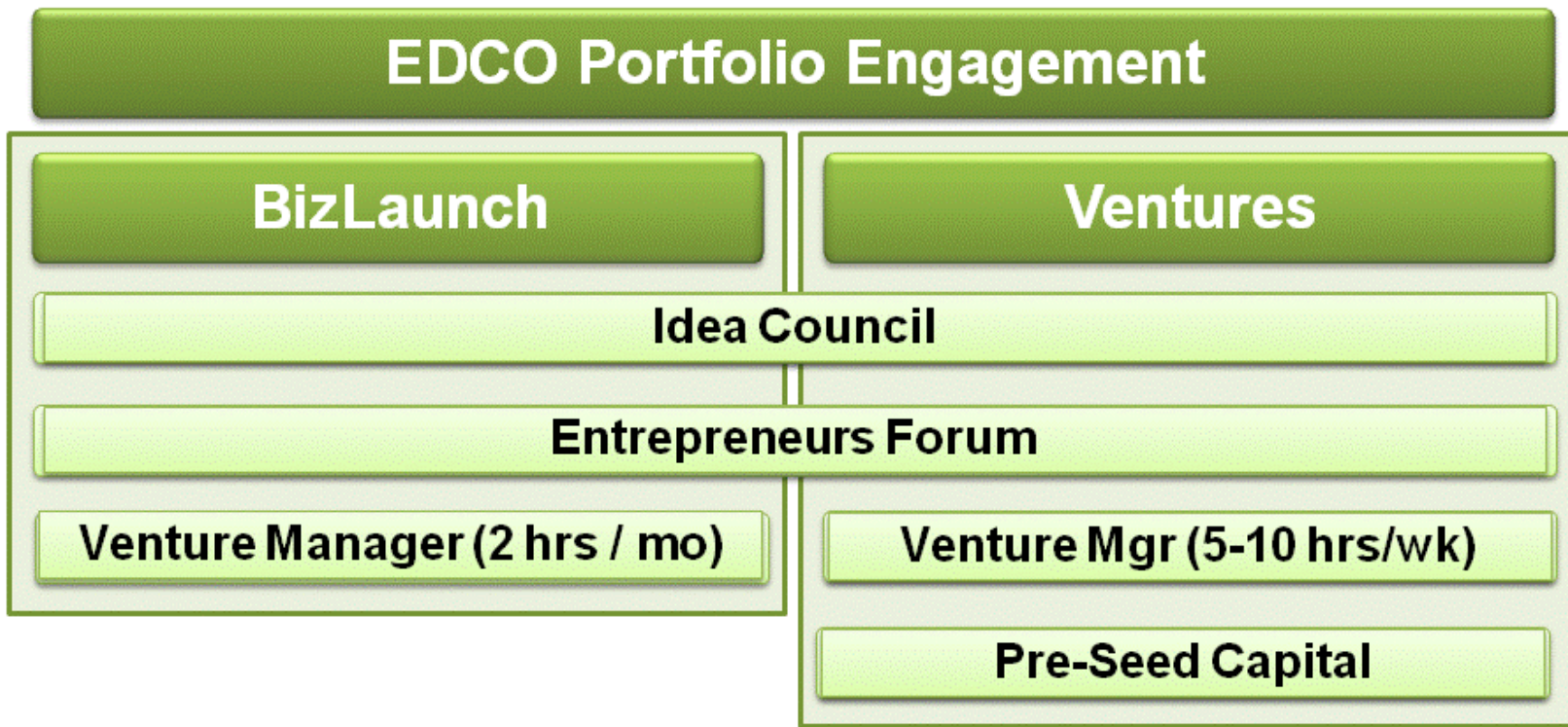
Company Creation Stage	Pre-Seed	Seed/Start-Up	Early	Later
Source	Founders, Friends and Family	Individual Angels and Angel Groups	Venture Capital Funds	
Investment	\$25K-\$100K	\$100-\$500K and \$500K - \$2,000K	\$2,000K / \$5,000K and up	
	<b>EDCO Engagement</b>	<1 in 15 start-ups	<1 in 1000 start-ups	

Source: *A Guidebook to developing the Right Angel Organization for your Community: 2004 Edition*, Kauffman Foundation

# EDCO Engagement Models



***EDCO has 2 models of engaging with innovative, early-stage companies\* that provide access to experienced industry executives***



\* that meet the criteria for business opportunity and social impact

# Engagement Benefits



## Idea Council

- Bi-Annual Meetings
- Companies “try out” business plan and investor presentation to a risk-free audience
- Council assists with selection into EDCO Portfolio

## Entrepreneurs’ Forum

- Quarterly Events
- Deep dive on specific areas of need
- Get help:
  - creating & articulating high growth strategic and operational plans
  - moving the business towards key milestones

## Venture Manager

- Experienced EDCO staff provides business assistance companies might not otherwise afford
- Assistance can be market strategy, capitalization, management recruitment, etc
- Taps into a Network of Talent for individualized guidance and expertise

## Pre-Seed Capital

- Early Stage Investment Capital
- Focus on prototypes and initial revenue
- Up to \$25,000
- EDCO receives ownership share

# EDCO Portfolio



EDCO Portfolio Companies						
Start-Ups	Year	Venture	Biz Launch	Target Region	Social Impact	Target Founder
Cherry Fusion	2007	✓		✓	✓	✓
PikLuk	2008	✓		✓	✓	✓
MediaStove	2008	✓		✓		✓
Kenaf Boards & Butanol	2009	✓		✓	✓	
EdiStem	2009	✓		✓	✓	✓
Para Ti Novia	2009		✓	✓		✓
(800) Hispano	2009		✓			✓
MiniDonations	2009		✓	✓	✓	✓
ShareOnce	2009		✓	✓		
Unlimited Juice	2009		✓		✓	

\* BizLaunch did not exist as a program in 2007, however EDCO did not make an investment in Cherry Fusion yet they are part of the portfolio

# BizLaunch Event Structures



## BizLaunch Event Format

	Idea Council	Entrepreneurs Forum
<b>Frequency</b>	Twice / Year	Once / Quarter
<b>Venture Participation</b>	4-5 Venture Participants; 1 time only	4-8 Ventures per meeting; unlimited participation during 18 month engagement (space permitting)
<b>Mentor Participation</b>	10-12 Cross Functional Mentors	10-20 Cross Functional Mentors
<b>Intent</b>	“Try-out” Business Idea	Deep Dive on Specific Areas of Need
<b>Presentation Length</b>	15 Minute Business Plan Overview; 15 min Q&A	Interactive 1 hour Session; venture provides Exec Summary and areas of need in advance
<b>Format</b>	1 Large Session with all participants – 4 Hours	Each venture will get two 1-hour timeslots with 2-3 advisors

# BizLaunch Process



- EDCO and its volunteers want to help companies achieve progress
- Identifying needs, focusing on specific help and developing key milestones and metrics ensure this happens
- EDCO will use a standard template to drive consistent communication amongst volunteers and companies

# Maturity Model



*Initially, the company will determine where they fit in the maturity model...*

## Maturity Model

Company Stage	IDEA	Business Plan Development	Pilot or initial Marketing	Initial Sales
<b>Market Opportunity</b> (there is a clear market need presented as well as a way to take advantage of that need)	Green	Green	Green	Green
<b>Competitive Advantage</b> (the idea provides something novel/unique/special that gives it a competitive advantage in its market)	Green	Green	Green	Green
<b>Marketing / Sales / Distribution Strategy</b> (the team has a compelling approach, pricing, target markets)	Yellow	Green	Green	Green
<b>Financials</b> (initial financial estimates are reasonable for the phase of company; investment needs, revenue projections, operating expenses, etc)	Yellow	Green	Green	Green
<b>Management Capability</b> (the current team has the experience to effectively develop this company and handle the risks associated with this venture)	Red	Yellow	Green	Green
<b>Operations</b> (there is a clearly defined set of tasks and timelines, and resources (including \$) required to accomplish them; may need several to cover product development process, manufacturing/supply chain, distribution, partnerships, product support)	Red	Red	Yellow	Green



Well thought out and appropriate for the phase



Has general understanding or capability



Not Required Yet

# Gap Assessment



.. then work with EDCO staff to summarize their current state and goals

- Assess their own capability against maturity model
- Set timeline to accomplish milestones
- Set other key metrics as needed
- This info and Exec Summary is provided to volunteers prior to engagement

Insert Company Name			
Insert Company Stage	Expected	Company Score	Milestone Date
<b>Market Opportunity</b> (there is a clear market need presented as well as a way to take advantage of that need)		5	-
<b>Competitive Advantage</b> (the idea provides something novel/unique/special that gives it a competitive advantage in its market)		3	Mar 2010
<b>Marketing / Sales / Distribution Strategy</b> (the team has a compelling approach, pricing, target markets)		4	Mar 2010
<b>Financials</b> (initial financial estimates are reasonable for the phase of company; investment needs, revenue projections, operating expenses, etc)		4	April 2010
<b>Management Capability</b> (the current team has the experience to effectively develop this company and handle the risks associated with this venture)		2	
<b>Operations</b> (there is a clearly defined set of tasks and timelines, and resources (including \$) required to accomplish them; may need several to cover product development process, manufacturing/supply chain, distribution, partnerships, product support)		1	

Phase	Typical Milestones
Business Planning	• Detailed Business Plan with strategy, market data, schedule and financials
	• Financial Tracking System (spending to date, burn rates, investments to date...)
	• Incorporation

## Legend

- 5 - Very Strong
- 4 - Strong
- 3 - Acceptable
- 2 - Needs Work
- 1 - Poor/Non-existent

# General BizLaunch Guidelines



1. Volunteers will excuse themselves where they have a conflict of interest.
2. Respect confidentiality of portfolio companies
3. Portfolio Companies will respect the time/privacy of volunteers and staff
4. The role of the volunteer is to be a mentor and offer advice in good faith. Ultimately, Portfolio company is responsible for own decisions and choices.
5. Introductions and the network are a key benefit of the BizLaunch program.
  - However, EDCO requests Volunteers and Portfolio Companies not solicit each other with the intent of doing business (investment, providing billable consulting services or taking a board membership role) without informing and gaining approval from EDCO Ventures.

# Requirements



## Companies

- Participate up to 18 months
- Participate in 50% of quarterly Entrepreneurs Forums
- Monthly sessions with EDCO Staff
- Permission for EDCO to use company name in our marketing
- Provide (anonymous) data on job and revenue creation, upon request; for EDCO reporting

## Volunteers

- Participate in at least 50% (3) of BizLaunch events
- Track additional assistance provided to companies outside of BizLaunch events (simple)
- Provide bios and questionnaire for EDCO's use in grant applications marketing, and reporting; EDCO will ask permission when specifics are used

# Thank You For Helping!

For any questions contact:  
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