

New Mexico State University

ARROWHEAD CENTER

LEADING ECONOMIC DEVELOPMENT FOR NEW MEXICO STATE UNIVERSITY



Small Technology Business Incubation Needs

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Live, Learn and Thrive

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Small Technology Business Incubation Needs

1.0 INTRODUCTION

This report contains a summary of typical business incubation needs of small technology companies. This document will serve as a guide in the design and implementation of services offered by the National Security Technology Incubator (NSTI), an incubator program being designed and developed as part of the National Security Preparedness Project (NSPP), performed under a Department of Energy (DOE)/National Nuclear Security Administration (NNSA) grant. This report includes a brief description of the methodology used to perform the needs assessment and services proposed to meet the needs of client companies. An assessment of the incubation needs of potential small technology business is due by December 31, 2007, as performance measure 1.1.3 (Grant No: DE-FG52-07NA28084, Arrowhead Center proposal, Page 15).

The purpose of the NSPP is to promote national security technologies through business incubation, technology demonstration and validation, and workforce development. Goals, supporting objectives, and performance measures of the NSPP are defined by these three areas of activity. The NSTI will focus on serving businesses with national security technology applications and nurturing them through critical stages of early development.

The vision of the NSTI is to be a successful incubator of technologies and private enterprise that assist the NNSA in meeting new challenges in national safety, security, and protection of the homeland. By nurturing the business and technology needs of its clients, the NSTI will contribute to the success of businesses in the rapidly growing entrepreneurial environment in southern New Mexico. By matching NNSA technology requirements with technologies of small businesses, the NSTI will assist small businesses in finding customers and the NNSA with finding technologies to make the nation more secure.

2.0 NEEDS ASSESSMENT METHODOLOGY

Typical business support needs and incubator services were identified by reviewing literature offered by the National Business Incubation Association (NBIA), an organization dedicated to the successful development and operation of business incubators.^{1 2} Also, examples from the Technology Acceleration for National Security (TANS) were used to understand needs of small and start-up businesses.³ One of the goals of the NSTI is to become a member of the TANS network, and thereby benefit client companies through expanded networks and funding opportunities. The TANS network provides small technology companies an opportunity to find financially secure customers rapidly, both government security agencies and big corporations seeking security technologies.

This assessment of business incubation needs will be updated with the results from an on-going feasibility study for an incubator program in southern New Mexico. The study is scheduled for completion in Spring 2008. Initial findings of the study reveals that a market exists for a business incubator program to help improve the success rate of start-up companies and to assist businesses with expansion into new markets. The feasibility study will provide a framework for the design and development of the NSTI program and includes:

- Analysis of the market for a southern New Mexico incubator
- Identification of unmet needs for business assistance among area entrepreneurs

¹ K. Boyd. Developing a business incubation program. NBIA publications, 2006. Athens, OH.

² Developing a Successful Incubator, 16th Fall Training Institute presented by C. Lauffer & J. Robbins. October 2006.

³ <http://www.mysanantonio.com/business/stories/MYSA111705.1E.hendricks.15faf23c.html>

- Assessment of local economic development goals and how the incubator can contribute to the economic development efforts in Southern New Mexico

The NSTI program will offer core services based upon typical business incubation requirements, but also will tailor its services to meet the needs of technology companies requiring access to customers and investments. Areas of assistance typical for the growth of small technology firms will be addressed in the following section.

3.0 NEEDS AND PROPOSED SERVICES

The following services have been identified and recommended by the NBIA for developing any incubator program and answering the needs of the small and start-up business. The NSTI program will scope these basic services based upon the level of available resources, funding, and availability of incubator space.

1. Assistance with business plans, strategic planning, marketing, product commercialization, and financing;
2. Assistance with management plans and practices;
3. Entrepreneurship workshops;
4. Business development seminars;
5. Consultation and referral regarding intellectual property issues;
6. Specialized business assistance (legal, financial, accounting) using an established resource network;
7. Business address, mail service, Internet connection;
8. Assistance with networking and telecommunications;
9. Facility administration and front desk reception services;
10. Access to shared conference rooms; and
11. Use of copier and fax (usage charges only).

In addition to these basic services, the NSTI program will provide services tailored to small security technology businesses, including facilitated access to potential security technology customers (such as NNSA), part-time administrative support, access to technology demonstration funding, and engineering and technology development assistance.

The NBIA defines a business incubator as “a comprehensive business-assistance program that helps start-up and early-stage firms, with the goal of improving their chances to grow into healthy, sustainable companies.”⁴ Ideally, incubation programs provide their services to client companies through an incubator facility. Funding is not available at the current time to build or rent an entire facility for the purpose of business incubation. Therefore, Arrowhead Center intends to make space available for NSTI clients in the Genesis Center, a complement of three buildings located on New Mexico State University land on its Las Cruces campus. Although a building is not essential to provide services, it brings many benefits to the incubation program including the creation of the entrepreneurial community and networking with other client companies in the incubator facility.

A critical role in the delivery of the NSTI incubator services is fulfilled by the Technology Entrepreneur, who will serve as the chief advisor to all client companies and will hold regular meetings with each client to address specific needs. The Technology Entrepreneur will identify appropriate resources for the client and facilitate referrals to internal and external service providers. An administrative assistant will provide secretarial support to the incubator companies.

⁴ Boyd, K. (2006). *Developing a business incubation program: Insights and advice for communities*. National Business Incubation Association, Athens, Ohio.

The NSTI will take advantage of an on-going series of seminars and workshops on topics relevant to small businesses sponsored by the Entrepreneurship and Small Business Program, funded by a grant from the Small Business Administration (SBA). In addition to these seminars and workshops, the NSTI will offer additional networking opportunities through other sponsored special events. The NSTI also will support and promote educational and networking events hosted by other local, state, and national organizations and encourage participation in technology trade shows and exhibitions.

The NSTI will offer client companies training in proposal preparation for federal grants and contracts and assistance in acquiring the DUNS and CCR numbers their companies need for doing business with the federal government.

The NSTI will develop a network of professionals willing to offer services to its clients at a discounted fee. In addition, NSTI will rely upon its strategic partners, such as the Small Business Development Center located in Las Cruces, New Mexico, for referrals to professionals, such as attorneys, who have a track record of assisting start-up and small businesses.

Marketing and visibility-enhancement assistance will be offered to NSTI clients to promote their business, products, and services. NSTI staff will assist in the development of press releases and other promotional materials for client companies. Assistance also will be provided in reviewing client Web site content and other client marketing materials upon request. Referrals to partner organizations for creation and development of Web sites, brochures, and other marketing materials will be provided. All client companies will be listed on the Arrowhead Center Web site with a brief company description and a Web site link.