VIRTUAL INCUBATOR FOR ENTREPRENEURSHIP: A PROPOSAL

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Overview
The School for Graduate Studies proposes to pursue and develop a virtual small business incubator which focuses on entrepreneurial practices.

Purpose
This project seeks to benefit the state of New York, within the responsibilities of SUNY Empire State College as a public institution. More importantly, this project falls within the institution’s unique mission to support adult and life-long learners with a special emphasis on learning at a distance.

Relationship to mission
Empire State College is a unique institution within SUNY in its ability to serve adult learners in general, and previously degreed professionals through its graduate degrees. More important, Empire State College has the nimbleness and flexibility not within the abilities of traditional institutions. The entrepreneurial concept also fits within our mission as the essence of successful entrepreneurship is interdisciplinary approaches to complex problems. Our statewide presence also allows us to create unique cohorts and serve the state as a whole as opposed to a single region.

Necessity of a Virtual Incubator
According to the University of Michigan, 87% of incubator graduates stay in business for 5 years or more. This compares to roughly 50% of new businesses within the state of New York after only one year. Additionally, this serves important needs identified in the SUNY Chancellor’s Top Ten List of Regional Economic Development Strategies (which is itself based on Brookings Institution, IBM Smarter Cities Challenge and the 2009 NYS Task Force on Economic Development).

Services
While there are some services normally provided by a traditional incubator which we cannot provide (such as internet access, access to funding and venture capital, etc.), not all incubators can provide all services. What we can provide would include:

• Help with business basics
• Networking activities
• Marketing counseling
• Workshops on accounting/financial management
• Review of Business Plans
• Help with presentation skills
• Links to higher education resources
• Links to strategic partners
• Comprehensive business training program
• Management team development
• Help with business etiquette
• Technology commercialization assistance
• Help with regulatory compliance
• Intellectual property management

We will provide bi-weekly webinar sessions on relevant topics. Faculty will initially participate voluntarily; for purposes of renewal and review, participation will be considered in the category of service work as opposed to part of their teaching responsibilities. As part of that service work, faculty could also volunteer to mentor specific participants. In terms of scholarship, faculty can also work collaboratively to develop case studies which we would place into an open repository for all of New York. This would contribute to the initiative on case studies currently being initiated in the School for Graduate Studies. Part of the funding we will seek will be for honoraria.

We will also include alumni who would like to participate. Again, this would be on a voluntary basis, and based on the individual alumni’s relative success in entrepreneurial programs. We would also include unique strategic partners who would bring the appropriate resources to the table.

From the team of participants, faculty, alums, and partners, we would seek to appoint a coach for each participant in the incubator.

The model we are developing form is the Stanford Technology Ventures Program (STVP); however, we would keep the program open and not focused specifically on Technology alone. However, as planning advances, we may want to specify specific areas of encouragement such as technology, health, alternative energy, but this would be evaluated as the proposal moves forward.

**Partnerships/Joint Activity**

In this venture, we would seek support from partners who would join us in this activity in supporting and participating.

We would request from partners:
• Participation in providing resources such as information, presenters, possible mentors
• Access to appropriate individuals
• Financial support for the administration of this program
  - Staff support
  - Honoraria
• Referral of appropriate participants and our academic programs as well
• Assist in the selection of which businesses to admit
**Grants**

We will work with the grants office to seek and apply for grant funding for this initiative. Entrepreneurship is gaining increasing attention from both government granting agencies and private foundations.

**Participants**

The initial Pilot group would consist of 20 small businesses. We would seek 2 in each Regional Development Council—however, that would depend on the quality of applications. Participants would remain in the program for one year, and can apply to continue for following years.

**Budget**

The bottom line cost would be staff time to set up and administer the initial run of the program as well as time used for the technology. With appropriate partner/grant support we would seek in priority order: a stipend for a faculty program coordinator, a full time staff person, to pay honoraria for presenters and honoraria for coaches, fund external activities for participants, and to pay stipends to participants to attend an on-ground summer workshop in Saratoga Springs.

**Sustainability of model**

Each participant receiving the benefit of the Virtual incubator, would attend the program without fee, however, they would be asked to contribute 1% of the net profits of their business for five years following their first year of the program.