Building Community to Attract Venture Capital

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- What is VC and why is it important?
- VC Perspective: Why it's hard to invest in 2nd tier markets
- Local startups that beat the odds
- Engaging and connecting entrepreneurs

My lens shaped by where I've been

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A common thread to many of America's high-impact companies

Venture Capital backed companies are creating the kind of jobs sought by our college graduates

Industry	U.S. Jobs (2008)	% VC Backed
Software	1,008,929	81%
Telecom	994,862	74
Semi-Conductors	418,808	74
Networking & Equipment	668,058	59
Electronics/Instrumentation	528,148	51

Source: National Venture Capital Association

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

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VC's require high reward potential

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

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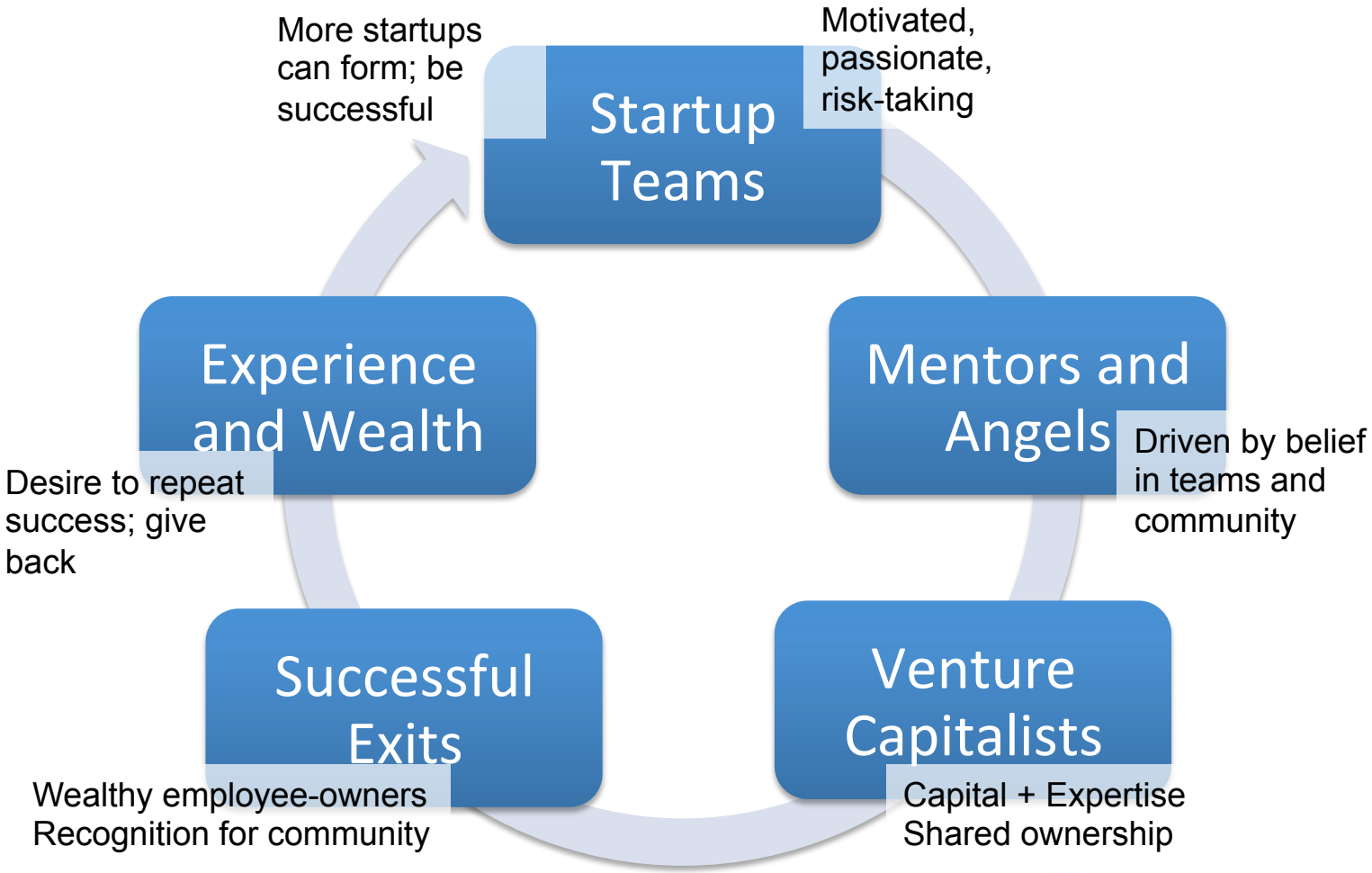
Venture backed companies create a virtuous cycle of wealth creation and reinvestment



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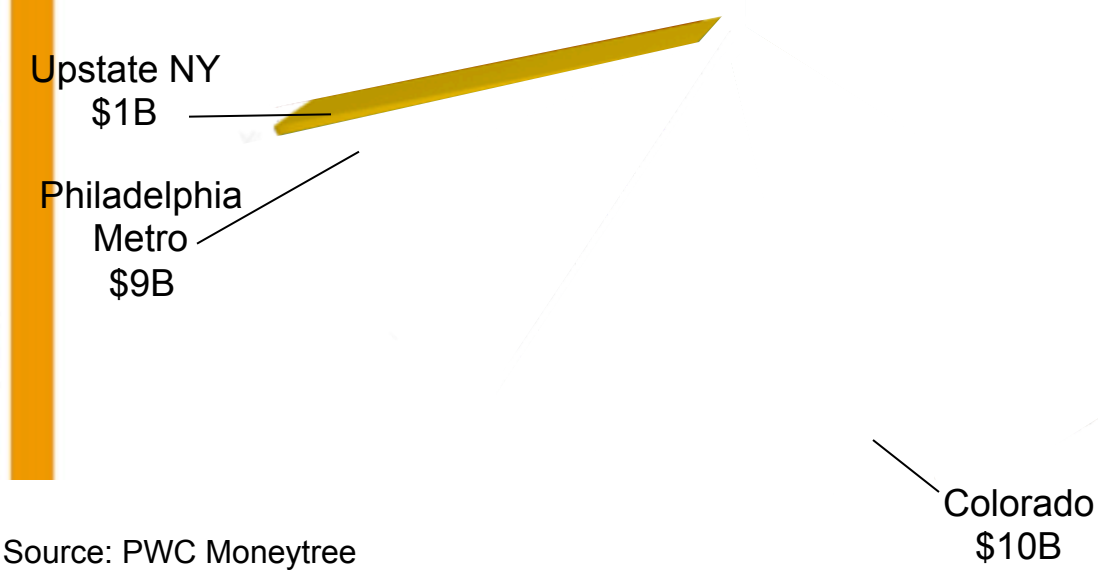
Venture Capital is the best single metric to gauge progress in new economy growth

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

Venture Capital Investment 1999 to 2007



Source: PWC Moneytree

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Barriers for VC to invest in 2nd tier markets: Low density deal flow + right talent pool

VC's don't care about cheap space or employment/company income tax incentives

Learn from our startups that beat the odds

Key background attributes of VC funded companies

- Product/Industry?
- Amount raised?
- Revenue stage?
- CEO Background?
- Outside $ before VC?
- Mentors?

Startup Company Ecosystem

Vibrant tech communities are populated and led by collaborating entrepreneurs

Universities can be entrepreneurial hubs -> if extended into the community

Best Practice Programs –
Are led by Entrepreneurs

Student Start-up ACCELERATOR

techstars

NY Tech Meetup

startup weekend

ACA
ANGEL CAPITAL ASSOCIATION

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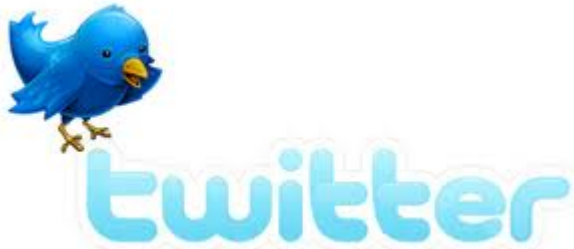
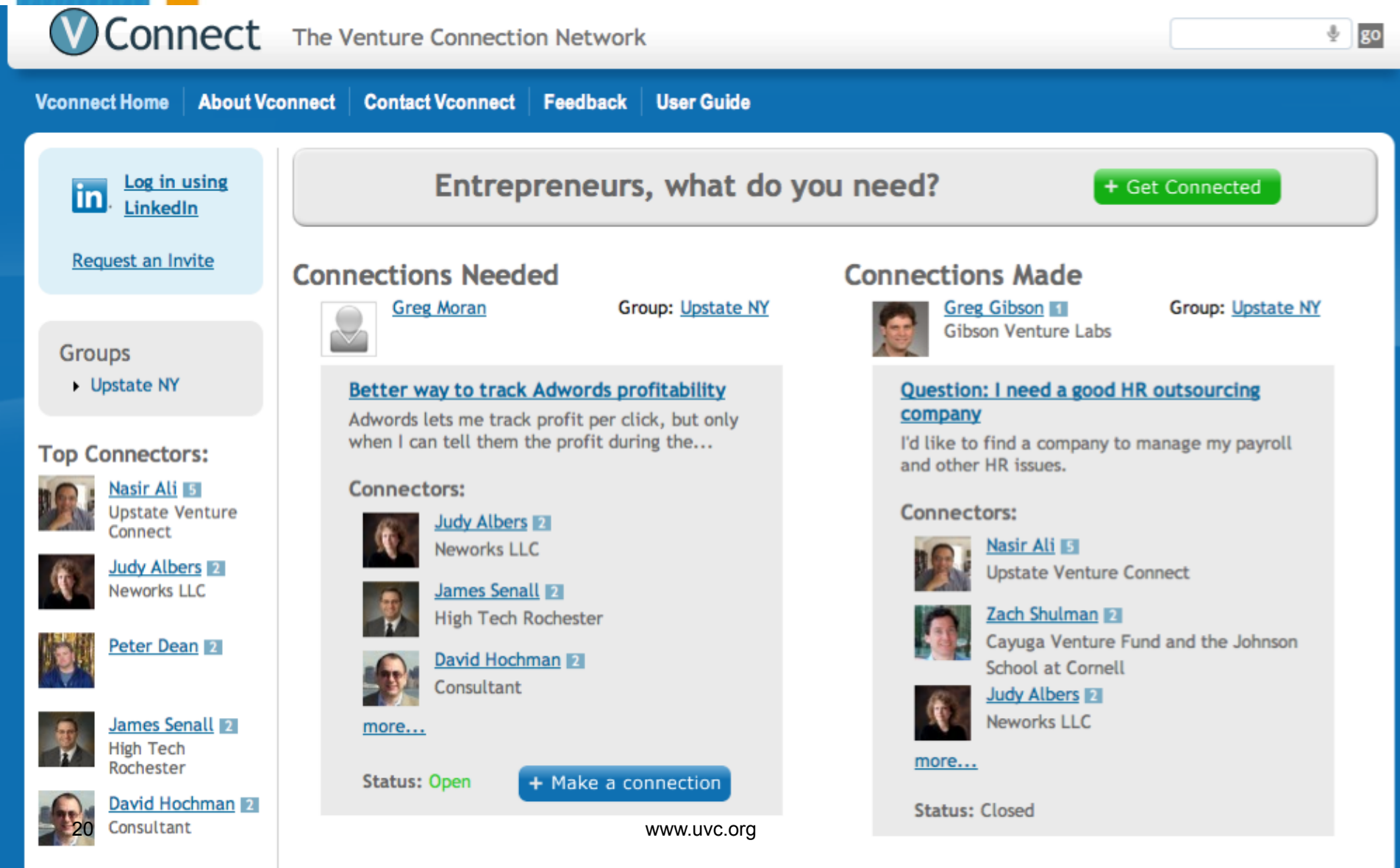
Social networks can help bust silos and extend community relationships



Connecting high growth entrepreneurs with people who want to help



www.uvc.org

Culture of sharing without expectation of return is unheralded feature of Silicon Valley

Pay it forward best driven by local business superstars

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Building an entrepreneur led community can be guided and supported

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Identify a select few entrepreneurs, then bring them together

Explore community building options that cut across organizations

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Limit tech community initiatives to those that have a committed entrepreneur to lead

Resource the connection process and bringing visibility to high growth entrepreneur activity, mentors & angels

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Case study of vibrant, entrepreneur led community in former second tier market

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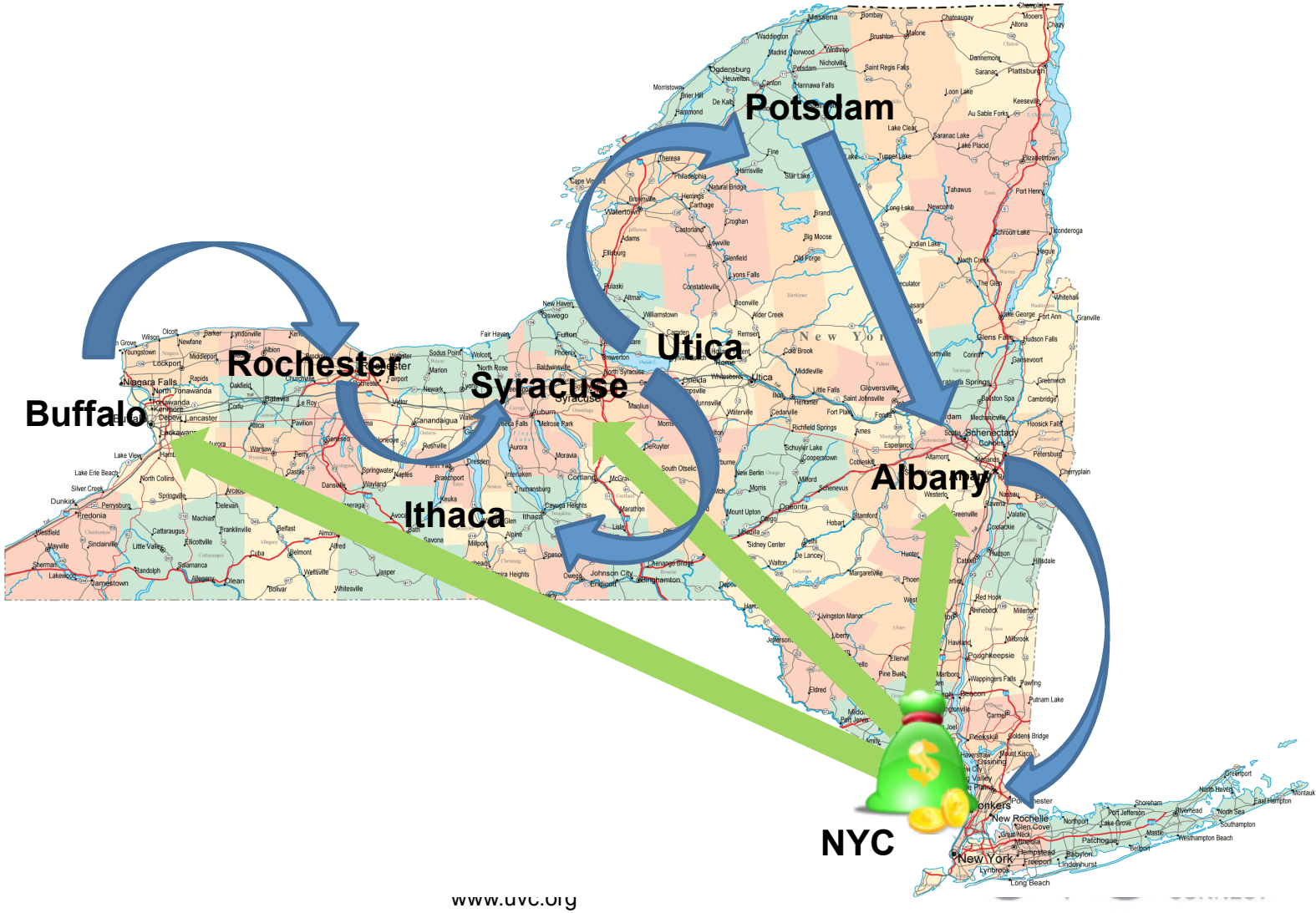
Game changes: When talent and capital flows in a connected statewide community



Questions & Answers

- UVC.org
- Vconnect.org
- TechStars.org
- StartupWeekend.org
- Accelerate.syr.edu
- Meetup.com
- AngelCapitalAssociation.org
- PWCmoneyTree.com
- SteveBlank.com (pay it forward)

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