



ESP Update: West Central


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CY 2019 Entrepreneurial Services Provider (ESP) Evaluator's Recommendations

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**Entrepreneurial Services Provider (ESP) Program
West Central Region Continuity Plan CY-2019**

**Evaluation Summary & Recommendation
February 20, 2019**

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Entrepreneurial Services Provider (ESP) Program
West Central Ohio Continuity Plan Evaluation

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Evaluation Team

- Invantage Group LLC
 - Growth strategy consulting and advisory firm
 - Worked with dozens of early-stage growth companies, VC/PE firms, and entrepreneur networks/incubators
 - One of the most experienced teams of OTF expert evaluators
 - OTF Commercialization Framework development
 - ESP Program, Pre-Seed Fund, ONE Fund, CALF, and Internship Program
- ESP Continuity Plan Evaluation Team
 - Team Leadership
 - Ted Bernard – successful venture-backed growth experience and exit, consulting focus on innovation, market entry, early-stage capital, and growth strategies
 - Ken Leachman – successful financial management and capital fundraising roles in several early-stage companies across a variety of industries
 - Support from our Insight SME Network™ and QA Team

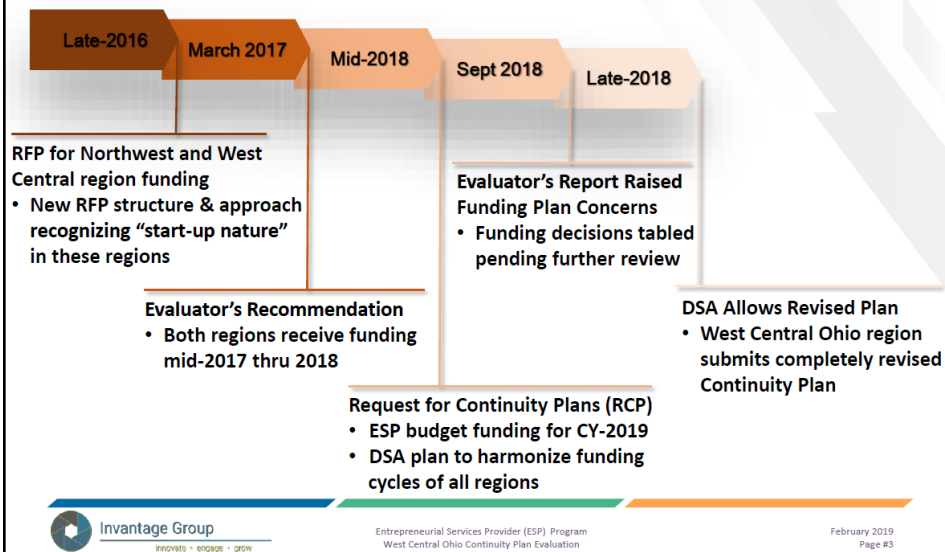
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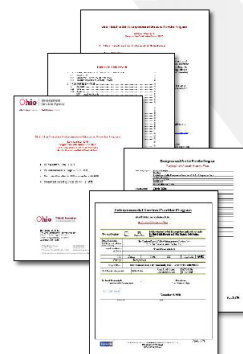
ESP Funding Cycle Historical Context

- Reconstituted Regional ESP Funding History



TEC Continuity Plan Evaluation Scope

- West Central Ohio ESP
 - The Entrepreneurs Center (“TEC”)
- Background & context preparation
 - Thorough review of RCP, past proposal, and evaluator’s report
 - Multiple conversations with DSA staff
 - Evaluation based solely on new ESP Continuity Plan proposal submitted to DSA in December 2018
 - DSA requests interactive approach for evaluators to engage directly with TEC to address identified concerns and improve planning



TEC Continuity Plan Evaluation Process

- Evaluation Process
 - Developed six-part evaluation rubric **based on RCP criteria**
 - Ensured **alignment with ESP program purpose, goals, & objectives**
 - Utilized **multi-stage, multi-person** assessment process
 - Detailed **budget and cost share review**
 - **Independent expert scoring** and alignment process
- Engagement with applicant & proposal
 - **Detailed review** of revised proposal materials & budgets
 - **Multiple rounds** of written Q&A discussions
 - Full-day **on-site meetings** with applicant, collaborators, and client companies
 - Multiple **conference calls** and phone discussions



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TEC Proposal Budget Overview

- Operational Successes
 - Successfully established sound ESP operations
 - Collaborator network shows relatively strong benefits
 - Partner network & solid operations enable increased programming
- Budget Plans & Considerations
 - Budget request within DSA's proposed RCP allocation
 - Detailed budget narrative for each planned initiative
 - Includes **lessons learned** and **justifications**
 - **Excludes non-ESP activities**
 - Expenses are well documented & **connected to ESP initiatives**
 - Cost share commitments are **documented & meet requirements**
 - Growing network & cost share **support substantial budget increase**

	State Funds Requested	Cash Cost Share	Total
Personnel/Fringe	\$705,927.81	\$1,281,703.48	\$1,987,631.29
Supplies	\$5,000.00		\$5,000.00
Purchased Services	\$964,806.00	\$855,602.67	\$1,820,408.67
Travel	\$15,000.00		\$15,000.00
Other Direct Costs	\$95,000.00		\$95,000.00
Indirects	\$847,272.57	\$820,710.32	\$1,667,982.89
SUBTOTAL	\$2,633,006.38	\$2,958,016.47	\$5,591,022.85
Donated Services (In-Kind)		\$137,825.00	\$137,825.00
TOTAL FUNDS	\$2,633,006.38	\$3,095,841.47	\$5,728,847.85



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TEC Evaluation Rubric & Summary

- Rubric & evaluation process focused on critical ESP elements
- Six critical rubric categories
 - Multiple sub-categories and **criteria aligned** with Request for Continuity Plan (RCP)
 - Focus on identifying & assessing **quality of supporting information**
- Key evaluation findings
 - TEC has become a recognized gateway
 - Programming is aligned with ESP goals
 - Growing collaboration relationships
 - Good initial success stories with several program metrics
 - Raised >\$2.9MM in cash cost share
- **Recommend funding award request of \$2,633,006.**

The Entrepreneurs Center ("TEC") Summary Evaluation At-A-Glance	
ESP Infrastructure & Resources	Adequate
Relevance & Success	Strong
Network & Collaborators	Adequate
Funding & Budget	Strong
Inclusion	Adequate
Sustainability Plans	Adequate
Evaluation Definitions	
Strong supporting evidence	Strong
Adequate supporting evidence	Adequate
Weak supporting evidence	Weak



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TEC's Key Program Metrics

- Solid program success in less than 2 years
 - Collaboration with two key research institutions creating productive partnerships
 - Nearly 50% of clients founded after 2016 & represent 9 different IP sources
 - Generating jobs and attracting venture funding
 - Growing deal flow with good client conversion

Key Programming Metrics	West Central Ohio ESP (TEC)		
	2017 Actual	2018 (Actuals thru 6/2018)	2019 Projection
New Permanent Ohio-based Jobs at Clients	112	164	248
New Ohio 1099 Contract Jobs at Clients	58	58	74
Professional Investment Raised by Clients (\$MM)	\$3,800,000	\$22,400,000	\$12,000,000
New product sales (\$MM)	\$7,000,000	\$5,470,000	\$12,750,000
Qualified Deals	101	72	79
New Clients	53	28	50
New Clients Attracted to Ohio	-	1	3
New Clients from Research Institution Spinouts	9	4	18
Active Clients	53	81	135
Clients Raising ≥\$250k in Investment Capital	3	8	12
Clients Raising ≥\$1MM in Investment Capital	1	7	8
Deal Flow Conversion %	52.5%	38.9%	63.3%
Percent (%) of New Clients Attracted to Ohio	0.0%	3.6%	6.0%
Percent (%) of Clients raising ≥\$250k	5.7%	9.9%	8.9%
Percent (%) of Clients raising ≥\$1MM	1.9%	8.6%	5.9%



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TEC Evaluation Categories

• ESP Infrastructure & Resources

- Organization around key execution areas
- Team has relevant experience for roles
- Unfilled ESP Director role could slow progress in 2019

ESP Infrastructure & Resources	
Organizational design, alignment, and leadership	Adequate
Breadth, depth, & stability of team and resources	Adequate
Future planning and vision	Strong

• Relevance & Success

- 17 clients from IP developed at w/AFRL & WSRI research institutions
- 18 clients attracted venture funding
- >56% of capital from funds outside Ohio

Relevance & Success	
Relevance and success of programming/efforts	Strong
Regional stakeholder alignment and cooperation	Adequate
Engage targets, support goals, and achieve plans	Strong

• Network & Collaborators

- Deal flow collaborators and EIR/EM networks are solid...but need to expand
- Capital access growing; aided development of first regional angel network, VisionTech Angels
- Improvement needed in corporate support and to aid customer access/introductions

Network & Collaborators	
Regional collaboration and breadth	Adequate
Identify and source mentors and talent	Strong
Ability to access customers and address capital needs	Adequate



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TEC Evaluation Categories

• Funding & Budget

- Detailed program narratives & budgets
- Clear links to one or more ESP goals
- Lack of corporate support is problematic

Funding & Budget	
Budget and spending plans align w/ESP goals	Strong
Cost share and donated services comply w/requirements	Strong
Funding and service support from throughout the region	Adequate

• Inclusion

- Solid outreach awareness, but lack cohesive strategy
- Nearly 25% of clients meet at least one or more inclusion definitions
- Increased DACC partnership & additional staff should improve efforts

Inclusion	
Commitment & meaningful effort towards inclusion goals	Adequate
Appropriate funding levels to achieve goals	Adequate
Measures of success and future plans	Strong

• Sustainability Plans

- Developed five-part sustainability plan
- Recognizes need to expand network & support to sustain operating model
- University of Dayton joint venture for Arcade Innovation Hub brings huge potential, but comes with many unknown elements and possible timing issues

Sustainability Plans	
Sustainability plans and alternative funding strategies	Adequate
Operating model adjustments	Adequate
Broadened support network	Adequate




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Evaluation Discussion

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Broadband Development Grants

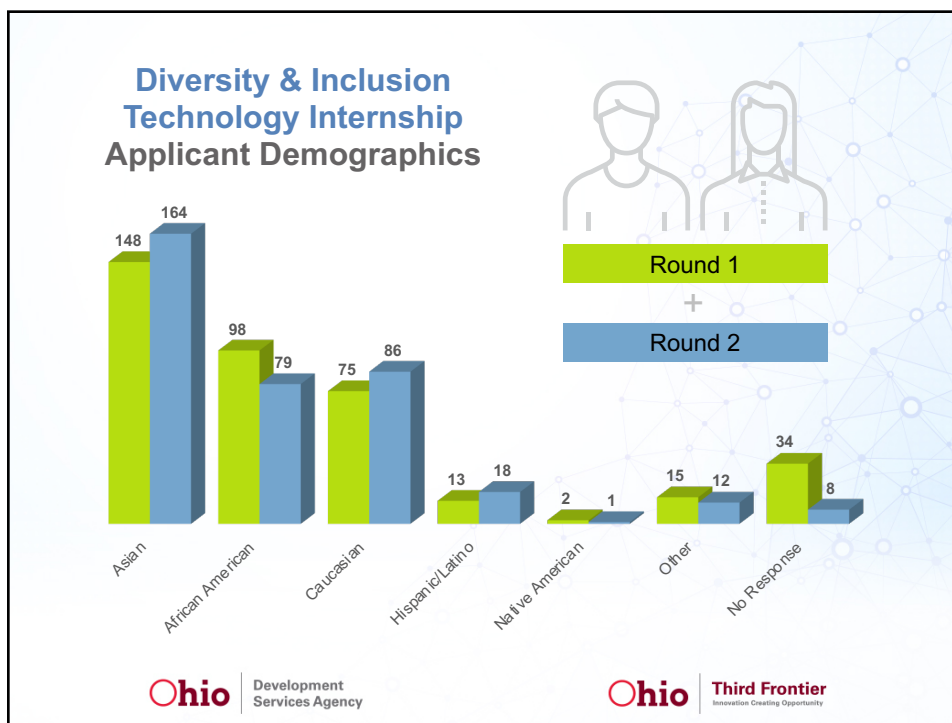
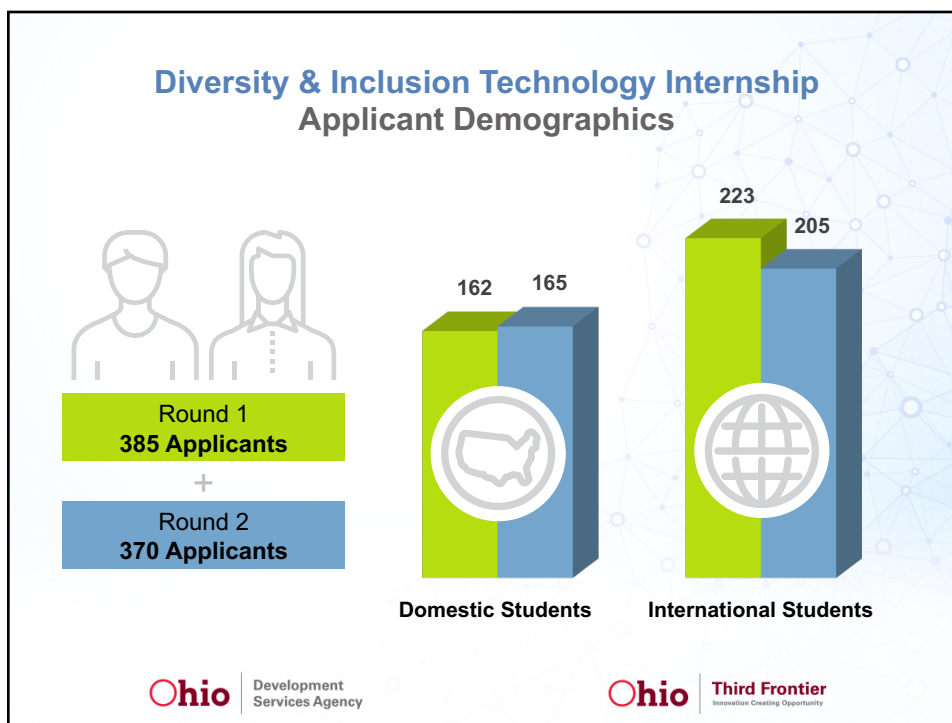
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Diversity & Inclusion Technology Internship Update

Padmini Roy-Dixon
Chief, Business Services Division





Diversity & Inclusion Technology Internship
Applicant School Demographics

Round 2

University of CINCINNATI

THE OHIO STATE UNIVERSITY

WRIGHT STATE UNIVERSITY

