



**UVC**

UPSTATE  
**VENTURE**  
CONNECT

## **Building to qualify for outside investors**

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

# Plug into Upstate New York's Venture Acceleration Community ...



## Venture Supporters

Investors, business mentors, professional services providers, institutions, economic development organizations and others helping to grow the region's economy. [Learn more »](#)



[News](#) [Events](#) [Jobs](#)

### Venture News

- > Building Entrepreneurial Communities in Upstate NY
- > Salt City Technical offers free invention consultations
- > Summer@Highland seeks campus entrepreneurs
- > Time Once Again for Peak Pitch
- > Syracuse Student Accelerator gains momentum

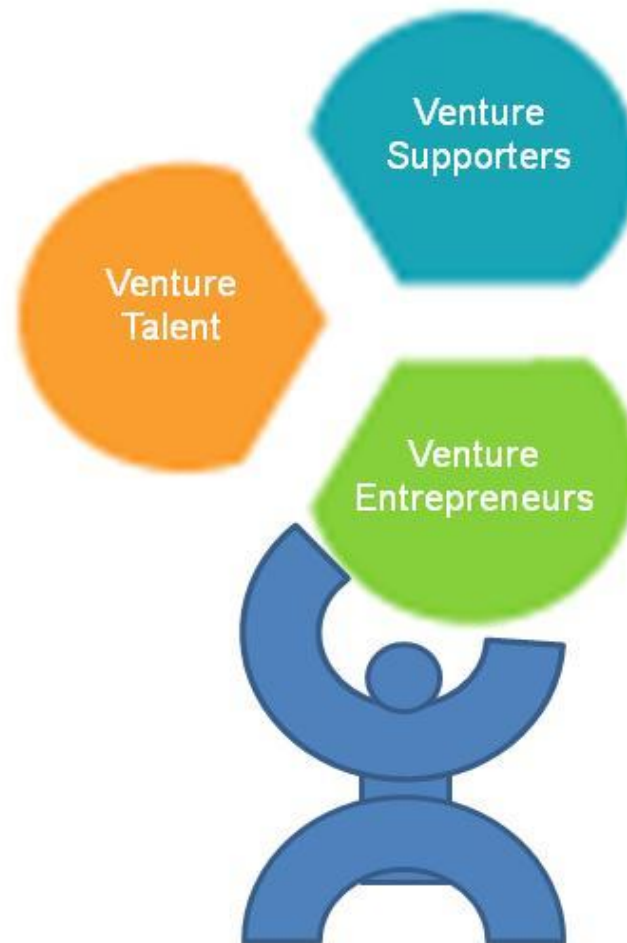
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**You Can Help**

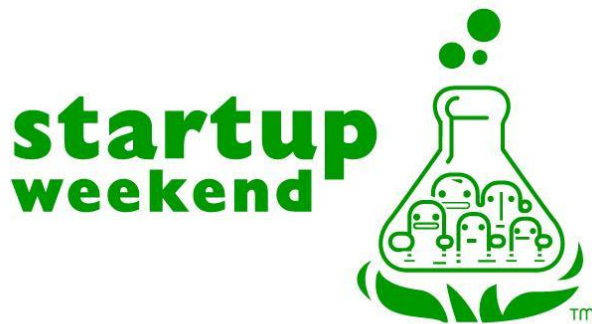
 [Join UVC](#)  [Support UVC](#)  [Tell Others](#)

## UVC Vision:

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



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



**ANGEL CAPITAL ASSOCIATION**



# Vconnect: Online platform that connects entrepreneurs to high impact mentors

The screenshot shows the Vconnect website. At the top, the logo 'VConnect' is followed by the tagline 'The High Growth Entrepreneurship Network'. A search bar is on the right. Below the header, a message states: 'This is an alpha release of Vconnect, which means we're still building it. It might break before your very eyes. Thanks for understanding!'. A navigation menu includes 'Vconnect Home', 'About Vconnect', 'Contact Vconnect', and 'Feedback'. The main content area features a large image of a woman and a man smiling at a computer. Below the image is the text 'Mentorship | Let a successful mentor's hindsight be your foresight.' To the right of the image is a 'Who's new' section with a list of names: ScottyHendo, JaesinM, JaesinCS, Jon Cardinal, Test Babinec, herickson, and AaronNewman. On the left side, there is a 'User login' section with fields for 'Username or e-mail:' (containing 'nasir') and 'Password:' (containing '\*\*\*\*\*'), a 'log in' button, and a link for 'Request new password'. Below the login section is a 'Groups' section with a list item 'Upstate Venture Connect'. The main content area also has a 'Welcome to Vconnect' section with a note that participation is by invitation only, a description of the platform, and a list of groups: 'Upstate Venture Connect' and 'Syracuse Student Sandbox (coming soon)'. At the bottom, there is a link to 'Contact us'.

VConnect The High Growth Entrepreneurship Network

This is an alpha release of Vconnect, which means we're still building it. It might break before your very eyes. Thanks for understanding!

Vconnect Home | About Vconnect | Contact Vconnect | Feedback

**Mentorship** | Let a successful mentor's hindsight be your foresight.

**Who's new**

- ScottyHendo
- JaesinM
- JaesinCS
- Jon Cardinal
- Test Babinec
- herickson
- AaronNewman

**User login**

Username or e-mail: \*  
nasir

Password: \*  
\*\*\*\*\*

log in

[Request new password](#)

**Groups**

- Upstate Venture Connect

**Welcome to Vconnect**

Please note that participation in Vconnect is by invitation only.

Vconnect is an online networking platform designed for high-growth entrepreneur communities.

The Vconnect platform is founded on the belief that [high growth entrepreneurship](#) is the key to future economic prosperity. Kickstarting this phenomenon requires identifying, encouraging, and supporting the progress of large numbers of first-time entrepreneurs. As anyone who has started a business can attest, the most important ingredient for success is being able to connect with the right mentors and supporters.

Vconnect enables high growth entrepreneurs, experienced mentors, and other supporters to participate in communities of interest built around geographic, institutional and programmatic affiliations. Group organizers set specific criteria for acceptance of mentors and entrepreneurs and provide facilitated first time introductions to maximize the chances of a meaningful interaction for both parties. Community members can also search for specific contacts, post to public forums, and be informed about upcoming events of interest. Mentors and entrepreneurs also have the ability to engage in private discussions through Vconnect. To sample some Vconnect communities, click on the links below:

- [Upstate Venture Connect](#)
- Syracuse Student Sandbox (coming soon)

[Contact us](#) to learn how your community can launch on Vconnect.

# UVC: Developing the startup ecosystem to support **1000 Startups in 2000 Days**



[www.UVC.org](http://www.UVC.org)



# My context: A Silicon Valley lens



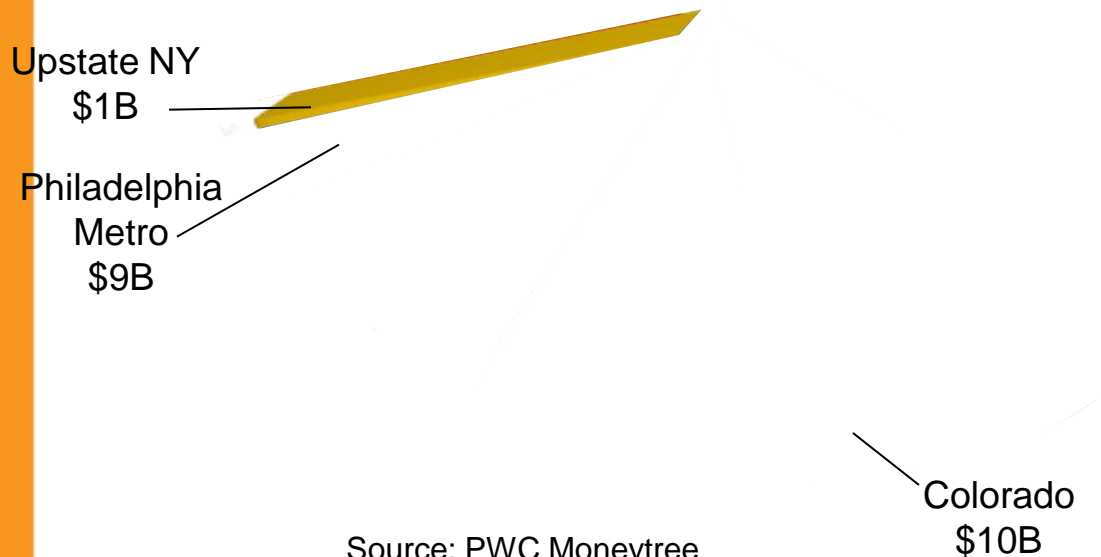
# A continuum of outside equity investors

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



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

## Venture Capital Investment 1999 to 2007



Source: PWC Moneytree

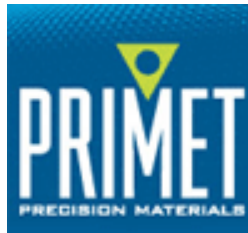


# Who are the Upstate stars for commercialized research?

## 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

# Lots of companies, where are the exits?



# 1<sup>st</sup> Threshold Question: Are you seeking a lifestyle business or building a company with equity value?



## 2<sup>nd</sup> Threshold Question: How much time am I ready to dedicate to building a company?



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



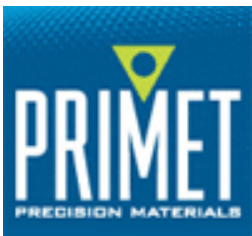
**"So that's my presentation:  
Could I have 100 million for the startup?"**

# Equity investors require high reward potential



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

# Four Principles Emerge From Upstate Commercialized Research Stars



# 1. Pursue early market feedback to drive strategy



# Pre-Seed Workshop – www.PSW-NY.com

PSW



## Pre-Seed Workshop – New York

Contact Us

Home About the Workshop Our Team & Sponsors Get Involved Alumni News & Photos

"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

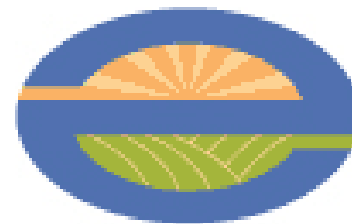
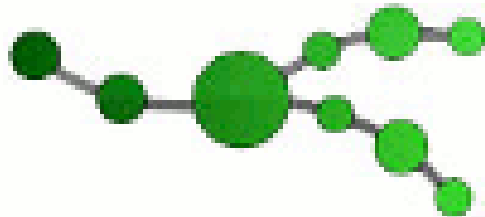
As of June 2010 we have held:



24 Pre-Seed Workshops

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

**Rhēonix**



**e2e  
materials®**

no compromise biocomposites®

## 2. Proactive Development: Not just product, but relationships

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

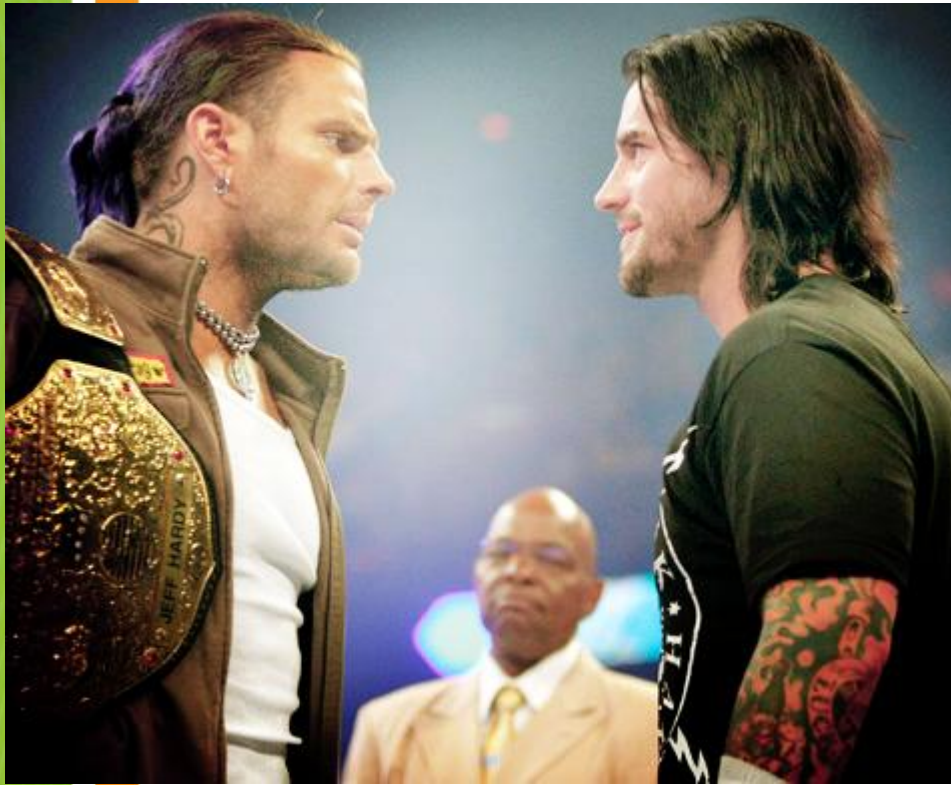


# Working multiple paths to find top mentors

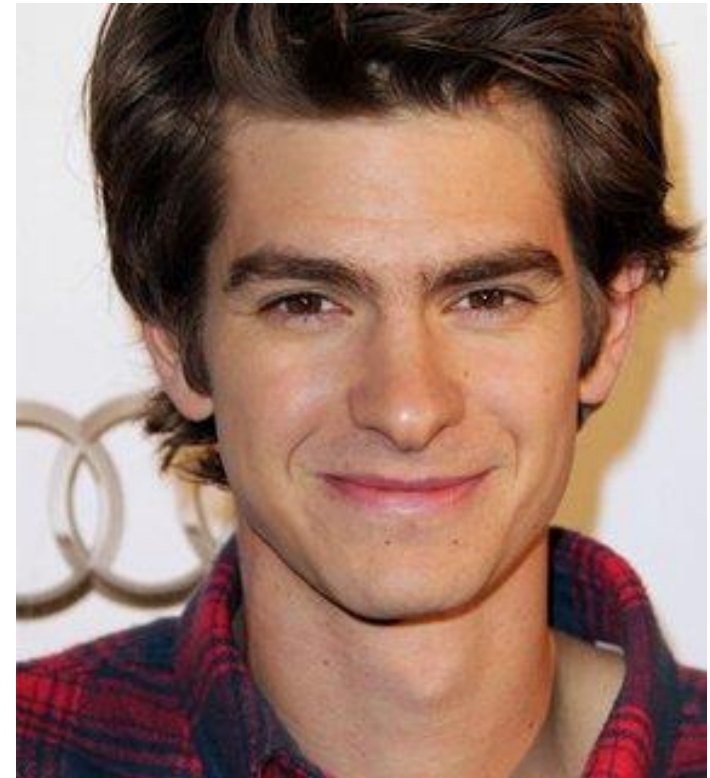


# Common traps deter relationship development

“I can’t tell you”



“It’s going great”



### 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***

# 1000 Startups in 2000 Days – Join Us!

**Martin Babinec**  
**Upstate Venture Connect**

Register at [www.UVC.org](http://www.UVC.org)

**Martin@UVC.org**

**Tel: 315-823-2682**

