

# A new model of incubation, from Silicon Valley

*Prologue International*

***Your partner in innovation and economic development***

## A personal history with incubation

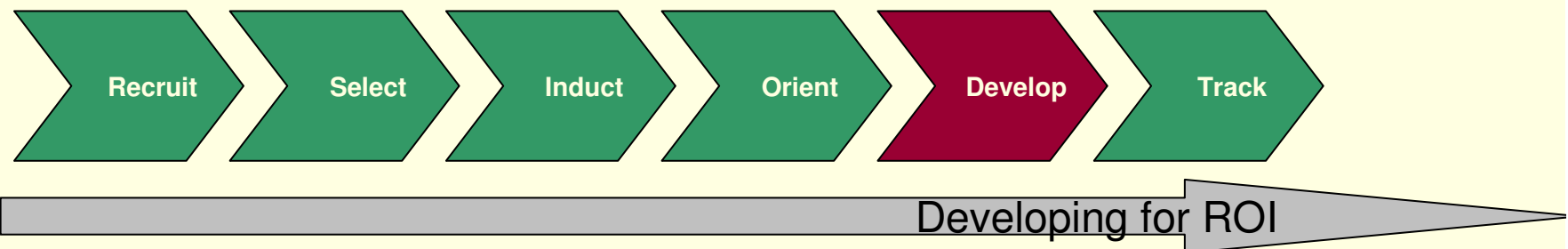
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- Incubator Client
- Incubator Advisor
- Incubator CEO
- Incubator Consultant to:
  - Nokia Innovent
  - Panasonic Digital Concepts Center
  - The International Business Incubator
  - The San Jose BioCenter
  - Hasso Plattner Ventures

# What is incubation?

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A service offering that facilitates the growth of entrepreneurial ventures.



## Incubators in the glory days

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- Idealab
  - Softbank
  - Camp Six
  - CMGi
  - iStart
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- Huge equity stakes
  - Few defensible barriers to entry
  - All about the real estate
  - Few professional management teams

## The bust

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- **Business incubators become** research parks, corporate venture arms, enterprise centers, business centers, venture centers, business parks, science and technology parks, etc.
  
- **The need remains**

# Incubators will impact your economy

- **Create new jobs:** 4 jobs are created annually for each start-up in an incubator.
- **Create secondary jobs in local communities:** For each 2 jobs created in an incubator, 1 additional job is created in the local community.
- **Generate earnings:** The average annual sales increase per start-up in an incubator is \$240,000.
- **Generate local community tax revenue:** For each dollar invested in an incubator, \$30 of local tax revenue is created through the incubator start-ups.
- **Provide a low-cost path to job creation:** The average cost of job creation through an incubator is \$1,100, as opposed to a US average of \$11,000.
- **Diversify economies:** Creating new technologies and innovations diversifies economies and make them stronger in upturns as well as less susceptible to downturns in the economy.

**Aggregate results:** In 2001 alone, North American incubators assisted more than 35,000 start-up companies that provided full-time employment for nearly 82,000 workers and generated annual earnings of more than \$7 billion.

**NOTE:** All data above come from three reports:

- *"Studies of North American incubations programs: 2002 State of the Business Incubation Industry"* (NBIA, 2003)
- *"Business Incubation Works"* (NBIA, 1997) and
- *"A National Benchmarking Analysis of Technology Business Incubator Management and Performance"* (US Department of Commerce, 2003)

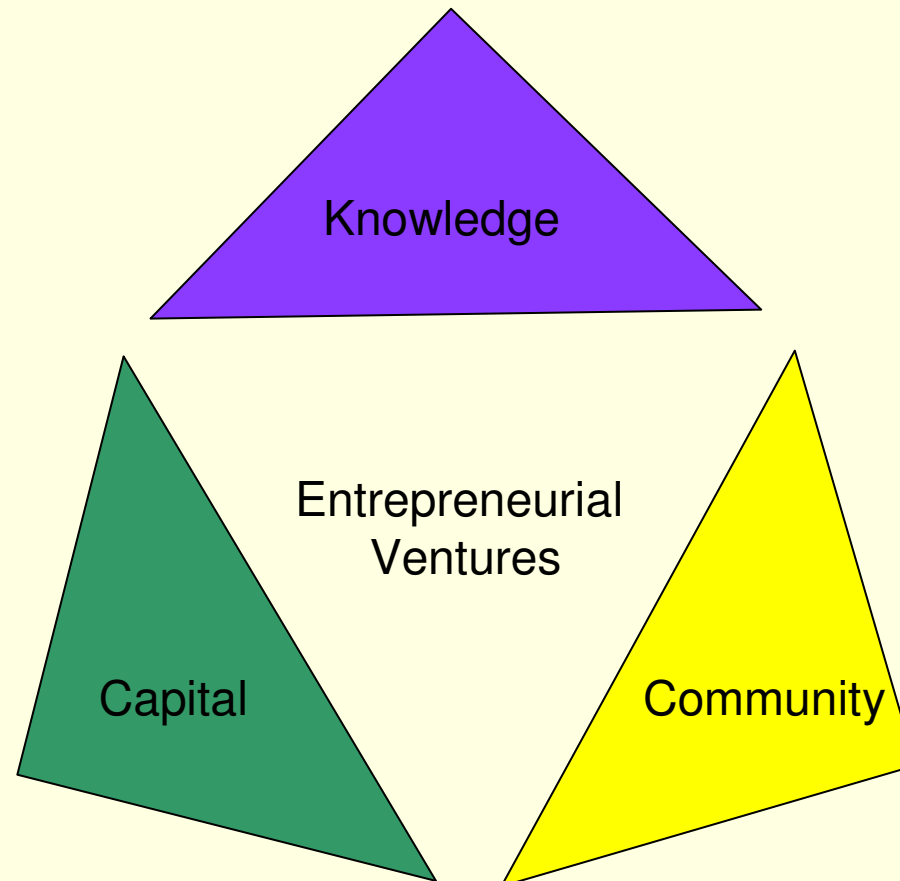
## **Incubators will impact companies**

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- 80% of companies that have graduated from incubators in North America in the last 20 years are still in business.
- Achievement in 1 year of proper incubation equivalent to 3 years outside this environment.

# Service Based Incubation

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# Service Based Incubation

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## Knowledge

- Strategic Business Review
- Executive Coaching
- Reference Center
- Entrepreneur/Advisor Roundtables
- Seminars and Workshops



## Capital

- Venture Series
- Pitch Practices
  - Investor Roundtables
- Angel Networks
  - Seed Funds



## Community

- On-line forums
- CEO salons
- P2P lunches
- Advisors Network



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for Successful Entrepreneurship

Welcome, Bernadette Smith

STRATEGIC BUSINESS REVIEW

EXECUTIVE ROLODEX

PRO TALK

REFERENCE CENTER

RESERVATIONS

EVENTS

The **San Jose BioCenter RISE system** is your information resource center. BioCenter RISE was constructed by entrepreneurs, for entrepreneurs and contains information, contacts, and resources to best help you grow your venture. It includes your on-line assessment results, access to our Executive Advisors, an on-line discussion forum, documents, templates, and useful websites, conference room reservations, and incubator events.

**ANNOUNCEMENTS**

- ▶ Former CEO of Novartis added to Executive Rolodex. [Click here](#) for his resume and contact details
- ▶ Additional wet labs available on the first floor. If you are interested in expanding or have colleagues who might like to apply to join the BioCenter, please feel free to take a tour of the new first floor facility.
- ▶ We are pleased to announce that Tom Davenport has joined the incubator as our new Office Manager. Please welcome him.

**NEW IN THE REFERENCE CENTER**

- ▶ [Employment Agreement Template](#) (Last Updated: Dec. 2nd, 2004)
- ▶ [White Paper: The New Model of Fund Raising](#) (Last Updated: Nov. 28th 2004)
- ▶ [NDA Template](#) (Last Updated Nov. 15th 2004)

**PRO TALK UPDATE**

- ▶ [Accountant Referral](#) (3)
- ▶ [Does anyone have a contact in Kaiser's purchasing group?](#) (2)
- ▶ [Scientific advisory board member compensation](#) (5) [more...](#)

**EVENTS**

- ▶ **12/13 | 12:30pm-2:00pm**  
CEO Discussion: How to find the right management team
- ▶ **12/16 | 2:00pm-4:00pm**  
Investor Seminar: Strategies for raising capital from leading VC's
- ▶ **12/25 | 10:00am-12:00am**  
Legal Hours with Howard Rice: Contact Tom Davenport to schedule a time to meet with lawyers from Howard Rice

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- [Patent Number Searching](#) (web)  
Tutorial about patent number searching on the web.
- [Creating a Winning Patent Portfolio](#) (web)  
Article: Creating a winning patent portfolio." Advice on establishing a solid patent portfolio."
- [Cost-Effective Patents](#) (web)  
Article: Seeking cost-effective patents. "
- [US Patent and Trade Mark Office](#) (web)  
Website for US Patent and Trade Mark Office (USPTO). Patent and trade mark regulation policy, links to other countries' patent offices.
- [Intellectual Property FAQ](#) (web)  
FAQ on patent, trade mark, copyrights' legislation. Patent and Trade Mark Attorney and Agents. Application for a patent. Current USPTO fees. Treaties and Foreign Patents. Foreign Applicants for United States Patents.

[Patent Protection for High Tech and Life Science](#) (document)

# Contact information

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