



Entrepreneurship Work Group
Monday, February 27, 2012
8:00 – 10:30 am
Larkin Building (6th Floor), Buffalo, NY

Meeting Notes

Work Group Members Present:

Keith Blakely	Anthony Johnson	Ben Rand
Al Culliton	Marnie LaVigne	Melinda Rath Sanderson
Bob Fritzingler	Sue McCartney	Kory Schuler
Rosa Gonzalez	Jack McGowan	Tom Ulbrich
John Howell	Christina Orsi	Sean Myers
Jeff Belt	Harry Sicherman	

Summary of Meeting:

Jeff Belt opened the meeting and set a goal of making progress on several strategic plan items in 2012 (i.e. Innovate NY, Launch NY, QETC/Angel Investor Tax Credit, forgivable working capital loan program). He also told the group he plans to hand over leadership of the work group to Ben Rand for the next meeting.

Upcoming Events:

2012 Venture Forum – May 16-17, 2012 – www.brightbuffaloniagara.com

INNOVATE NY & LAUNCH NY

- Marnie LaVigne, David Colligan (Watson Bennett and the WNY Venture Association) and Al Culliton presented on Innovate NY and Launch NY.
- Innovate NY is a new \$26M seed stage equity fund to support innovation, job creation, and high growth entrepreneurship throughout New York State.
- Launch NY is a new 501c(3) formed to offer new entrepreneurs assistance throughout 27 counties in upstate New York and continue the work started by JumpStartNY.
- Encourage economic and entrepreneur ecosystem growth (i.e. , best practices programs, entrepreneurship academy, entrepreneur in residence, one-stop shopping for entrepreneurs).
- Develop funnel-type system to focus/direct worthy candidates to best match in shortest possible time
 - Several short meetings with various people to “graduate” people through the system and ensure they are capable of meeting benchmarks/metrics (using Sales Force to track metrics)
 - Sorting out good prospects quickly with this method leads to acceleration of process. 18-24 months currently to 4-6 months expected
 - Attracts outside investors by presenting a more streamlined, successfully proven model (already in use in Cleveland)

- Originally asked for \$5M, new EDA request is for \$6M (not to be used as seed investment). Deadline is March 9th. Goal to raise \$10M over 3 years; \$25M over 5 years.
 - Leverage existing funds with entities in state/similar organizations to maximize results
- Entrepreneurs-in-residence (mentors) to come from WNY region with some recruiting from out-of-region
- Stage-appropriate services offered so no competition/cross-purposes with other programs
 - Training for how to transfer from grant model to final sales-based model
 - “Boot camp” for startups for closure, necessity of change and improving retention
 - Need for realistic expectations, high-growth startups may not have experienced staff with sales familiarity
- Not a government program – entrepreneurs for entrepreneurs
 - No government employees on the board
- Bob Fritzinger to write white paper on best practices for business incubators
- Tom Ulbrich will detail out the aspects of the entrepreneurship academy

ANGEL TAX CREDIT

- Jack McGowan presented follow-up research, a comparison chart and will continue to work with CenterState CEO to define proposed legislative changes
 - Discern and publicize QETC “qualifying technology” so potential candidates aren’t confused
 - Maximum credit as % of amount invested - 10-20% currently, 35% proposed – is this too small? It’s smaller than other states
 - Maximum annual statewide credit – Currently there is no statewide cap, \$7million proposed. Why add cap. Raise to \$100million if a cap is needed?
 - Maximum credit per investor – Currently there is no cap per investor, but a minimum and maximum are proposed – Why add limits when there currently aren’t any?

FORGIVABLE LOAN PROGRAM

- Harry Sichertman and Jeff Belt presented ideas, definition and metrics on this proposed program
 - Job creation a prior criteria but not only one
 - Value and Income brought to community vs. Actual Employees hired
 - Type of industry and product
 - Size of startup
 - Keep streamlined to fill in gaps for other existing programs
 - No need to duplicate or compete
 - Serve as bridge loan and funding
 - Funds to carry business through while potentially awaiting other funding
 - Fast cash for holder as other loans/funding programs may take months
 - Speed is important, but also ability to replenish fund
 - Serve as flexible funding, important not to discourage private funding