

Native American Network

Business Incubation

Business incubation has been around since the 1950s and has enjoyed a broad success across the world when done properly. The latest statistics released by the National Business Incubation Association indicates that after going through an incubation program, 75% of companies are still in business after 5 years compared to only 20% of all companies after 5 years according to the Small Business Administration. Additional studies have shown that investments in incubators result in 2.2 - 5.0 new jobs per \$10,000 of investment made in the incubation program.

(http://www.nbia.org/resource_library/works/files/EDA_Table.pdf).

Many communities are starting new incubation programs across the State of Arizona. Programs have been started in Chandler, Surprise, Phoenix, Flagstaff, Fountain Hills, Tucson and numerous other locations. These programs are basically being created in 3 different forms:

Co-Work Space: These programs provide entrepreneurs a common place to work, collaborate and share projects. This type of program generally costs an entrepreneur little to nothing to participate in and are good models for creating industry clusters, generally around the software industry. These programs do not generally have participation requirements or provide experienced coaching or access to early stage investors. They also cannot show a return on investment using traditional forms such as jobs created, above average wages or investments. Gangplank in Chandler and LaunchSpot in Tempe are examples of such programs although both of the ones mentioned here have some differences between them.

Accelerators: Accelerators are programs that work with companies, usually in the software industry, for a short period of time. Accelerators are focused on rapidly bringing new technologies to market and generally, although not always, are more focused on creating individual wealth than jobs. These types of programs work with companies for less than a year (normally for 6 months or less) with a focus on acquisition of the companies created. Many accelerators require an equity stake in participant companies in exchange for services. AZDisruptors in Phoenix is an example of an accelerator.

Business Incubators: These programs are focused on job creation, at a higher than average wage, and generally work with companies for 2 to 5 years depending on the industry sector. Business incubation programs, when run according to best practices, have participation requirements such as open-book accounting, monthly progress reviews, benchmark assessments, and additional accountability measures. They also prepare companies for early-stage investment and provide both domestic and international commercialization assistance. These programs usually develop mentor networks and provide access to student interns and research teams. Program such as the Arizona Center for Innovation at the University of Arizona in Tucson or the Northern Arizona Center for Entrepreneurship and Technology in Flagstaff are business incubators.



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New Entrepreneurial Model

The good thing for Arizona is that there are a variety of models for communities to consider. The different types allow entrepreneurs to choose between programs in order to find the one that best suits their current needs. The challenge for many communities is attempting to determine which type of program will best benefit their community and how they will be managed. Several new incubators have been started without feasibility studies, such as the one in Bylas started by the San Carlos Apache. Many of these programs are struggling and may have an adverse effect on all of the programs in the state if they fail.

NACET has been approached by a number of communities regarding best practices and creating incubators. Many times, NACET provides an overview of industry best practices and shares networking information such as the new state association being created. NACET has been approached by the Navajo, White Mountain Apache, and San Carlos Apache in regards to receiving assistance with starting new incubators on the reservations. The Navajo are currently being assisted by NACET with the completion of a feasibility study and NACET has provided limited incubator manager training to the San Carlos Apache.

In order to better assist the tribes in determining if they have the demand for an incubator NACET is proposing a new model to assist Native American entrepreneurs. This new approach will allow the tribes to benefit from the network NACET has created, and assist in determining the feasibility or necessity of creating their own centers. The proposed NACET Network will provide tribal entrepreneurs with access to advanced mentors, counselors, trainings, lunchtime seminars and student research teams. The NACET Network program proposes to set up portable video conferencing units at sites on tribal lands. NACET counselors will provide a set number of direct counseling hours via video conferencing every month to tribal entrepreneurs creating businesses ranging from green industry, art, retail and other sectors. This counseling will be available every month. In addition to access to counselors from NACET's staff, participants will have access to NACET's expansive Mentor program. This program currently has 45 participants at its Flagstaff headquarters and 25 at the Center for Entrepreneurial Innovation at GateWay Community College in Phoenix, for which NACET provides management (CEI's Mentor program has just been started and is expected to have between 50 to 100 members once completed). Participants in the Mentor program include attorneys, CPAs, marketing experts, intellectual property consultants, engineering consultants, patent search firms, social media experts, experienced executives, and others who volunteer 2 hours per month pro bono to the program. Native American entrepreneurs will have the ability to have face to face time with these volunteers via the video conference unit. Additionally, the NACET Network would provide a counselor on-site one day per month. The day will start with a casual meeting at a coffee shop for a "Startup Medics" session. This free session is a very casual meeting open to the public for entrepreneurs to meet and discuss their challenges, needs and success in a casual environment. The NACET counselor will facilitate a group discussion on topics suggested by the participants. The day will also contain a Lunch and Learn seminar on various business topics that will be free to the general public and be led by one of NACET's Mentors. Lunch will be provided to participants, and the session will generally last 1.5 hours. Between the Startup Medics session and before and after the Lunch and Learn session, the NACET counselor will conduct face to face individual meetings with tribal entrepreneurs participating in the program. All training programs will be coordinated with the Regional Business Development Offices located on the reservations. It is hoped with this approach that a number of things will be accomplished. First, the tribe can better determine the number of entrepreneurs they have, and whether that number indicates the need for a more formal program. The approach is also intended to assist the tribe in building its own Mentor group supplemented by the existing NACET group. The program should also assist the tribe in identifying industry clusters that may need additional specific programming as well as building the cluster network. For example, NACET has identified a growing software cluster in Northern Arizona and is assisting with the creation of a new software networking group called "Meet the Geeks" whose website we have under construction at flagstaffgeeks.com. It is hoped that once started, the program will help the tribes commit to building their own program and NACET will hand off management of the program to them, unless they determine there is a benefit to continue to have NACET's involvement.



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Various Attributes to Program

1. **Secure Video Conferencing Unit:** As a member of the NACET Network we will ship the member an IP based portable video conferencing unit to the member's location. NACET staff will provide tech support and will help set-up the unit. These units are secure and use minimal bandwidth. They will be used to provide remote access to technical counseling and NACET's Mentors Network. Upon exiting the program, the member will return the unit to NACET.
2. **Access to the full Mentors Network:** This network contains more than 75 business professional who provide pro bono services to the NACET Network. Members include attorneys, CPAs, Intellectual Property experts, marketing and management experts, engineering firms and others who will be available via video conferencing to meet with clients.
3. **In person lunch-and-learn programs** will be provided each day a NACET counselor is on-site. These programs will be coordinate with any already being offered in a service area.
4. **Flagstaff lunch-and-learn:** NACET will stream all Flagstaff lunch-and-learns (usually a minimum of two per month) via the web to service locations and provide log-in information for clients in the service area.
5. **Business Counselor Hours:** NACET will provide 15 counseling hours per month, and will help coordinate SBDC and SCORE Counselor hours based on agreement with the service area.
6. **Student Research Teams:** Clients in a service area will be given the opportunity to apply for up-to 5 student research teams. These projects will be semester based and can include market and competitive analysis as well as the creation and carrying-out of project-specific survey instruments. Projects can be domestic or international, based on client needs and NACET's international partnerships. All projects are self-selected by student teams and all, none or some may be selected as this service is provided on a competitive basis.
7. **Local "Start-up Medics" meeting:** NACET will hold a Start-up Medics meeting in the service area each day a NACET counselor is on-site. "Start-Up Medics" meetings are informal opportunities for residents of a service area to meet with NACET counselors and other entrepreneurs and business professionals in a relaxed environment. These meetings are held at a local coffee shop.
8. **Discounted "AZ Core Lab" services** of 5% are available to all members.
9. **A typical on-site NACET day** will consist of 5 face-to-face counseling hours, 1 Start-up Medics meeting and 1 Lunch and Learn

NACET Expenses:

Sample Day:

7:30am-8:30am	Start-up Medics	1:00-2:00pm	Client Counseling Hour
9:00-10:00am	Client Counseling Hour	2:00-3:00pm	Client Counseling Hour
10:00-11:00am	Client Counseling Hour	3:00-4:00pm	Client Counseling Hour
11:30-1:00pm	Lunch and Learn		

In between NACET on-site days, service areas will have access to an additional 10 hours of NACET technical counseling time, access to the NACET Network's full Mentor's group and access to all NACET Flagstaff Lunch and Learn Series.



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Breakdown

Breakdown of Items

- NACET Labor (10 hrs travel, 9 hrs onsite, 10 hrs remote counseling, 5 hrs admin)/month
- Web Streaming/Month (To provide streaming remote Lunch and Learns)
- Projector (to stream NACET Lunch and Learns)
- Travel, 1 day lodging
- NACET Office (Provide dedicated workspace at NACET for counselor)
- On Site Costs (lunch, handouts, etc)
- Materials
- Mentor On-site Travel
- Site Internet Access

Cost Per Month: \$5,000 per location

Selection of Sites

It is the intention of NACET to partner with the Regional Business Development Offices already located on the reservations. Sites will be selected through a competitive application process that will review existing numbers of clients, trainings already provided and skill levels of current RBDO staff in order to maximize outcomes of the program.

Program Goals and Outcomes Per Site

- Provide a least 12 Lunch and Learn on-site Seminars per year
- Stream at least 12 Lunch and Learns from NACET on-site
- All archived Lunch and Learns loaded on-site
- Facilitate at least 12 Start-Up Medic meetings per year
- Provide up to 60 Face to Face Counseling Hours per year
- Provide up to 120 remote counseling hours per year
- Provide access to NACET's Mentor Network
- Integrate Lunch and Learns with existing RBDO offerings
- Ability to apply for Student Research Teams domestically and internationally
- Discounted AZ Core Lab access at a 5% discount

Reporting

NACET will prepare a written report no later than 30 days after each quarter of the program. This report will detail the number of counseling hours provided, Lunch and Learn program names and attendance, remote counseling hours completed, number of mentor hours completed, number of participants in Start-Up Medic meetings and other program related services provided. On a semi-annual basis, NACET will provide to funder an in-person presentation and review of the program.



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Mentors by First Name

Mentors alphabetical by first name (Does not include Phoenix program's Mentors who will be added)

- Alex Hobson, Invention to Patent Services, LLC
- Angela Perez, Snell and Wilmer, L.L.P. Law Offices
- Angele Sionna
- Anthony Flesch, FP2
- Beth Cooperrider, BC Engineering
- Bret Carpenter, Orig'native, LLC
- Brian Furuya, Aspey, Watkins & Diesel
- Bryan Cooperrider, BC Engineering
- Christopher J. Brelje, Brelje & Muklewicz, PC
- Chuck Bolotin, On Target Consultants
- Craig Snyder, Wells Fargo
- David Odland, Global Patent Solutions
- Ed Tankersley, Eight Trails, LLC
- Eric Nielsen, Snell & Wilmer, L.L.P. Law Offices
- Eric Sheets, Esq., Law Office of Eric J. Sheets, Esq
- Frederick Aspey, Aspey, Watkins & Diesel
- Garrick Brooks – NAZ360
- Gary Enzweiler, MBA, MHA, Polaris
- Gregory W. Gribben, Esq. , Woods, Oviatt, Gilman, L.L.P.
- Jamey Hasapis, The BelleWether Group
- Jan Knight, Bancroft Information Services
- Jim Hunter, SBDC
- Jody Seibert, Dog Ate My Books
- Kathryn Odland, Global Patent Solutions
- Keith Raab, Cleantech Group
- Kevin West, West Christensen & Associates, PC
- Kristin Keyes, Keyes Communications
- Kurt Haskell, SBDC
- Luis Ramírez, Ramirez Advisors Inter-National, LLC
- Mark McKendry, SBDC
- Matt Kesler
- Michael Bielecki, Missing Frame Photography
- Miriam Gilbert, MS, MA., MiriamGroup, Executive Advisors Nik Zatezalo, Coconino Community College
- Phil Scandura
- Renee Moore, Renee Moore Public Relations
- Richard Baron, Arizoan Manufacturing Extension Partnership
- Rick Blomquist
- Rick Gibson, Hotventures
- Ron Epperson, CLP, McGladrey
- Ron Kisicki, Woods, Oviatt, Gilman, L.L.P.
- S. Jim Allen
- Sheldon Harris, Smartway Advisors
- Stephanie McKinney, National Bank of Arizona
- Tim Becker, Polaris
- Tim Fox, The Graphic Bean
- Trevor Roberson, Trailhead Studio
- Trish Rensink, The BelleWether Group
- William Paulin, Ph.D., PaulinNeal Associates