

UCF BUSINESS INCUBATOR AT DAYTONA BEACH INTERNATIONAL AIRPORT



April 15, 2012

Summary Report

As outlined in the Agreement between the UCF Research Foundation and the Volusia County Economic Development, UCFBI-Daytona Beach International Airport is to submit quarterly reports to the County. The UCFBI must show the amount of space leased the types of businesses present, jobs created, and the number of workshops held.

Report Prepared by Doris "Connie" Bernal

QUARTERLY REPORT JAN-MAR 2012

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UCF Business Incubator at Daytona Beach International Airport

SUMMARY REPORT

“Principles and Best Practices of Successful Business Incubation



In 1996, NBIA’s board of directors developed a set of industry guidelines to help incubator managers better serve their clients. Since that time, NBIA research has consistently shown that incubation programs that adhere to the principles and best practices of successful business incubation generally outperform those that do not. The following industry guidelines are replicable and broadly applicable to incubation programs around the world, regardless of their focus or mission.

Two principles characterize effective business incubation:

1. The incubator aspires to have a positive impact on its community's economic health by maximizing the success of emerging companies.
2. The incubator itself is a dynamic model of a sustainable, efficient business operation.

Model business incubation programs are distinguished by a commitment to incorporate industry best practices. Management and boards of incubators should strive to:

- Commit to the two core principles of business incubation
- Obtain consensus on a mission that defines the incubator’s role in the community and develop a strategic plan containing quantifiable objectives to achieve the program mission
- Structure for financial sustainability by developing and implementing a realistic business plan
- Recruit and appropriately compensate management capable of achieving the mission of the incubator and having the ability to help companies grow
- Build an effective board of directors committed to the incubator's mission and to maximizing management's role in developing successful companies
- Prioritize management time to place the greatest emphasis on client assistance, including proactive advising and guidance that results in company success and wealth creation

- Develop an incubator facility, resources, methods and tools that contribute to the effective delivery of business assistance to client firms and that address the developmental needs of each company
- Seek to integrate the incubator program and activities into the fabric of the community and its broader economic development goals and strategies
- Develop stakeholder support, including a resource network, that helps the incubation program's client companies and supports the incubator's mission and operations
- Maintain a management information system and collect statistics and other information necessary for ongoing program evaluation, thus improving a program's effectiveness and allowing it to evolve with the needs of the clients."

Developed by NBIA, with credit to the book, *Growing New Ventures, Creating New Jobs: Principles and Practices of Successful Business Incubation*, Rice M. and Matthews J., 1995.

With that being said, the UCF Business Incubator at Daytona Beach International Airport Program has followed the best practices indicated by the NBIA. By the end of the first quarter of 2012, Daytona Beach Business incubator has enrolled nine startup companies. In order to maximize the success of these companies, each of their corresponding CEO's and the Site Manager have been developing individual strategies aiming to help build a strong start and a reliable business model. After these sessions, the Site Manager had identified in most of the clients the need of Intellectual Property Rights education along with Investors readiness information. Because of these reasons, and as a part of the marketing strategy for the incubator, the Site Manager decided to deliver as discretionary purposes two full-day symposiums at the beginning of 2012. The symposiums topics are as follows: Intellectual Property Rights and Funding Your Business. The 2012 Intellectual Property Symposium was held on February 21, 2012. This all-day event had experts from Cobb Cole Law Firm helped incubator clients and local entrepreneurs understand how to protect their business ideas. All aspects of Intellectual Property were presented to approximately 50 attendees. Evaluation remarks for this event were excellent. The Funding Symposium is schedule for April 12. In addition to these educational events below are the activities that will help clients grow.

1. ACTIVITIES:

- A. EIE Classes: Taught by experienced entrepreneurs, professional service providers and entrepreneurship faculty from the University of Central Florida, this course helped entrepreneurs clarify their business concept and walk them through the steps

of planning and starting a business. The course introduced resources and advisors that provide invaluable support in laying the foundation for a successful company.

- B. **Success Planning Sessions:** These strategic sessions are designed to help define the company business, market and capital strategies, and to build the business plan. Expertise and resources are identified for the company to utilize in addressing tactical needs as they are identified through the strategy sessions or through other informal interactions with Incubator Site Manager and advisors.
- C. **Sales Process Sessions:** Incubator management and advisors from the UCF Venture Lab have assisted clients in developing sales strategies and understanding the sales process. As required, referrals have been made to professional service providers who can further assist in developing and implementing effective sales strategies.
- D. **One-on-one business consultation meetings with Site Manager:** One-on-one business consultation meetings between Site Manager and incubator clients happen on a continuous basis. I prioritize management time to place the greatest emphasis on client assistance, including proactive advising and guidance that result in company success and wealth creation.
- E. **Business consultations' meetings** are also held with potential clients to determine their eligibility for possible acceptance into the UCF Incubation Program.
- F. The first Advisory Board meeting was held on March 8, 2012. During this meeting clients had the opportunity to showcase their companies. The board members were very pleased with the incubator activities. We engaged Jim Cairns for our next symposium to speak about his experience as an inventor.
- G. We have developed excellent relationship with different entities in Volusia that can help and support the incubation program's client companies. During the 2012 Intellectual Property Symposium we had a panel discussion featuring Volusia County Economic Development Department – Paul Mitchel, Small Business Development Center – Van Canada, Score – Ken Swanton, and UCF Small Business Development Center Procurement Assistance – Derek Hudson. They spoke about the resources available in Volusia County to help companies grow.

We continue interviewing potential clients. Below the list of interviewed companies:

a. Companies Interviewed Q1 2012:

Company Name	Status
Walt McMullen – Palm Coast Vending Services	Business Idea is not feasible
Pedro Morales	Business Idea is not feasible
Brian Hartley- The Body Shield	Accepted
Kimberly Yaney – Klein-Yaney Media	Accepted as off-site client. Will take the April EIE class
Doug Suhan	Business Idea is not feasible
Adelson Ramos – G4 Energy Savings	Helping Client with Incubator Application
Grow In Water – Tanya Stiffler	Looking for grant money

b. Incubator Presentations and Educational Events:

Events
Intellectual Property Symposium
High School of Government/Daytona Chamber
IntraCoastal Bank/Flagler
IEEEW monthly meeting

2. CURRENT CLIENTS:

Company Name	Status
1. AbM Engineering	On-site client
2. BestiProducts	On-Site Client
3. B3B	On-Site Client
4. Black Creek Financial	On-Site Client
5. Choose Rain	On-Site Client
6. Healthy You Centers	On-Site Client
7. Natures Water Systems	On-Site Client
8. Network Custom Guns	Off-Site Client
9. The Body Shield	On-Site Client

Incubator Metrics:

Metrics	3Q11	4Q11	1Q12
# of Jobs	6	11	20
# of Companies	3	6	9
# of Companies Applied	23	5	6
# of Companies Accepted	4	2	3
Graduate Companies	0	0	1

Jobs Created per Month

Daytona Incubator	Jan-12	Feb-12	Mar-12
Company			
AbM Engineering	4	4	4
BestiProducts	1	2	2
B3B	1	1	1
Black Creek Financial	1	3	3
Choose Rain			4
Healthy You Centers	3	3	3
Natures Water Systems			1
Network Custom Guns	1	1	1
The Body Shield		1	1
Total	11	15	20

3. CLIENT PROFILES:

a. Black Creek Financial



BCF provides ARMs (Audit Risk Management) & LEGs (Litigation support, Enterprise risk management, corporate Governance support), and hit the ground running – BCF consultants are seasoned Financial Services Audit Risk Management Professionals.

Product to be developed at the incubator: Black Box, a Cash Management Tool for Small Businesses.

<http://blackcreekfinancial.org>

b. Healthy You



Healthy You Medical and Wellness Centers' (HYC) mission is to create socially responsible Primary Medical Care Centers across the nation. HYC will provide accessible, affordable, high quality health care to people of all ages with an emphasis on education and prevention based on medicine. HYC offers access to truly affordable healthcare for everyone, with family packages starting as low as \$25 per month per member.

Healthy You Medical and Wellness Centers' staff continues working hard to get the investment needed to open their centers. www.HYCenters.com

c. AbM Engineering



AbM Engineering is a service-oriented engineering firm. AbM aims to become the engineering division of small businesses that can't (or don't see the need to) have full-time engineers on their staff, but periodically may need engineering services. AbM provides a highly educated, well experienced team specializing in mechanical, aerospace, drafting, and electrical engineering. AbM also offers LEAN consulting and CAD training.

d. Network Custom Guns

Network Custom Guns is a guns manufacturer that has a patented NCG Gas-Retarded Blowback System which offers a cost effective method to refit current stores of 1911 pistols to provide operators with a superior weapon which is highly accurate, has a high rate of fire weapon of large caliber to potentially recoil sensitive individuals while

reducing the maintenance schedule to the unit. Additionally, for those “special situations” where a fully suppressed, optic-equipped weapon is required, there is simply no better choice than the patented NCG Fixed barrel Gas-Retarded Blowback system.

e. **Best3Bids**



B3B LLC provides a service that saves the consumer time and money when planning a home improvement or construction project. If 3 bids are needed for any construction project, www.Best3Bids.com is the website to go to request 3 competitive bids. By hiring experienced superintendents and project managers that speak the same language as the contractors, B3B will provide in a timely manner the best 3 bids your project deserves.

f. **BestiProducts**

BestiProducts™

Their flagship product, the iEraser™, is the result of nearly two years of product development and is The Ultimate Screen Cleaning Device™. It is unparalleled in its tenacity to clean fingerprints and smudge from glass screened tablets, monitors and flat screen TVs. (Please note that the iEraser™ is not designed for smart phones due to protective impact films, makeup and facial oils which mar its cleaning ability.)

They currently have several other products for the electronic arena under development, and they will roll out these products in coming months. Over time, they will expand their product offering to other unique items such as toys, home décor and who knows what! One thing we do know- they will be the best you can buy!

g. Nature's Water Systems



Natures Water Systems Inc. is dedicated to provide maintenance free and environmentally friendly water treatment systems and the highest quality of water while protecting our most valuable asset on earth, "Water". Natures Water Systems Inc. manufactures and sells factory direct Whole House Water Filters, Salt-Free Water Softeners and complete well water filtration systems.

h. The Body Shield Inc.



The Body Shield is a custom woven workout towel for the health and fitness industry. We produce our patent pending workout from only the best and finest of proprietary materials, mainly 100% North American Pine. The units are designed with a reverse hood for attaching product onto most any health related fitness equipment. The back side of the workout towel has a non-slip surface that stabilizes both the user and the towel. Our company currently has license agreements with the US Marines, the US Air Force, Army almost finalized, and working on fitness centers such as Gold's Gym and retail outlets such as GNC, Wal-Mart and Cosco's. We have product endorsements from the best body builders in the industry -- names such as Kiyoshi Moody, Nick Scott wheelchair Body Building champion, celebrity Robin Arcuri, and senior citizen Ron Klein the grandfather of invention.

i. Choose Rain



Choose Rain LLC was formed to capture and bottle rainwater without chlorine in a biodegradable and recyclable bottle for the Central Florida market. Our Ormond Beach, FL facility's 75,000 sq. ft. roof will allow us to capture 2.2 million gallons of rainwater annually, enough to bottle 16 million 0.5 L bottles of rainwater. Choose Rain offers a pure, fresh, healthy and Eco-friendly alternative to all the other bottled waters on the market. Choose Rain, coming from a cloud near you.

4. CLIENT HIGHLIGHTS IN THEIR OWN WORDS

AbM Engineering:

"AbM continues to grow inside the UCF incubator program:

- 1. We had several meetings with Frank Watts of the Venture Lab and are well on our way to finalizing an effective marketing strategy and plan.*
- 2. AbM maintains three part time contractors as well as the principal, Magdy Attia.*
- 3. AbM is performing a supporting role to a US Army SBIR phase I award winner; we are fully expecting phase II award soon.*
- 4. AbM successfully submitted a US Navy STTR phase I proposal in collaboration with ERAU, and awaiting response.*
- 5. AbM has been "verbally" engaged by Coastal Steel (lead provided by Connie Bernal) and is finalizing paperwork (retainer agreement plus additional ongoing contracts).*
- 6. AbM is in the process of engaging the Boeing corporation as a prime client, currently evaluating 6 proposals." Magdy Attia*

- **Choose Rain:**

"Choose Rain LLC has come a long way in Q1, 2012. We received our first 60,000 bottles of rainwater bottled without using chlorine in a biodegradable & recyclable bottle. We launched Choose Rain at several venues and have now been exposed to a loyal following of thousands. We leased 12,700 sq. ft. of manufacturing space in

Ormond Beach for our manufacturing plant. We were fortunate to have been chosen to become an incubator client beginning March 1, 2012.

"We need to expand our distribution and customer base. More importantly, we need to set up manufacturing in Ormond Beach, FL to reduce our cost from \$.56 a bottle to under \$.25. This requires securing investor funding of at least \$600,000 to purchase the required equipment." **Larry Curran**

- **The Body Shield**

"One of the judges from the UCFBIP EIE Class has joined my company as a board member and a distributor. He currently has moved product specifically to the US Air Force as the company has a license agreement with that division of the armed services. He has put at least three bases online ordering units and also has placed a rather large order that he will distribute as well as custom orders for specific bases.

Another win has been that one of the board members for this incubator, an attorney, had a previous client that he connected me with who has been in the direct marketing business for 20 years (infomercial) and he currently has the product and will be mentoring and hopefully partnering with us to distribute product on television.

Another win has been that through the association of the SCORE program I found a web master who has built and launched a new web site and is working with online marketing for the company.

Here at this incubator we have a Small Business Development Center, and Derek Hudson has assisted me with putting together my Dunn number and filling out my CCR for selling our products directly to all local, State, and Federal Government agencies.

I also have already had meetings with the city planning and development person, Mr. Counts Emory, about where we could have the best assistance for setting up our facility for county, state, and federal assistance programs, all as a result of being involved with the Incubator Program as he was also one of the participants at the ribbon cutting ceremony.

I also have been able to put together a PowerPoint presentation and have given it in print and email and actually had the opportunity to give a live presentation slide show to a few panelists and investors on several occasions.

Having the UCF Incubator program assist me in making my goals start coming into reality has been exceptionally helpful. I also would like to give high recommendations for the staff regionally and locally. Arlene Wilson has been of great assistance and has even brought me to Toastmasters with her as a guest so I can work on developing the skills of public speaking. Doris (Connie) Bernal has been both a great advisor and also helped me with personal issues that were starting to stagnate my progress.

I am very happy with all the help with my company in the forward goals toward not only selling product but creating a vision for providing jobs for the community.

If I could recommend any program for getting your start-up company going forward in the right direction, it would be the Business Incubator Program sponsored by UCF and assisted by Gordon Hogan and Tom O'Neal.

Thanks to all the other clients within both this incubator and others for their inspiration and friendship.

With sincere appreciation for assistance in both personal and business development

Brian Hartley, CEO."

- **BestiProducts**

"Best iProducts.com is just hatching out of its shell! Our administrative offices and manufacturing facility are based in Edgewater, Florida. Our design office is located within the UCF Business Incubator Facility in Daytona Beach, Florida.

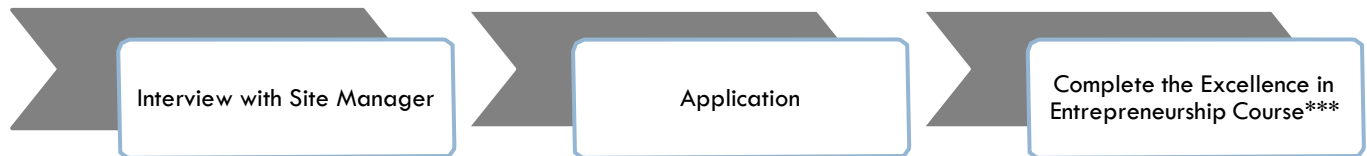
From the start, our goal has been to offer products that are made in the U.S.A., bringing jobs back to our shores and ensuring only the highest quality of materials and workmanship for you with everything that we sell.

Sensing the ever increasing popularity of tablets, PDA's and other hand-held electronic devices, we determined that this was the first market segment we wished to address.

5. PROSPECTS:

Company Name	Industry	Status
Mammoth Venture Ideas	E-learning	Looking for seed money
G-4 Energy Savings	E-Commerce	Looking for seed money

Prospective Clients - General Process (length of process 1 to 3 months)



6. TRAINING/CONFERENCE ROOM USE:

Company Name
SCORE (2)
Tiger Bay Club
Healthy You Centers (2)
Toastmasters
Frank Watts
Black Creek Financial (2)

7. INCUBATOR ADVISORY BOARD STATUS

The first Advisory Board meeting was held on March 8, 2012.

- Below is the meeting agenda:

AGENDA

UCF Business Incubator at Daytona International Airport
Advisory Board First Meeting

March 8, 2012
3:00 to 4:35 P.M.

Meeting called by Gordon Hogan

Board Members Please list the board Members

- Rick Karl
- Phil Ehlinger
- Doug Daniels
- Dave Hood
- Erick Palacios
- Dennis Stark
- Robert Vechiola
- Mark Andrews
- Jim Cairns

Time	Item	
3:00-3:05	Welcome	Gordon
3:05-3:15	Introductions Board Members	Gordon
3:15-3:25	Presentation of the UCFBIP	Gordon
3:25-3:35	Discuss about the role of the Advisory Board	Gordon
3:35-3:40	Vote on Secretary – Arlene Wilson	Gordon
3:40-3:45	Tour	Gordon
3:45-4:30	Client's Showcase	Connie

Finally, Daytona Beach Business Incubator is ahead of schedule and, therefore, emphasis for the next three quarters will be serving the current clients to have a positive impact on its community's economic health and job creation.