Quarterly Report - 2Q15

June, 2015

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Summary Report:

   According to Dr. O'Neal, the founder of the UCF Business Incubation Program, "Business incubators are the engine of economic growth. They serve as a catalyst to create enduring, companies that contribute to the community and the U.S. global competiveness." As part of the UCF Incubation Program team here in Volusia County, we make every effort to live up to these standards. We strive to be that catalyst for startup businesses and stand by them to make an impact on the economic growth of our region. Throughout the second quarter of the year 2015, we have attended and hosted educational events, expanded our co-working space, and are now working towards a technology incubator mindset.

   In April, I had the honor to attend the National Business Incubation Association (NBIA) conference in Denver, Colorado. At the conference, I was introduced to a fairly new business theory, The Boulder Thesis. The Boulder Thesis was presented by Brad Feld, a very well recognized entrepreneur, author, blogger and venture capitalist in the Foundry Group in Boulder, Colorado. In the thesis, he talks about the Entrepreneurial Ecosystem and its four attributes. The four attributes are: 1-Entrepreneurs have to be the leaders; 2-Entrepreneurs must have at least a 20-year commitment; 3-We have to be inclusive; and 4-We need to organize activities and events that are relevant to the growth of our local entrepreneurs. These four attributes are essential to sustaining a vibrant startup community.

   An example of our vibrant startup community is the evolution of our local incubator. Today, we have a technology incubator with amazing people, eager to continue growing by recruiting valuable entrepreneurial leaders who are committed to staying in Volusia County over the next 20 years. With this in mind, the idea is to get more focused on getting to know each other, working together as a team, being inclusive of anyone else who wants to engage, and doing things that help our geographic location to think more in terms of technology and innovation. We'll do as much as we can to be the next successful technology cluster in the state.

   Another example of these attributes is the creation of events that contribute to the growth of our incubator clients. During the second quarter, we hosted three very successful events that were relevant for our clients and our business community as follows: The Incubator Business Showcase, in which we launched www.DetailsFlowers.com and showcased five technology companies. This event allowed our clients to pitch their businesses to a crowd of local investors as well as gain recognition within our community. The event continued with an inspirational speech by Corrine Heck, the CEO of Details Flowers. It was very exciting to hear the story behind her business and to see how this was encouraging to other local entrepreneurs in the audience. Next, Richard Licursi, a well-known venture capitalist, shared his advice on what investors look for in businesses. The experience and knowledge that Mr. Licursi presented was unbelievably

motivational, especially for Mrs. Heck and her employees who had multiple local clients and investors present for the Launch of www.DetailsFlowers.com.

Our second event was an Intellectual Property symposium. The four hour Intellectual Property Symposium was presented by one of our mentors, Heather Vargas, a local attorney with Cobb Cole. This event was completely booked. We needed to livestream it online in order to accommodate some last-minute attendees. Heather Vargas explained to the audience how to protect their business ideas. On the guest list were many local entrepreneurs, including Nancy Tedeschi, who is also very familiar with the subject.

Our third event of the quarter was our quarterly Entrepreneurial Morning, which included two speakers: Jan Edwards - Five Secrets of Sales Success and Ken Countess - Social Media 101. These events were largely attended and open to the public.

Next, the Volusia County Business Incubator hosted the Florida Business Incubation Association (FBIA) conference. At this conference, I introduced the ecosystem and demonstrated how we are incorporating the four attributes in our entrepreneurs and showed our neighboring incubators exactly where we want our incubator to go. They also learned about how inclusive we are, how we have mentors, local entrepreneurs, investors and local faculty members attending our completely booked events. The changes and actions we need to further succeed in our entrepreneurial ecosystem were also shared with the conference attendees. Some of the actions we have already taken towards success include the new and improved co-working space for developers and coders and we have plans to add to the incubator a prototype maker-lab. We are applying for grants and are fundraising within our community to make this happen.

   Throughout the second quarter, many of our incubator companies have come forward to help us to accomplish these goals. They bring years of technology knowledge and experience. An example of this is Space Training Adventure Inc. who is working to validate their STEM (Science, Technology, Engineering and Mathematics) curriculum with high school students. We believe it is important that our younger generations receive more exposure to technology endeavors since they are the ones who will continue the legacy of our tech startup business community. These combined strategies are exactly the catalyst needed to create successful enterprises with high paying jobs.

2015 Strategies:

Co-Working Space for Developers and Coders

- Skilled programmers and technologically savvy personnel are needed for our current incubator clients growth. This talent is difficult to find in Volusia County. For that reason, we have expanded our co-working space to make the incubator a friendly place for developers and coders to meet and work together.
- We have partnered with a local portal/apps developer willing to provide deep training into all the tools, technologies, and developer processes they need to be succesful in Ruby, HTMK, CSS Sinatra, Testing, Rails, and Javascript. The idea is for locals to learn from the best programming education crafted by industry experts to deliver technical knowledge and skill building along with real world application working in the incubator clients' companies. The future goal is to partner with UCF to accredit the 24-week classes.

Prototype Maker-Lab

- One of our incubator clients received a donation of two 3D printers to validate their STEM program curriculum. Due to this generosity, we have started a prototype Makerlab at the incubator. Thanks to the DAB Airport administration, we added a perfect room for the makerspace.
- The objective of the prototype Makerlab is to provide Volusia County entrepreneurs, especially our incubator clients, with the knowledge and resources to be on top of the emerging maker movement. 3D printing (and the emerging Maker Movement) help technology companies to develop prototypes in a very affordable way, so that they can validate their creations in house. In addition, it will contribute to the growth of our innovative culture of technology startups in our region, empowering our clients with the know-how and tools to manufacture future technologies. Thus, this endeavor has important implications for many facets of business development, including manufacturing, product design, and innovation.
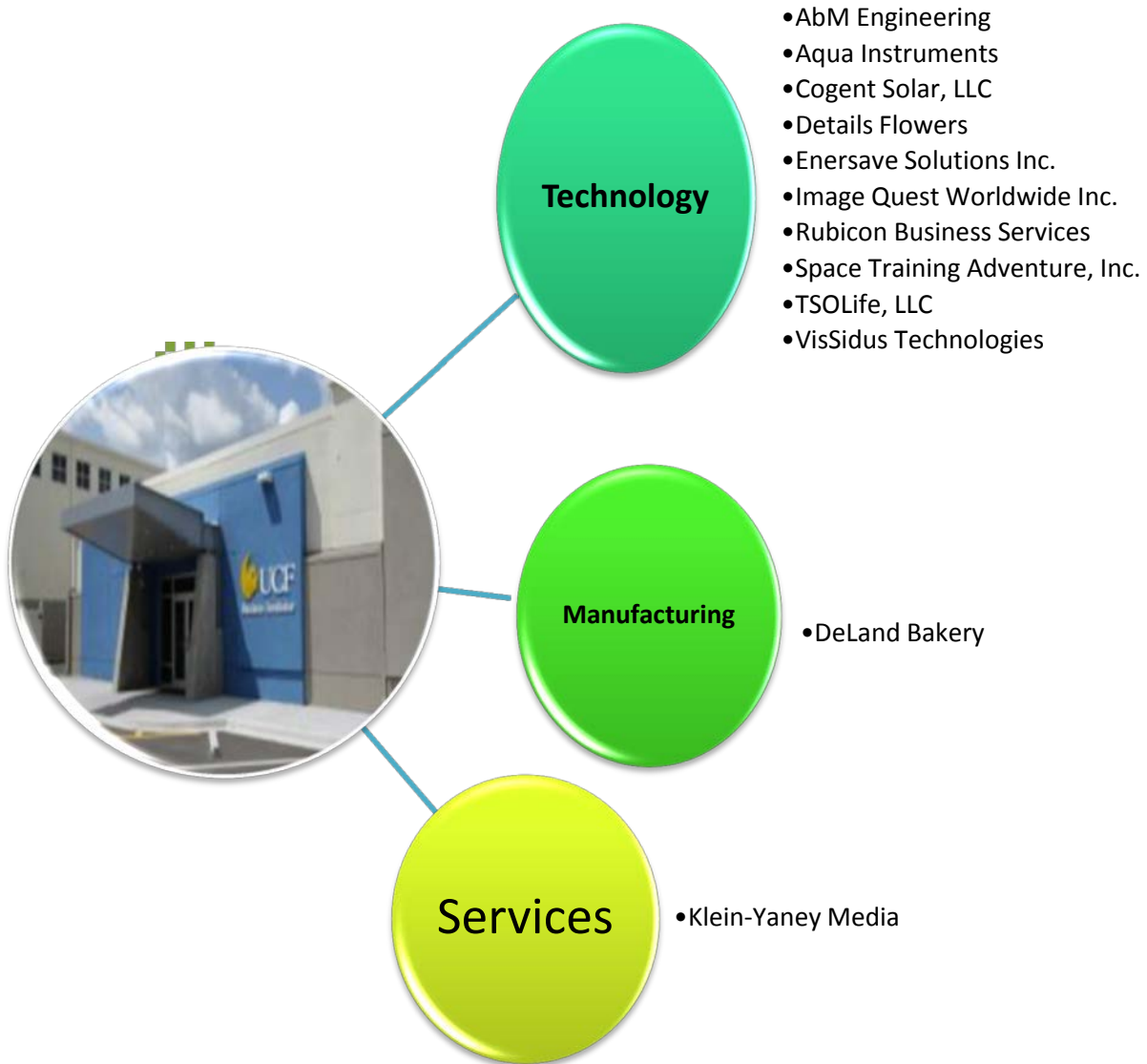
West Volusia Project

- We continued working on the West Volusia project conducting one-on-one sessions with West Volusia entrepreneurs.
- We like what we've seen so far at Stetson University. They are a hightly motivated community with much to offer in business and entreprenership. We continue building our relationship with them.

1. **Incubator Metrics by Quarter:**

Metrics include the number and types of businesses present, number of prospects, number of jobs, number of workshops held, and the amount of leased space, etc.

Total number of companies = 12, of these, 10 (83%) are technology companies.

Technology

- •AbM Engineering
- •Aqua Instruments
- •Cogent Solar, LLC
- •Details Flowers
- •Enersave Solutions Inc.
- •Image Quest Worldwide Inc.
- •Rubicon Business Services
- •Space Training Adventure, Inc.
- •TSOLife, LLC
- •VisSidus Technologies

Manufacturing

- •DeLand Bakery

Services

- •Klein-Yaney Media

Clients' Websites:

Company Name	Status	Company Website
1. AbM Engineering, LLC	On-Site Client	http://www.abmengr.com
2. Riggle Enterprises Inc. D.B.A. Aqua Instruments, LLC	On-Site Client	www.aquainstruments.com
3. Cogent Solar, LLC	On-Site Client	www.cogent.solar.com
4. DeLand Bakery, Inc.	Off-Site Client	www.DelandBakery.com
5. Details Flowers – Technology	On-Site Client	www.detailsflowers.com
6. Enersave Solutions Inc.	On-Site Client	www.enersavenow.com
7. Image Quest Worldwide Inc.	On-Site Client	www.iqww.com
8. Klein-Yaney Media, LLC	Off-Site Client	www.K-YMedia.com
9. Rubicon Business Services, LLC - Technology	On-Site Client	http://rubiconservices.net
10. Space Training Adventure Inc.	On-Site Client	www.spacetrainingadventure.com
11. TSOLife, LLC	On-Site Client	www.tsolife.com
12. VisSidus Technologies, Inc.	On-Site Client	www.vissidus.com

Exit Companies:

1. AquaSolve Ventures, LLC	On-Site Client	www.aquasolveventures.com

Graduate Companies:

1. Medical Exercise Associates	Off-Site Client	www.medicalexerciseassoc.com

Number of Jobs

Metrics	4Q14	1Q15	2Q15	3Q15	4Q15
# of Stage One Companies	12	11	11		
# of Stage Two Companies	2	2	1		
Total Number of Incubator Companies	14	13	12		
# of Jobs Stage One Companies (2-9 employees)	65	33	40		
# of Jobs Stage Two Companies (10-99 Employees)	100	102	68		
# of Jobs Graduate Companies	40	42	69		
# of Temporary Jobs	5	5	5		
Total # of Jobs	210	182	182		
# of Interviewed Prospects	21	35	16		
# of Companies Applied	2	10	7		
# of Companies Accepted	2	2	3		
# of Pre-Incubation Companies	3	5	4		
Graduate Companies	5	0	1		
Exited Companies	2	2	1		

Number of Prospects / Pre-Incubation Companies:

Pre-Incubation companies are prospective businesses that are preparing to become incubator clients. The pre-incubation process includes the development of The Business Model Canvas, which is a rigorous testing of business model assumptions. In addition, we assist the company with the refinement of the documents to be attached to the incubator application. The following are the prospective clients, who are in the process of completing the necessary requirements and will take the next EIE class starting in August 2015.

|	
1	Ryan Paiva – Golevel, LLC
2	Shauna Altes – Maple Box Dolls
3	Mars Liao – Liao Aviation Inc.
4	Shailesh K. Patel – Orange Blossom Landscaping

Training and Conference Room Use:

# Training Workshops	3
# SCORE Workshops	13
# Training Attendees	504
# People Counseled	36
# of Visitors	592

Occupied Space:

Our occupied rate at the four-year mark is better than any other incubator in Central Florida.

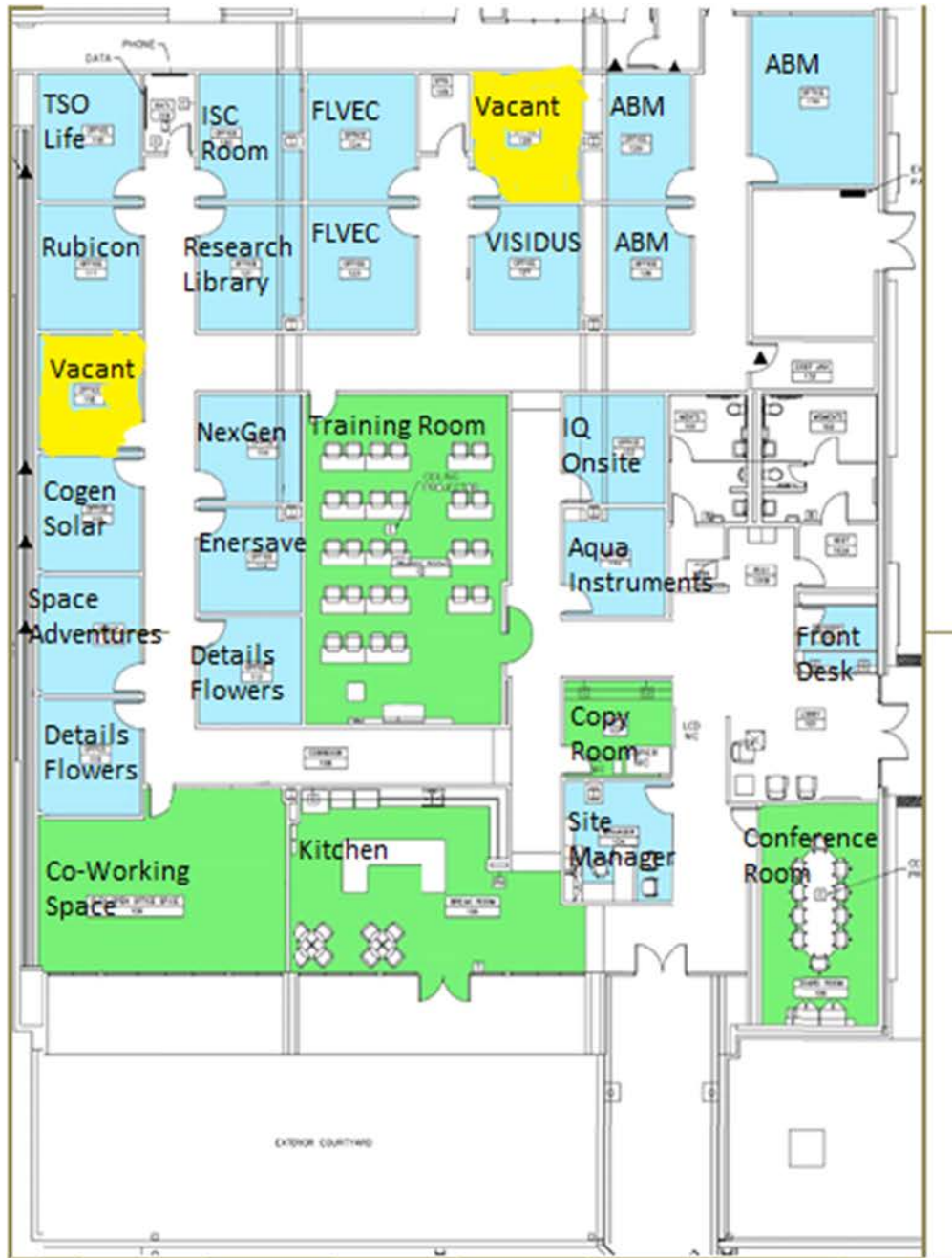**Occupied Space is 80.3% as of June 30, 2015:**

Occupied Space

- Occupied
- Available
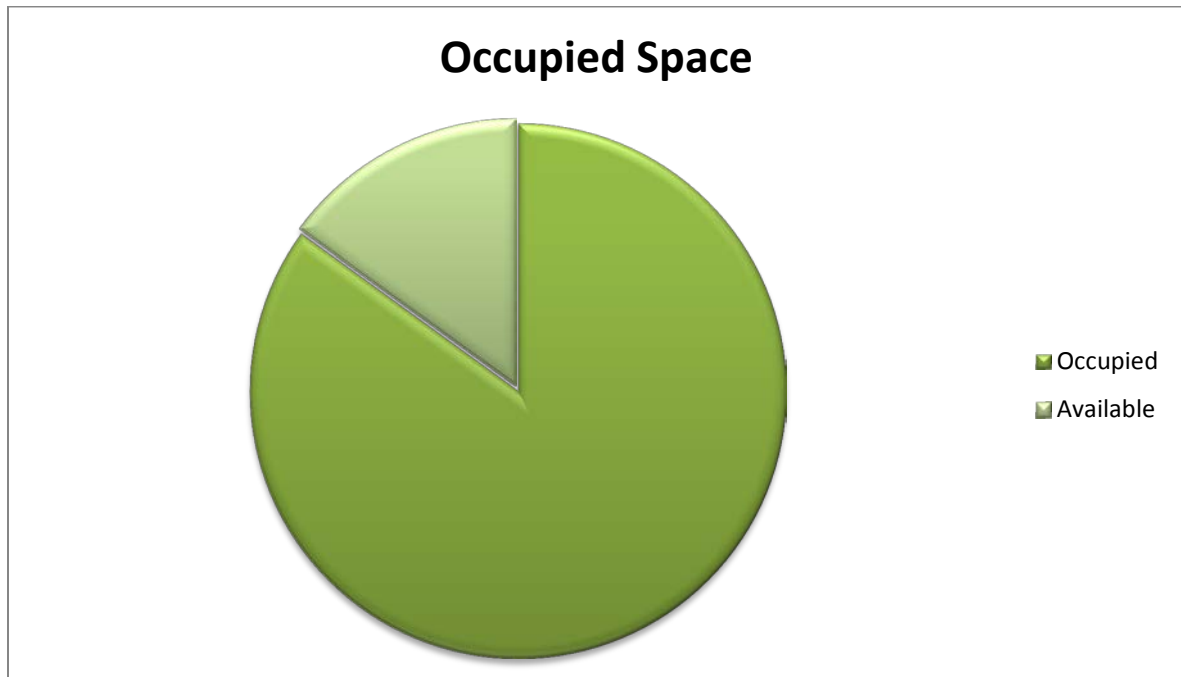
Anchor Tenants:

Company Name
• **Florida Virtual Entrepreneur Center / Michael Zaharios** • **NextGen**

UCF Business Incubator – Daytona Beach International Airport's Floor Plan

- Our neighbors, NextGen, ran out of space and asked us to facilitate the use of an office for a short period of time. Having high caliber anchor tenants, especially technology programs like NextGen, help the incubator to gain exposure and visibility.