OHIO’s Entrepreneurial Ecosystem
SUMMARY

Since 1980, OHIO has fostered a vibrant entrepreneurial ecosystem for business start-up and technology commercialization by strategically aligning the university’s internal assets with an expanding base of regional partners to create a unified service delivery system of tools and strategies appropriate for success in our rural environment and transferable to other locations.

Grounded in historical service to economic and community development in our predominantly rural, Appalachian region, OHIO has established and continues to build an infrastructure for social and economic development where none existed before.

INNOVATION CENTER

Created in 1983, the Innovation Center (IC) was the first university-based business incubator in the state of Ohio and 12th in the nation. IC has incubated nearly 100 companies that have created 1,000+ jobs. In 2013 and 2014, the total economic effect of all businesses incubated was estimated at 263 jobs, including those created directly in incubated businesses and indirectly through the economic activity of the companies and their employees; these 263 jobs generated an estimated $10.5 million in labor income and an estimated $1.3 million in state and local tax revenues.

What distinguishes IC from other university-based incubators is that we offer client services that are not otherwise available in Appalachian Ohio: state-of-the-art office space and wet labs, training and mentoring by experienced business coaches and “graduates” of the IC.

TECHGROWTH OHIO (TGO)

One of six regional Entrepreneurial Signature Programs in the state funded by Ohio’s Third Frontier initiative, TGO is the only one hosted by a university. Since its launch in 2007, TGO has:

• enabled high-potential technology-based startups to acquire nearly $248M in resources to overcome startup hurdles, acquire customers, and grow sustainable companies

• leveraged its state grant funding to acquire $14.80 in follow-on resources for client companies for every $1 of state money invested.

To be eligible for TGO services, a prospective client must be a technology startup with fewer than 30 employees and under $5M in annual revenue, located in Southeast Ohio, and either ready for commercialization or with potential to get there. This last criterion can be difficult for start-ups in our predominantly rural region, where investment commercialization is less familiar, to meet. Therefore, TGO reverses the venture-capital standard “quick no” approach to venture assessment for a “slow yes” methodology that ensures place-appropriate coaching and building of entrepreneurial toolkits. TGO nurtures its potential clients, helping them remediate weaknesses with assistance and reasonable resources before making a final assessment of eligibility. Once accepted, clients will receive services as long as they are proceeding toward technology commercialization, meeting milestones, and remaining coachable.

TGO’s staff of Executives in Residence (EIRs) collectively provides a “deep bench” of expertise in advanced energy, biotechnology, healthcare, software applications, and sensor technology. Chosen for sector expertise and other relevant factors, one EIR is assigned to each client to coordinate customized services for the client. GROWTH funding of $5,000–35,000 may be awarded to procure external expertise such as a patent attorney. TGO also offers pre-seed funding with hundreds of thousands of dollars available for highly competitive, high-growth technology companies.

Access to capital at the appropriate point and deploying it in pursuit of the right milestones is often the difference between success and failure. Yet sources of capital in Appalachian Ohio are scarce, with 80% of clients having no access to start-up funding prior to TGO assistance. As our maturing entrepreneurial ecosystem has prepared more start-ups to qualify for needed capital, TGO has addressed the need for increased native capital sources in Southeast Ohio by helping to establish:

- East Central Ohio Tech Angel Fund (ECOTAF)—the first-ever organized angel group in Southeastern Ohio, and now one of the largest rurally-focused angel funds in the nation
• **Impact Angels**, a county-based ECOTAF-spinout in the northern part of our region.

At OHIO, TGO is working with the Ohio University Foundation and other university partners to create a privately-funded “evergreen” resource called the **Technology Commercialization Fund**, to meet the need for funding to bring high-quality technology innovations from bench to storefront in our under-resourced region.

For more information about TechGROWTH Ohio, visit www.techgrowthohio.com/

**CONNECTIONS**

OHIO’s Entrepreneurial Ecosystem has been developed over three decades; yet it continues to evolve. Appalachian Ohio’s needs and opportunities not only have influenced what we do, but are leveraged as a strength. OHIO has established a place-based approach to support and grow an entrepreneurial ecosystem that nurtures innovation and that develops the talent needed to turn innovative ideas into viable businesses.

OHIO’s Entrepreneurial Ecosystem has had consistent success in coaching innovators, technologists, entrepreneurs, and small companies through the earliest, riskiest phases of start-up. But success breeds new organizational complexities, such as supply-chain management, financial controls, project planning, human-resource systems, and rapidly growing sales volumes and distribution channels. To meet these next-stage needs, OHIO addresses the regional shortage of executive talent through both recruitment of new talent, and skill development of founding start-up teams through curricular approaches as well as mentoring by successful portfolio clients such as Global Cooling (innovators in low-temperature cooling) and Ecolibrium (innovators in solar-panel racking systems). When nurtured through this critical point with the necessary talent, start-ups can become engines of economic prosperity and further innovation in Appalachian Ohio.