



MEMORANDUM

TO: City of Racine Redevelopment Authority
City of Racine Finance & Personnel Committee
FROM: Thalia Mendez, Business Resource Specialist
DATE: January 8, 2016
SUBJECT: Report for the period ending December 31, 2015

The purpose of this memorandum is to provide an update on the project deliverables for Launch Box in regards to the contract between the City of Racine ("City") and Gateway Technical College ("Gateway").

- 1) Launch Box One-Stop Center - Gateway Staff will manage Launch Box Coworking located at 141 Main Street, Suite 2. Launch Box Coworking is shared work space that provides networking and professional development events as well as information regarding local entrepreneurial resources.

Measurable Outcome: Average of 4.5 unique member visits per day and a three percent increase in membership. Membership as of December 31, 2014 was 130.

First Quarter Feedback: During the first quarter of 2015, 28 members joined Launch Box with 1 member leaving, bringing the total to 157 with 18 partner members. This is a 17.7% increase since December 2014. On average, there are 5.6 unique member visits at Launch Box per day. This is calculated over a 7 day week including holidays.

Second Quarter Feedback: During the second quarter of 2015, 24 members joined Launch Box with 2 members leaving, bringing the total to 177. This is a 15.7% increase since the end of the first quarter and a 36.2% increase since December 2014. On average, there were 5.9 unique member visits at Launch Box per day during the second quarter; YTD 5.7 per day. This is calculated over a 7 day week including holidays, however during the 2nd quarter, the space was closed on June 3rd for maintenance.

Third Quarter Feedback: During the third quarter of 2015, 17 members joined Launch Box with 3 members leaving, bringing the total to 190. This is a 7.34% increase since the end of the second quarter and a 36% increase since December 2014. On average, there were 5.2 unique member visits at Launch Box per day during the third quarter; YTD 5.5 per day. This is calculated over a 7 day week including holidays, however during the 3rd quarter, there was a technical problem with the key fob system in July resulting in the loss of usage data between July 1st and July 9th. The average has been calculated based on 22 days not 31 days in July. In addition, the space was closed on August 11th for maintenance.

Fourth Quarter Feedback: During the fourth quarter of 2015, 9 members joined Launch Box with 18 members leaving, bringing the total to 181. This was to be expected as members were notified in November of a new fee structure I.E. \$30.00 per month, however all City of Racine residents and Gateway Technical College students will be given a six month free membership thus extending their memberships to July 1, 2016. This is a 4.7% decrease since the end of the third quarter and a 28% increase since December 2014. On average, there were 5.5 unique member visits at Launch Box per day during the fourth quarter; YTD 5.5 per day. This is calculated over a 7 day week including holidays.

Staff Change: As of November 19, 2015, Thalia Mendez, Business Resource Specialist, manages all activities associated with the Launch Box co-working program. An entrepreneur herself, she brings nearly 20 years of experience in the entrepreneurial eco-system. She holds a national certificate in Business Incubation Management and is a certified GrowthWheel® Advisor. Thalia currently serves on the Wisconsin Business Incubation Association board of directors and served two terms on the National Business Incubation Association board. In addition, she served on two Federal Entrepreneurial grants as a national/international subject matter expert at Gateway Technical College.

- 2) One-on-One Technical Assistance – Gateway Staff will provide strategic assistance by providing connections to mentors, workshops, resources and advising through their certifications as GrowthWheel® advisors. GrowthWheel® is a tool to assist with decision making in startup and growth companies. It helps business owners get focused, set the agenda and make decisions.

Gateway assistance also includes: rapid prototyping in the Industrial Design Fab Lab and access to the BizSquad, which provides no cost business assistance using student lead teams

Measurable Outcome: 200 unduplicated entrepreneurs/small businesses will receive technical assistance.

First Quarter Feedback: 45 businesses received technical assistance during the first quarter.

Second Quarter Feedback: 43 businesses received technical assistance during the second quarter; year to date 88.

Third Quarter Feedback: 31 businesses received technical assistance during the third quarter; year to date 119.

Fourth Quarter Feedback: 20 businesses received technical assistance during the fourth quarter; year to date 139.

- 3) Launch Box Accelerator - The accelerator is a 12 week team based program that includes mentorship and educational components. The program requires an application process that is open to technology focused entrepreneurs, priority maybe given to veteran, woman, minority and other underrepresented led startups. The application process will be highly competitive. Upon successful completion of the 12 week program, teams are eligible for a \$10,000 seed grant.

Measurable Outcome: Two cohort accelerator sessions. The second cohort will be dependent on funding availability and if metrics from the first cohort are met. Metrics have been defined by the U.S. Small Business Administration (SBA) growth accelerator grant agreement.

First Quarter Feedback:

The first Launch Box Growth Accelerator cohort began on March 5th. The program will run 12 weeks and wrap up with the Super Send Off event on June 4th.

Second Quarter Feedback:

The first Launch Box Growth Accelerator cohort began on March 5th. The program ran for 12 weeks and wrapped up with the Super Send Off event on June 4th. A total of 6 teams were selected; 3 from the City of Racine. Upon successful completion of the program, each team was awarded \$10,000 in seed grant funding.

An application has been submitted to the U.S. Small Business Administration (SBA) to fund a second cohort.

Third Quarter Feedback: This activity was completed during the second quarter. Unfortunately, the U.S. Small Business Administration (SBA) did not approve funding for a second cohort in Spring 2016. Staff is currently investigating other funding options.

Fourth Quarter Feedback: Staff continues to investigate other funding options.

- 4) Launch Box CoWorking Survey – In order to measure the economic impact of Launch Box Coworking and to learn what Members are interested in regarding amenities and events, an annual survey of all Members will be conducted.

Measurable Outcome: Annual survey of all Members.

First Quarter Feedback: No activity this quarter.

Second Quarter Feedback: Staff is in the process of developing the survey for release during the third quarter.

Third Quarter Feedback: A survey of all members was completed in September. 187 members received the survey with 96 total responses returned. The results of the survey are attached as Exhibit A.

- 5) Entrepreneurial Culture - Gateway will foster a culture where entrepreneurship has a positive image and is celebrated through events and promotion of entrepreneurial initiatives/activities.
 - a. **Fast Pitch 2015** - Gateway will promote and encourage City of Racine businesses to participate in this competition. The top City of Racine business will receive recognition through a special Mayor's Entrepreneurial Award.

Measureable Outcome: Fifteen City businesses will participate.

First Quarter Feedback: FastPitch has been scheduled for Wednesday, August 19th.

Second Quarter Feedback: Staff has been fundraising and the application process has begun. Deadline to enter is July 30th.

Third Quarter Feedback: The 4th Annual FastPitch was held on August 19th. 48 entrepreneurs registered with 37 entrepreneurs participating, 12 from the City of Racine. The winner was Gary Krause from EKG Concepts, LLC. The City of Racine Mayor's Entrepreneurial Award was presented to Matt Chamberlain of STIK 2 Freight Systems.

- b. **Professional Development Events** - A key component to enhancing the entrepreneurial environment in Racine is networking and collaboration events. Events will include group training, webinars and social networking.

Measurable Outcome: Twelve events will be hosted.

First Quarter Feedback: During the first quarter, 8 events were held at Launch Box or hosted by Gateway.

- a) Personal Leadership & Development Series – Hosted by a Launch Box Member. She hosted four workshops in this series during the first quarter.
- b) Marketing Made Lean – Hosted by Gateway at Launch Box, Marketing Made Lean, is a 4 week, 16 hour series to assist businesses in the development of their marketing plan.
- c) InnovateHER – Hosted by Gateway and WWBIC, this event celebrated women entrepreneurs highlighting products and services that benefit the lives of women and families. City of Racine entrepreneur, Yogi Blair, was our winner. Yogi's business plan was submitted to the SBA for a chance to compete at the national level in Washington, DC.
- d) Fridays with TED (2) – This is a monthly networking event held at Launch Box. Each month a Launch Box Member selects a TED video and leads a discussion regarding the video. It serves a great way to spur the conversation and engage members.

Second Quarter Feedback: During the second quarter, 4 events were held or presented by Gateway.

- a) Super Send Off – Hosted by Gateway in celebration of the work completed by the 6 accelerator teams
- b) Small Business Networking Presentations (2) – Presentations were given by Staff to the Racine Rising Stars networking group and the BIX Networking group.
- c) Fridays with TED (1) – This is a monthly networking event held at Launch Box. Each month a Launch Box Member selects a TED video and leads a discussion regarding the video. It serves a great way to spur the conversation and engage members.

Third Quarter Feedback: During the third quarter, 7 events were held or presented by Gateway.

- a) FastPitch 101 (2) – A highly-interactive workshop designed to make FastPitch participants feel more confident presenting their pitch, and their presentation more concise and able to be delivered within the allotted three minute time frame.
- b) Launch Box Art Unveiling - In 2014, Staff held a contest to decorate the Launch Box Coworking Space. Launch Box Member, Angela Kennow, was the winner. Her design was created in the SC Johnson iMET Center Industrial Design FabLab and unveiled on September 2nd.
- c) Intellectual Property, Copyright & Trademark workshop – An overview of basics of patenting, including filing, provisional, the difference between a utility and design patent, how does copyright protection work and when to file for trademark protection.
- d) Employee Learning Day – Together with Greg Herker, Fab Lab Coordinator, staff presented to 20 Gateway employees as part of a College wide day of learning.
- e) Friday with TED (2) – This is a monthly networking event held at Launch Box. Each month a Launch Box Member selects a TED video and leads a discussion regarding the video. It serves a great way to spur the conversation and engage members.

Fourth Quarter Feedback: During the fourth quarter, 3 events were held or presented by Gateway.

- a) InnovateHER – Hosted by Gateway and WWBIC, this event celebrated women entrepreneurs highlighting products and services that benefit the lives of women and families.
- b) Friday with TED (2) – This is a monthly networking event held at Launch Box. Each month a Launch Box Member selects a TED video and leads a discussion regarding the video. It serves a great way to spur the conversation and engage members.

Measurable Outcome: An annual meeting of Launch Box Coworking Members will be held.

First Quarter Feedback: The Annual meeting was held on January 28th. COMPLETED

- c. **National/International Partners** – In order to gain insight into best practices for fostering entrepreneurial growth within Southeastern Wisconsin, Gateway will maintain memberships with and attend annual conferences of National Association for Community College Entrepreneurship (NACCE) and National Business Incubator Association (NBIA).

Measurable Outcome: Annual summit will be held with local partners to share and implement best practices.

First Quarter Feedback: This event has been scheduled for Tuesday, June 23rd.

Second Quarter Feedback: The second annual GrowthWheel® seminar was held on June 23rd at the SC Johnson iMET. Entrepreneurs were given the opportunity to discover GrowthWheel® but also meet local partners to learn about resources available and to hear from experts in the following areas: Business Concept, Customer Relations, Operations and Organization. COMPLETED.

- d. **Promotion of Entrepreneurial initiatives/activities** – Gateway will continue to use social media and other media outlets to educate the public on Gateway resources and activities of Launch Box Coworking, Accelerator and its Partners, in addition articles, events and/or other news that maybe of interest to entrepreneurs will be posted.

Measurable Outcome: Posting will occur at a minimum of once a week with larger media articles at least quarterly.

First Quarter Feedback: Staff posts to social media daily. Two articles were written in the Racine Journal Times (InnovateHER, Special Section on 3/25), Staff presented on Work Search Monday and with Chris Kann on WRJN.

Second Quarter Feedback: Staff posts to social media daily. Three articles were written in the Racine Journal Times (2 regarding the accelerator and 1 regarding Prom) and Staff presented on Work Search Monday on June 29th.

Third Quarter Feedback: Staff posts to social media daily. Two articles were written in the Racine Journal Times (1 regarding FastPitch winner Gary Krause and 1 regarding Accelerator participant Luke Olsen), Milwaukee Journal Sentinel (regarding 2012 FastPitch winner Dominic Anzalone) and presented on WRJN (regarding legal workshop series).