

Capital Region SlingShot Compact: Strengthening the Innovation Ecosystem

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Prepared for:

Capital Region Workforce Development Boards:
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Capital Region SlingShot Compact

SlingShot Executive Summary

The Capital Region SlingShot initiative aims to strengthen regional economic prosperity and improve income mobility by creating a stronger regional innovation ecosystem. The Capital Region's innovation economy is a major driver of regional economic prosperity. Innovative businesses—both start-ups and more established firms— increase economic productivity, making rising wages and income mobility possible. But the region's innovative economy alone will not necessarily create widely shared prosperity. Through SlingShot, the Capital Region will implement a strategy for increasing the region's capacity to innovate, while ensuring that all of the region's residents are able to access opportunity in the innovation economy. A major aim of SlingShot is to ensure that the Capital Region is known nationally as a place where innovation thrives and business startups can be successful.

Strengthening the region's innovation ecosystem will require a broad-based, collaborative approach that mobilizes the region's innovation assets to accelerate job and business growth. The SlingShot initiative will center on:

- A set of shared outcomes among businesses, civic and public partners that includes both process and long-term impact measures to ground the SlingShot strategy and monitor progress;
- Strong industry leadership and engagement from both established businesses as well as start-ups in defining and championing priorities for action to strengthen the region's innovation ecosystem;
- An integrated approach among partners in workforce development, education, economic development, provider services, capital access and others to play complementary roles in promoting and accelerating innovation and addressing priority opportunities and system gaps.

Next Economy Sets the Stage for SlingShot

In 2011-12, the Capital Region initiated a business-led process in response to high levels of job loss and the Recession to conduct research and broad community engagement to build *The Next Economy: The Capital Region's Plan for Prosperity*. Thousands of stakeholders representing hundreds of businesses, organizations and institutions from across the six-county Capital Region helped identify ways to solve the Region's economic growth challenges.

The implementation plan of Next Economy included several goals underpinning the region's six core high growth economic clusters. Among them were to develop a talent pipeline, ensuring that workers have the necessary skills to obtain available jobs and help businesses grow, and to foster an innovation ecosystem that accelerates business and job growth for start-up and existing businesses.

Building on Next Economy, SlingShot developed more targeted strategies to support the innovation ecosystem. SlingShot implementation builds on the momentum of Next Economy while putting the commitments, structure and strategies in place to catalyze the innovation economy in the Capital region

The SlingShot project is a collaboration among four Workforce Boards (WBs), including Golden Sierra, North Central Counties Consortium, Sacramento Employment & Training Agency, and Yolo Workforce Board. Together, the regions of each WB make up the nine county Capital Region, including Alpine, Colusa, El Dorado, Glenn, Placer, Sacramento, Sutter, Yolo, and Yuba counties. The Capital region has diverse workforce needs and a very large geography, ranging from rural to metropolitan economies. This diversity requires a flexible approach engaging employers and support services across the entire region.

The Compact Development phase of the SlingShot project included deep engagement of industry leaderships and community partners in addition to significant research analyzing and reporting on the current condition of the entrepreneurial ecosystem in the Capital Region. A governance structure was created that organizes community partners, entrepreneurs, business leaders and employers into Work Groups and a Business Leadership Council that creates priorities, advances recommendations, and makes decisions about SlingShot investments. Business representatives from each sub regional Workforce Board make up the Business Leadership Council (BLC) and work with community partners, entrepreneurs and employers through the SlingShot Work Groups to advance and make recommendations for SlingShot programs and investment. This structure maximizes involvement from a wide range of stakeholders and creates the potential to leverage additional capacity, investment and resources to ensure that the SlingShot grant is a catalyst fund that supports the innovation economy and the entrepreneurial ecosystem and builds sustainability for the long-term.

Based on a wide range of input garnered over a year-long planning process, the priorities that were determined by the Work Groups and the Business Leadership Council are:

- Strengthen supportive networks by creating a visible point of entry for cohesive entrepreneurial and startup resources across the region
- Improve entrepreneurial skills and accelerate learning to doing through increasing access to mentors, space, capital, skills, tools and peer networks
- Match ideas to entrepreneurs by connecting passionate and creative people to the pipeline of ideas and increasing networking
- Identify sources of capital and increase access to capital

The strategies that have been identified to address these priorities are:

- Create a Web-Based Communication Hub and Resource Navigator
- Support Entrepreneurial Events
 - Offer Sub regional Entrepreneurial Fairs
 - Create Networking, Service Providers Showcase, Mentoring Opportunities
 - Initiate an Entrepreneur University
 - Convene Entrepreneur Roundtables
- Build a Funders Network and Action Plan
- Scale Up or Pilot Accelerators, Co-Working Spaces, Incubators, Education and/or Networking Programs or Maker Spaces
- Design and Convene An Entrepreneurial Ecosystem Learning Network
- Maintain a Flex Fund to invest in innovation solutions and catalytic projects

Commitments and champions to address these priorities and strategies are abundant. As an ecosystem project, employers, entrepreneurs, community based organizations, Economic Development, Workforce Development, business support services, and civic leaders and staff from across the region have been engaged. These stakeholders have committed time, resources, leverage opportunities and other types of support for SlingShot. These commitments are detailed in the implementation section below as well as listed in Appendix A.

The project has a Metrics Work Group that is ensuring that progress will be measured by assessing possible metrics based on the SlingShot priorities; strategies, outcomes (short, mid and long-term); and impacts. The Capital Region SlingShot project has been working with USSourceLink, a Kauffman partner, on new metrics and measurement tools, as well as conducting additional research on metrics being used in the region and elsewhere.

The advisors, the regional Workforce Development Board leadership and the Business Leadership Council are the cornerstone of SlingShot implementation and success. The Business Leadership Council and Workforce Development Board leadership have signed below to:

- Indicate their commitment to support a collaborative regional effort to increase the Capital region's capacity to innovate, accelerating job and business growth.
- Make specific contributions to implementation of priority strategies in partnerships with SlingShot Work Groups.
- Provide strategic leadership to the overall effort to achieve impact.

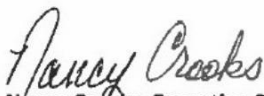
Together, the SlingShot team will strengthen the Capital region's innovation ecosystem to ensure that businesses and startups thrive and all regional residents have access to opportunity in the innovation economy.



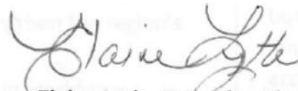
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SlingShot Implementation Plan

The mission of Project SlingShot is to strengthen the Capital Region’s innovation ecosystem and to spur economic growth and job creation. The Capital Region’s SlingShot initiative will advance regional economic prosperity and improve income mobility by addressing a key priority of the region’s cluster-based economic strategy Next Economy. Innovative businesses – both start -ups and more established firms – increase economic productivity, making wages and income mobility possible. Through SlingShot, the Capital Region Coalition will develop and implement a strategy for increasing the region’s capacity to innovate while ensuring the residents are prepared to access new workforce opportunities being created.

In order to understand the Capital Region’s assets and gaps within an Innovation Ecosystem, it is important to understand what a healthy ecosystem looks like. We use the model below to illustrate the components of a healthy ecosystem. The model, shown in Figure 1, was adapted from USSourceLink and regional Venture Capital Investor with the Ag Tech Innovation Fund, John Selep.

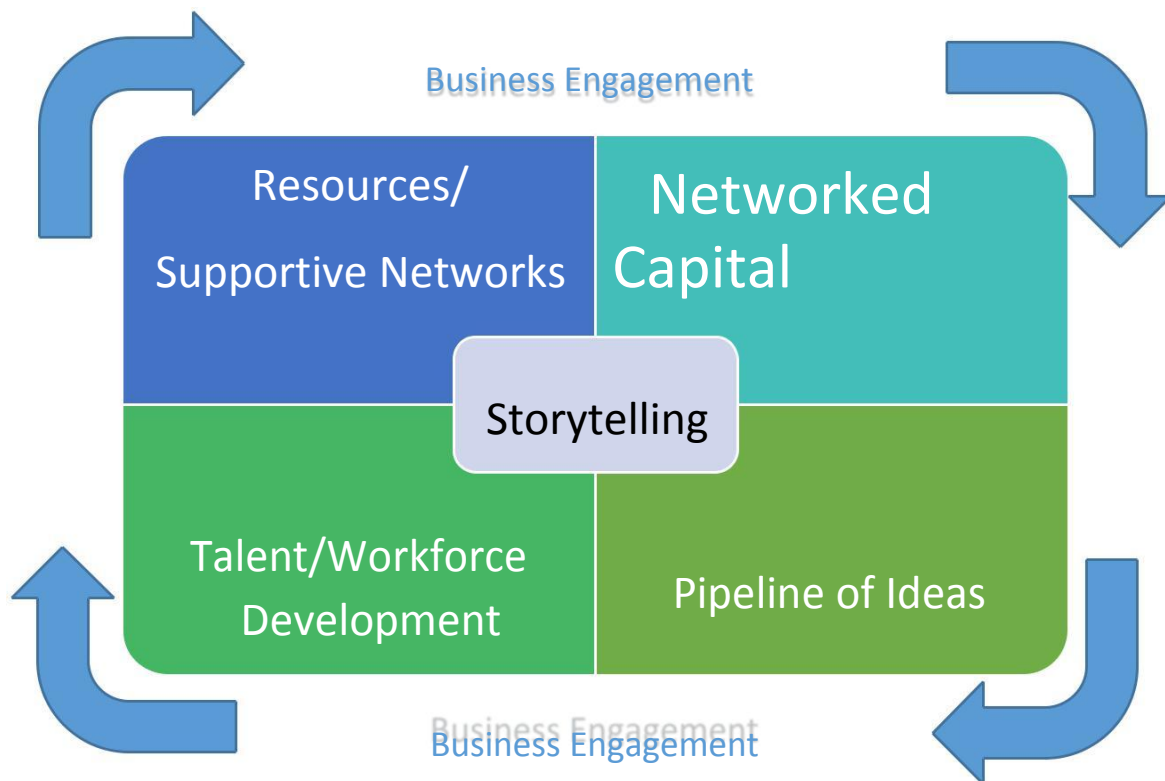


Figure 1: The Entrepreneurial Ecosystem

The elements of a Healthy Ecosystem lineup with the structure of SlingShot governance and are defined in greater detail below.

In addition to understanding the elements of a healthy ecosystem, it is also important to understand the different types of entrepreneurs and how they navigate the system in different ways. USSourceLink described four different types of entrepreneurs:

- *Innovation Led*: Businesses in which research and development brings forth an innovative product or process.
- *Second Stage*: Enterprises that have survived the startup phase and have owners who are focused on growing and expanding. Generally they have between 10 to 99 employees and/or \$750,000 to \$50 million in revenue.
- *Main Street*: These companies make up a large segment of the economy, serve communities' growing populations and define a community's cultural character. Examples are the local dry cleaner, grocery store owner, restaurateur or graphic design boutique.
- *Microenterprise*: Business that require less than \$35,000 in capitalization to start. Dislocated workers and retirees often are starting these companies to replace income lost through downsizing or retirement.

Using the **Healthy Entrepreneurial Ecosystem Framework** and understanding the different types of entrepreneurs provides a structure for assessing our environment and understanding the perspectives of business leaders and entrepreneurs in all stages, including an understanding of what is most appropriate for them to facilitate business growth.

Research and a process of engagement enabled the SlingShot team to understand the regional ecosystem. Further, organizing into a governance and decision-making structure informed the strategies and will provide a framework for making decisions moving forward. The organizational process resulted in the formation of four Work Groups and a Business Leadership Council that prioritize, advance and approve strategic recommendations. The overall process of SlingShot is summarized in Figure 2 below.

SlingShot Process



Figure 2: The SlingShot Process

Research and Engagement

A great deal of planning and research went into setting the stage for the Work Groups to recommend action items. The four WB partners, supported by Valley Vision and other SlingShot partners, have worked together to identify employers who represent multiple stages of entrepreneurial growth and are from the diverse geographic expanse of the Capital Region. The SlingShot team has engaged with entrepreneurs, businesses and/or CEOs across the six high industry growth clusters, during the project planning phase in April-September 2015 for Project SlingShot. See a list of who was outreached during this time (Appendix A). The team's activities included:

- Visiting the geographic sub-regions of each partner WIB
- Meeting with entrepreneurs across the spectrum of clusters and business stage, ranging from early stage to established companies
- Hosting focus groups with more established entrepreneurs, and
- Participating in events, workshops and gatherings held for and by entrepreneurs and businesses. These gatherings include meetings and meet-ups convened by resource partners, business accelerators, co-working spaces, incubators, and a variety of service providers.
- Engagement of partners and service providers

Group meetings, events, and individual interviews of employers, entrepreneurs, and partners, in addition to the role of the Advisory Committee, gave the SlingShot team an understanding of the current Entrepreneurial Ecosystem and its assets and gaps. Findings from the engagement process are detailed in Appendix B. The team also cultivated champions and business leaders who are committed to

participating in creating a healthy innovation ecosystem for the long-term through the SlingShot process and implementation. These activities guided the development of priorities and strategies for the project’s implementation phase.

Additionally, SlingShot’s Workforce Board (WB) leadership commissioned USSourceLink to provide a high level assessment of the Capital Region’s entrepreneurial ecosystem. Started in Kansas City, as KCSOURCELINK in 2003 with the support of the Ewing Marion Kauffman Foundation, USSourceLink’s mission is to match aspiring and existing entrepreneurs to the resources they need to grow. This is accomplished by identifying and uniting existing programs into collaborative networks providing a highly reliable, visible and vibrant source of business startup and growth information and connections. USSourceLink charted approximately 170 organizations in the Capital Region, based on a draft inventory of entrepreneurial and startup services prepared by Valley Vision. The USSourceLink assessment documents the presence of resources, but not the quality of relevancy of those resources. The business and service provider engagement gives the qualitative view of the quality of services and the perception of relevancy of those services by entrepreneurs. Based on experience in approximately 50 regions throughout the country, the assessment identified apparent areas of strengths and gaps, which are briefly summarized below in Figure 3.

Strengths in the Ecosystem	Gaps in the Ecosystem
<ul style="list-style-type: none"> <input type="checkbox"/> Networking <input type="checkbox"/> Mentoring <input type="checkbox"/> Planning and Management 	<ul style="list-style-type: none"> <input type="checkbox"/> Capital access <input type="checkbox"/> Legal services <input type="checkbox"/> Manufacturing logistics <input type="checkbox"/> Co-Working, incubator space

Figure 3: Strengths and Gaps identified in the USSourceLink Report.

The full USSourceLink report is included in Appendix C.

Using the context of USSourceLink findings and regional business engagement, the Advisory Committee, and later the Work Groups, identified important priorities for initial action and the Business Leadership Council approved a set of recommendations for moving forward. These priorities set up the framework for SlingShot implementation while also allowing for adjustment, growth and adaptation. Just as the project is setting the stage to facilitate increased innovation, the group is also modeling an innovative approach to solving the problem and mobilizing action. In most cases, the Priority Investments are cross-cutting across Work Groups. As such, each Work Group will address certain aspects of the investment priority based on the goals and desired outcomes of that Work Group.

SlingShot Structure

Building from the work of the WB team and Advisory Committee, SlingShot decision making is structured within a framework of Work Groups that advance recommendations to the Business Leadership Council, which recommends action items to the Workforce Boards (Figure 4).

SlingShot Governance Structure

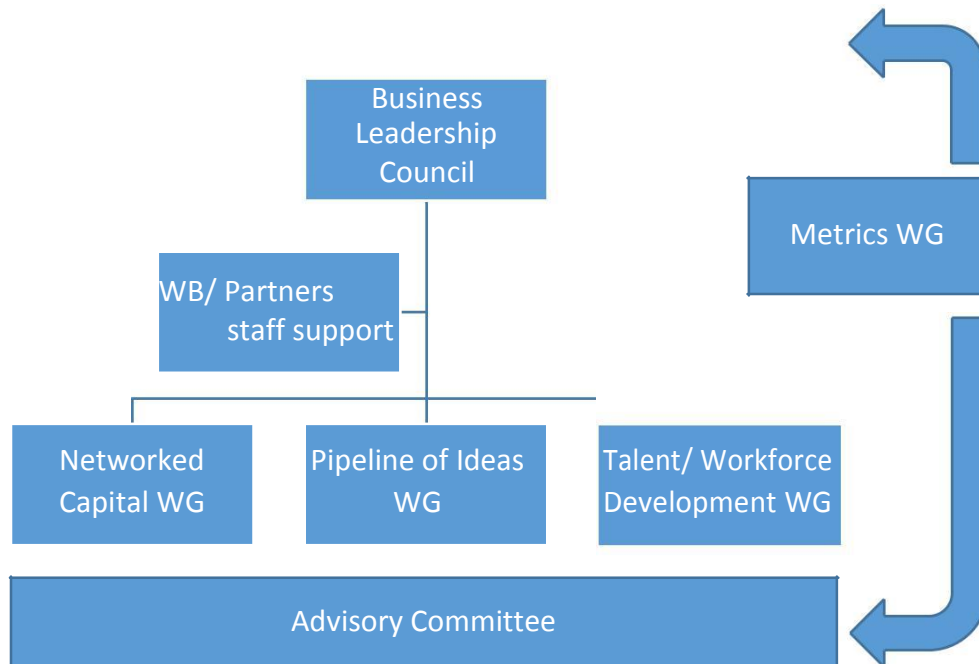


Figure 4: Governance Structure of Capital Region SlingShot

- **Work Groups:** Made up of employers, entrepreneurs, service providers, economic and workforce development, education, and community partners. Convenes as needed to set priorities, make recommendations, and advance SlingShot implementation. Work Group members are listed in Appendix D.
- **Business Leadership Council:** Made up of two to three Workforce Board representatives of each sub region. Board members are required to be employers/decision-makers. Members also participate in Work Groups to champion interests and provide guidance. Convenes as needed to hear and vote on recommendations and advance SlingShot implementation. Business Leadership Council members are listed in Appendix D.
- **Advisory Committee:** A broad pool of advisors who may or may not participate in Work Groups and/or Business Leadership Council. Convenes twice yearly or consulted as needed to stay connected and ensure cohesion across Work Groups and different types of activities. Advisory Committee members are listed in Appendix D.
- **Metrics Work Group:** Oversees development of project outcomes and metrics. Tracks metrics and provides expertise in data tracking and metrics. Convenes as needed at least four times a year or as needed. Metrics Work Group members are listed in Appendix D.

Each Work Group and the Business Leadership Council has or will elect a Chair and members have approved a charter for decision making (Appendix F). Work Group members are committed to the overall goals of SlingShot, have agreed on the goals and outcomes for each group, and have identified and prioritized strategies to meet the goals of the group.

Work Groups correspond to three of four of the pillars of the Entrepreneurial Ecosystem (Figure 5). The Work Groups are defined below with the goals for each group outlined.

Work Group	Description	Goals
Talent and Workforce Development	Ensure that the workforce of the Capital Region has the skills, access to training and education, and awareness of career opportunities that are needed to advance the innovation economy	<ul style="list-style-type: none"> ● Cultivate highly skilled and motivated talent pools for our region’s businesses by ensuring that people can recognize entrepreneurship opportunities and have the skills to act. Make sure that people can access space, capital, skills and tools and the network that is needed ● Accelerate learning to doing by creating a learning ecosystem and ensuring that there are a variety of educational entry points, including classic education for entrepreneurs, retooling skills, building skills, internships and empowering neighborhoods
Networked Capital	Communities need networked capital and a continuum of funding to address the needs of starting and growing businesses at all stages	<ul style="list-style-type: none"> ● Identify and increase access to capital in the region ● Increase networking of entrepreneurs, companies, partners and lenders to reduce fragmentation and make systems visible and navigable ● Influence the culture around innovation and entrepreneurship in the region
Pipeline of Ideas	Engage research and educational institutions (including universities, colleges, and community colleges), innovation and training spaces (such as re-training and learning centers, maker and other spaces, and other community-based educational services) and corporations to match ideas with seasoned entrepreneurs. Additionally, in order for ideas to develop, entrepreneurs need a network of trusted peers and mentors to commiserate, brainstorm, teach and learn from.	<ul style="list-style-type: none"> ● Engage research, education, other institutions and corporations to match ideas with entrepreneurs and potential entrepreneurs ● Connect passionate and creative people to the pipeline ● Create a network of trusted peers and mentors

Figure 5: A summary of the goals and initial strategies of the Work Groups

There are no Work Groups associated with Resources/Supportive Networks or Storytelling as these areas cut across the Work Groups so they remain important components of all Work Groups and will be managed by the WB leadership team.

Other Ecosystem Pillars

Resources/Supportive Networks: Entrepreneurs need support networks that provide trusted referrals to investors and other funders, as well as experts in operations, marketing, technology, sales, and dozens of other business-related services. A central point for visibility and connection to help organizations, institutions, mentors, service providers strengthen businesses and accelerate their growth. This effort to align and connect entrepreneurial resources is a key aspect of SlingShot and it is expected that an aligned and effective Supportive Network will result from the organizational efforts of SlingShot. Additionally, a key action of SlingShot, the Resource Navigator, (detailed further in the Investment Strategies listed below), will provide this central point of organization for entrepreneurial and business startup services. The desired outcome for this pillar is:

- Create a central point for visibility and connection to help strengthen businesses and accelerate their growth.
- Help improve to the efficiency and effectiveness of the service provider delivery system and collaboration and focus among them.

Storytelling: Stories of success provide hope and inspiration, encourage support of entrepreneurs and support organizations, and help create a climate that supports risk taking. Without a central hub of communication, the story often becomes fragmented and confusing. Influencing the culture of innovation in the region is a key strategy of each workgroup and the storytelling thread is a critical vehicle to changing the culture. The desired outcomes for this pillar are:

- Communicate a cohesive message that contributes to a positive image for the region regarding innovation and entrepreneurial opportunity.
- Lifts the profile of the region as a place where innovation is welcomed and can thrive for both entrepreneurs and investors

Based on qualitative and quantitative research and the work activities described above by the Work Groups, Advisory Committee and Business Leadership Council, the SlingShot Investment Strategy has been developed. Below are the activities that have been identified as Priority Investment Areas that will support the goals and desired outcomes of Work Groups. These activities have been identified by each Workgroup and approved by the Business Leadership Council.

Investment Plan

Work Groups and the Business Leadership Council have developed priority strategies to meet project goals. These strategies make up the Priority Investment Areas, which are:

- **Web-Based Communication Hub and Resource Navigator**
- **Entrepreneurial Events**
 - **Offering Sub Regional Entrepreneurial Fairs**
 - **Creating Networking, Service Providers Showcase, Mentoring Opportunities Initiating an Entrepreneur University**
 - **Convening an Entrepreneur Roundtable**
- Building a Funders Network and Action Plan**
- **Scaling Up or Piloting Accelerators, Co-Working, Education and/or Networking Programs or Maker or Other Non-Traditional Spaces**
 - **Meetups Across the Region**
 - **Accelerator/Co-Working Programs or Space**
 - **Design and Convene An Entrepreneurial Ecosystem Learning Network**
- **Flex Fund**

These Priority Investment Areas are detailed below.

Web-based Communication Hub and Resource Navigator

A top priority across all Working Groups is the need to provide a visible way for entrepreneurs/small business owners and others to understand what services are available, how to access services, and which services will meet their needs. Additionally, a central hub for communication of ecosystem resources, entrepreneurial events, and other information will strengthen the ecosystem by clearly and consistently providing a central hub for all things entrepreneurial. Finally, a human presence will be needed to staff the Resource Navigator at some level to increase accessibility, update information, connect users to resources, ensure effective user experience, and continually evaluate the tool.

Goal:

Create a central point for visibility and connection to help strengthen businesses, accelerate their growth and build capacity of partners

Initial Actions:

- Issue a Request for Proposals (RFP) to create a web-based Resource Navigator that will identify and categorize entrepreneur support services, organize services geographically and by type, and create a mechanism to navigate and visualize the Capital Region ecosystem.
- Develop a communication strategy to communicate and help increase adoption and use of the resources
- Fund ongoing staffing and capacity building to support web tool and technology platform, including ensuring a human voice behind the tool to be a resource connector and maintain and update the navigator

Desired Outcomes:

- Clear entry point into the ecosystem, with typology of entrepreneurial services for the region to facilitate self-organization and transparency for entrepreneurs and service providers
- Provide cohesion by developing a communication system of ecosystem events and resources, entrepreneurial services that are branded and provide alignment across service providers, entrepreneurs and employers
- Provide ongoing “human” support behind the web tool to increase accessibility, ensure effective user experience, and continual evaluation of the tool

Commitments and Champions for Web-Based Communication Hub and Resource Navigator

All Working Groups have agreed to champion and push this priority forward. SlingShot Work Group members are committed to creating a cohesive resource and communication hub through supporting the adoption of a centralized web-based Resource Navigator. SlingShot Advisors and Work Group members bring considerable commitments and resources to the effort. Examples include:

- Resources that were housed with SARTA have been dispersed throughout other organizations as SARTA has downscaled and staff have found new positions. UC Davis Child Family Center for Innovation and Entrepreneurship, StartUp Grind, CleanStart, Velocity Venture Capital, the scaled down SARTA and others support the SlingShot effort and will be valuable partners in moving this initiative forward. Resources include maps of area technology businesses, outreach to business leaders in Clean Energy, Food and Agriculture, Medical, Information and Communications Technology, Venture Capital, survey tools and business survey capacity
- Support from the Yuba Sutter Business Consortium, which already networks and tracks business resources for Yuba and Sutter, but is not connected to the region as a whole.
- Access to the Small Business Resources Partner Network supported by the Small Business Administration and alignment of networking goals
- The Sacramento Metropolitan Chamber of Commerce can connect SlingShot to the business community and provide convenings, research and data to support this effort, including through committee and the SBDC network

Figure 6: *Commitments and Champions for Web-Based Communication Hub and Resource Navigator*

Entrepreneurial Events

Those engaged with SlingShot have indicated that the Capital Region lacks an innovative culture that supports entrepreneurship and business startups. However, recent developments across the region have created a “spark” that is fueling energy and effort towards growing our regional entrepreneurial ecosystem and innovative culture. It is a key time to support existing efforts and develop new events to expand current activity and networks and fuel innovation throughout the entire region. Additionally, events offering networking and mentoring opportunities that do not exist in some places in the region or could be increased in others. SlingShot Working Groups have identified that developing an event series that connects mentors, entrepreneurs, lenders, and service providers is needed to strengthen the entrepreneurial ecosystem. Targeted activities within the framework of entrepreneurial events include:

- **Offering Sub Regional Entrepreneurial Fairs:** Respond to sub regional needs, Support existing events for scaling up and targeting specific activities or create events.
- **Creating Networking, Service Providers Showcase, and Mentoring Opportunities:** Target activities of entrepreneurial events.
- **Initiating an Entrepreneur University:** A series of events and/or exchanges throughout the region focusing on issues related to improving pillars of the ecosystem, connecting people and ideas, and educating on entrepreneurial ecosystem needs. Roundtables will have targeted participants depending on the issue. Possible issues to address: connecting lenders with entrepreneurs, entrepreneur engagement with SlingShot, entrepreneurial skills awareness for disadvantaged communities, strengthening networking, mentoring and meet ups. This could include bringing speakers from outside the region and/or sponsoring existing events.
- **Convening an Entrepreneur Roundtable:** Create an ongoing discussion roundtable for entrepreneurs only to connect to SlingShot and address ecosystem issues.

Goals:

- Improve entrepreneurial skills and accelerate learning to doing through increasing access to mentors, space, capital, skills, tools, and peer network
- Match ideas and entrepreneurs to ensure that passionate and creative people are connected to the pipeline and networking increases
- Cultivate a culture of innovation in the region as a whole

Initial Actions:

- Work with partners to assess existing event resources in each region, plan and prioritize event details within Working Groups and develop a plan for RFP process or event development
- Identify key educational opportunities and events to advance and potentially outreach to national networks to assess best fit for models and guest speakers
- Initiate the Entrepreneurs Roundtable with current entrepreneurs who are engaged in SlingShot and outreach to more entrepreneurs and convene groups. Outreach to lenders/investors to work with entrepreneurs to increase awareness of and opportunities for lending and investment

Desired Outcomes:

- Work with partners to increase exposure to service providers for entrepreneurs or potential entrepreneurs across the region
- Increase networking opportunities for all types of entrepreneurs throughout the entire region
- Expand existing networks and connect regional initiatives throughout the region
- Connect, expand and consolidate existing events to present cohesive opportunities and messaging for entrepreneurs
- Learn about national models and possible applications to this region while catalyzing innovative thinking and energy towards entrepreneurial ecosystem issues
- Catalyze a culture of innovation through cohesive and well communicated events, learning opportunities and networks

Commitments and Champions for Entrepreneurial Events

Advancing Entrepreneurial Events will be carried through in the three Work Groups. SlingShot Work Group members are committed to addressing SlingShot goals through creating and supporting a diverse array of entrepreneurial events. SlingShot Advisors and Work Group members bring considerable commitments and resources to the effort. Examples include:

- Support from owner and founder of PackageOne, who is also the Chair of the Sacramento Metropolitan Chamber Economic Development Committee, can mobilize some of the region's top entrepreneurs and CEOs through the group Entrepreneurs Organization (EO) for investment, event participation, advice and mentoring. Additionally, several members of EO have made commitments to support mentoring, convening, space and other resources.
- Young entrepreneurs, such as Daniel Kaufman, founder of Third Plateau Social Impact Strategies, DJ Stephan of SkySlope and Amanda Blackwood, founder of the Momentum Initiative, have committed to convening a young entrepreneurs' group to connect with Project SlingShot, strengthen entrepreneur engagement and work to improve the ecosystem. A contingent of young regional entrepreneurs, including members of Sacramento Metro Edge program, have shown tremendous energy towards strengthening the entrepreneurial ecosystem through participation in networking groups, events, roundtables and SlingShot activities.
- Velocity Venture Capital, California Capital, Women's Business Center, Small Business Development Center (SBDC), Small Business Administration partners, UC Davis Child Family Institute for Innovation and Entrepreneurship, and other SlingShot partners commit to offer seeding and early stage funding for entrepreneurs, connect to a network of high growth startups and have capacity and experience organizing high impact entrepreneurial events. Other entities that have extensive networks and expertise in entrepreneurial networking, communication, education, and events, such as Hacker Lab, Start Up Grind (Laura Good), NAWBO Sacramento and others are committed to SlingShot through Work Groups and/or the Advisory Committee
- Regional Economic Development Departments, such as City of Sacramento, Yuba City, Davis, Woodland, West Sacramento, El Dorado County, and Placer County stand behind the SlingShot efforts and will contribute with networking, resources, collaboration and support from staff.
- California University State of Sacramento, Los Rios Community College, Sierra College and Yuba College offer support and effort to align education with educational needs as well as provide space, networking, convening, and guidance on SlingShot efforts

Figure 7: *Commitments and Champions for Entrepreneurial Events*

Building a Funders Network and Action Plan

Lack of access to capital through lending, investment of all types, and loans is an identified challenge in the Capital Region. A Funders Network and Action Plan articulating how funders can work together to make existing funding sources more accessible and catalyze new funding sources to entrepreneurs. An Action Plan and networking events will also target connecting streams of funding to entrepreneurs and small businesses at all levels of entrepreneurialism and business startup – for example, addressing

lending gaps to meet the needs of micro-business as well as catalyzing investment for innovation led entrepreneurs.

Goals:

- Create a Lender Action Plan to catalyze increased lending from lenders to entrepreneurs in the region and increase interaction between lending entities, community based organizations, and entrepreneurs
- Identify sources of capital and increase access to capital

Initial Action:

- Convene a roundtable of funders and entrepreneurs to assess the current environment and begin to formulate targeted goals and activities for an Action Plan

Desired Outcomes:

- Increase access to capital for all types of entrepreneurs, through visibility of existing funding channels and catalyzing new investment
- Fuel a culture of innovation by attracting and supporting investment in entrepreneurs

Commitments and Champions for a Funders Network and Action Plan

Advancing a Funders Network and Action Plan will be carried through the Networked Capital Work Group. SlingShot Work Group members are committed to addressing SlingShot goals through creating and supporting a diverse array of entrepreneurial events. SlingShot Advisors and Work Group members bring considerable commitments and resources to the effort. Examples include:

- Investors and lenders affiliated with organizations such as, Ag Tech Innovation Fund, Small Business Administration, SedCorp, Small Business Development Center, and California Capital have demonstrated commitment to increasing ties to entrepreneurs, exploring ways of increasing lending and investment in startups, and continuing to engage in improved capital access and communication around available and potential funding for entrepreneurs and business startups.
- Entrepreneurs participating in Work Groups are committed to engaging in this issue through attending and recruiting peers for the roundtable convenings and offering space and communication to support this activity.

Figure 8: *Commitments and Champions for Funders Network and Action Plan*

Scaling Up or Piloting Accelerators, Co-Working, Education and/or Networking Programs or Spaces

An increasingly important and impactful hub of activity in the region occurs through accelerators, co-working spaces, maker spaces place-based or other networking and business support programs. These spaces and programs not only fuel new entrepreneurs and business startups, support existing entrepreneurs, and support the pipeline of ideas but also create excitement and energy that supports an innovative culture and the entrepreneurship ecosystem. Currently spaces are primarily centered in

Sacramento or Davis, with some emerging throughout the region in cities such as Rocklin, Elk Grove, Woodland and Auburn, with different areas of focus and serving different industry types or stages of entrepreneurs.

However, some areas of the region lack accelerator/co-working/maker spaces and programs and most of these types of spaces or programs are under-resourced. SlingShot will support existing co-working, accelerator, or maker spaces throughout the region by assessing existing programs and supporting services through grants, communication and alignment with regional initiatives. Research and examples from the Sacramento Metropolitan Chamber Study Missions identified several place-based and network innovation ecosystem models throughout the country that are considered best practices in this evolving field. SlingShot will convene a best practices forum with leaders from some of these innovative regions outside of the Capital Region, to provide insights into the development of these programs, conduct site tours throughout the region and brainstorm with regional partners to identify opportunities and strategies to accelerate the ecosystem. It will also connect the Capital Region with a national network of innovators and include federal agencies and philanthropic investors.

Initial investment will support the development of an RFP to target pilot or scale up activities in:

- **Meetups Across the Region:** SlingShot will develop RFPs with criteria for scaling up or piloting meetups to facilitate networking, peer-to-peer mentoring, and match-making between ideas and talent, and catalyze business startup activity. Meet up proposals should come from diverse geographic areas in the region and must include details on how their proposal will address outreach to underrepresented communities to diversify entrepreneurial support, awareness and opportunities.
- **Accelerator/Co-Working Programs or Space:** Initiate RFPs to scale up or target new opportunities for accelerator and/or co-working spaces. RFPs should identify how scaling up or piloting programs will expand the reach of the network throughout the region and strengthen the overall ecosystem with networking, mentoring, matchmaking, education, and idea pipeline elements. A targeted goal is to outreach underrepresented communities to diversify entrepreneurial support, awareness and opportunities.
- **Design and Convene an Entrepreneurial Ecosystem Learning Network:** SlingShot will model forums to bring leading implementers to the region to explore potential for adaptation of innovation practices around place-making and network based-strategies.

Goals:

- Improve entrepreneurial skills and accelerate learning to doing through increasing access to mentors, space, capital, skills, tools, and peer network
- Match ideas and entrepreneurs to ensure that passionate and creative people are connected to the pipeline and networking increases
- Cultivate a culture of innovation in the Capital Region as a whole

Initial Actions:

- Identify opportunities to scale up, increase and strengthen place and network based resources
- Map existing and emerging accelerator, meetup, educational, co-working and maker spaces throughout the region
- Develop criteria for RFP through Work Groups
- Hold public workshops with partners and interested parties to finalize RFPs
- Ecosystem innovation models forum/site plan and convene visit (RFP)

Desired Outcomes:

- Increase connectivity across programs and facilities across the region
- Increase capacity of service providers
- Ideas and entrepreneurs are matched, passionate and creative people are connected to the pipeline and networking has increased
- Improved entrepreneurial skills and accelerated learning to doing through increased access to mentors, space, capital, skills, tools, and network

Commitments and Champions for Scaling Up or Piloting Accelerators, Co-Working, Education and/or Networking Programs or Spaces

Advancing scale ups and pilots for meet ups, accelerators, incubators will be carried through in the three Work Groups. SlingShot Work Group members are committed to addressing SlingShot goals through pilots and scaled up efforts involving accelerators, meetups and other networking, educational opportunities and maker spaces. SlingShot Advisors and Work Group members bring considerable commitments and resources to the effort. Examples include:

- Established startup in the Clean Economy cluster, Micromidas, provides wet lab space to two to three companies at a time at cost to fill the regional gap in physical spaces for wet labs.
- Established companies, such as PackageOne, Johnson Controls, The Highlands Consulting Group, HM Clause, Halsten Corporation, Mark Haney Realty Group, Closed Loop, Ceronix, Sierra Energy Group and others support innovation districts and have offered a variety of services and leverage opportunities to grow this opportunity in the region. Services include:
 - Office hours and mentoring
 - Potential investment from a subset of business leaders to support the exploration and investment in a place-based accelerator and/or innovative business center
 - Space and communication resources
- Existing accelerator, education, co-working, maker spaces, such as Hacker Lab, Davis Roots, AgStart, Velocity Venture Capital, Center for Land Based Learning, and Capsity are working with the SlingShot team to identify needs and scale up opportunities. These entities have indicated a commitment to continue to engage in SlingShot to develop strategies to implement.
- The four WBs actively collaborate to ensure that training and educational opportunities are aligned with entrepreneurial needs.

Figure 9: Commitments and Champions for Scaling Up or Piloting Accelerators, Co-Working, Education and/or Networking Programs or Spaces

Flex Fund

The Flex Fund will be set aside to respond to emerging needs and opportunities as identified by SlingShot Working Groups and the Business Leadership Council. The flex fund is designed to leverage external resources to strengthen the ecosystem and/or create regional impact. The Flex Fund will be deployed as leverage funds to catalyze private investment or be used to leverage additional funds or resources to support new ideas and initiatives.

Request for Proposal (RFP) Development

For many priority investments the SlingShot team will develop an RFP to ensure that successful regional initiatives have the opportunity to fill gaps that are identified by SlingShot and scale up successful programs to expand their reach and connect new networks. RFP development process will include:

- The SlingShot team, working with Work Groups and the Business Leadership Council will develop criteria to target the desired outcomes of the program and define the parameters of the grant opportunity. Criteria will include specific target of the objective in addition to targets for outreaching diverse and/or underserved populations or geographies
- Criteria will address big picture SlingShot goals, such as supporting scalable, regional projects that demonstrates an ability to build the region's ecosystem, or that address hard-to-tackle issues across the diverse geography of the region that will even out access to critical services and supports throughout the region
- In some cases, public workshops with interested stakeholders to better understand the context of the opportunity, the parameters of potential grantees, and ideas about how to best approach the issues

Putting it All Together

Supporting and strengthening an innovation ecosystem for entrepreneurs and business startups touches on many sectors and aspects of the economy, workforce, education, business and culture of the region. This requires a complex approach to address big picture needs and create a healthy ecosystem. Figure 10 is a model that illustrates how the partners, leaders and strategies relate to the short, mid and long term outcomes to ultimately reach the desired impacts.

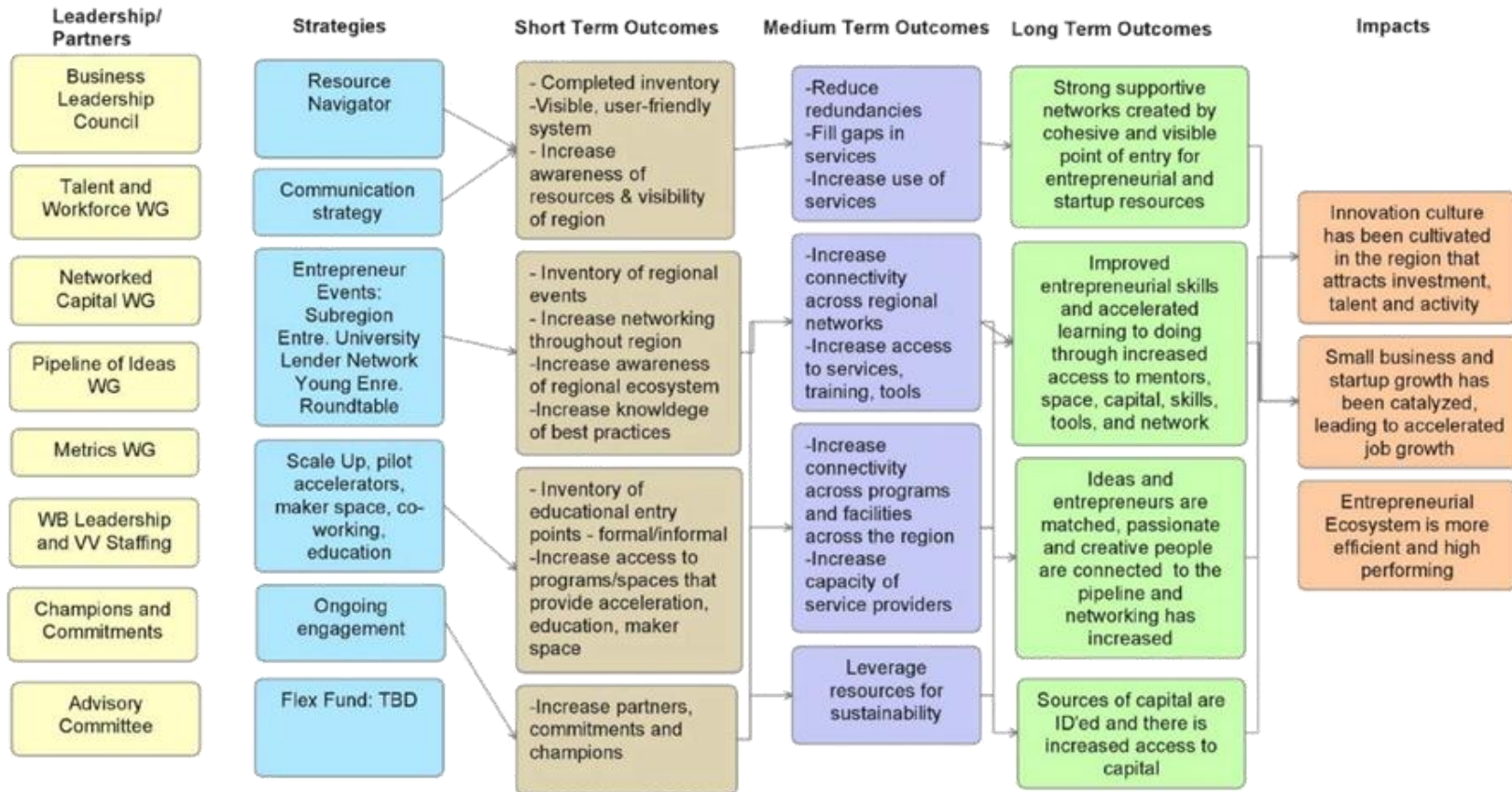


Figure 10: Partners, Leaders and Strategies Relationship Model

Measures of Success

Throughout the course of the planning process, the Capital Region has focused on identifying appropriate metrics for measuring the development and performance of a healthy innovation ecosystem. Traditional metrics are rather limited but there is a fast evolving field of practice that is researching, assessing and developing analytic tools that better reflect the dynamics and measurement of innovation ecosystems, especially which focus on the quality of the ecosystem and not just numbers. This includes research by the Kauffman Foundation, contributing to a more in-depth understanding of what drives innovation and economic growth in an entrepreneurial world. The Capital Region SlingShot project has been working with USSourceLink, a Kauffman partner, on new metrics and measurement tools, as well as conducting additional research on metrics being used in the region and elsewhere, and data availability.

The project has a Metrics Work Group that is assessing possible metrics based on the SlingShot priorities; strategies, short, mid and long-term outcomes; and impacts shown above in Figure 10. Metrics will be further refined by the Metrics Work Group as strategies are implemented. Additionally, the project has identified a set of new indices developed nationally which reflect a composite of individual indicators and are a richer way to measure overall regional performance. Examples are, Start-Up Activity through the Kauffman Index, looking at density, connectivity and diversity; a comparative power ranking of California's Start-Up Cities; and an Innovation Index through the U.S. Economic Development Administration, looking at both a region's activity and capacity, including human capital and economic well-being. Current indices show under-performance across most of the region, with some good foundations but need for progress. These indices will be tracked annually as they are calculated to report on overarching measures of progress.

For example, the U.S. Economic Development Administration supports a data tool Innovation for American Regions (Indiana Research Center and partners) that provides an innovation index comprised of measures for economic dynamics (e.g., venture capital, broadband penetration and business formation), human capital (educational attainment, average high-tech employment share and young adult population), productivity and employment (GDP per worker, job growth to population growth ratio, patents and high tech employment share), and economic well-being (unemployment rate, poverty rate wages, per capita income, etc.). This tool reports an index for each county and the region compared to California and the US, showing disparities across the region and overall regional underperformance. Only Placer and El Dorado counties show higher comparative levels of innovation compared to the U.S., and none reach the overall California level. SlingShot will use this and other national indices as baselines and updates to report on progress toward overall regional impact reflecting longer term outcomes.

There is a Metrics Work Group that is reviewing data bases and developing customized measures as specific SlingShot strategies are implemented, that are tied to regional priorities and aligned with targeted investments. Proposed measures of success are listed as follows:

Proposed Measures of Success

Priorities	Measure of Success
Strengthen supportive networks by creating cohesive and visible point of entry for entrepreneurial and start-up resources	<ul style="list-style-type: none"> -Well publicized resource navigator with web metrics indicating high level of usage and connectivity -Increased utilization of business support services - Strengthened entrepreneurial ecosystem through reduction of redundancies and filling of high priority service gaps
Improve entrepreneurial skills and accelerate learning to doing through increasing access to mentors, space, capital, skills, tools, and peer network	<ul style="list-style-type: none"> -Increased entrepreneurial activity across all reaches of the region -Increased knowledge of and access to entrepreneur programs, facilities, academies/centers, maker spaces, resources and networks -Increased number of accelerator programs, spaces, and place-based programs for underserved areas and scaling up of successful programs and facilities
Match ideas to entrepreneurs by connecting passionate and creative people to the pipeline and increasing networking	<ul style="list-style-type: none"> -Increased number of start-ups, small businesses and job growth in regional business clusters that fit and develop the skills/talents of the workforce -Increased number of mentorships, apprenticeships -Increased commercialization of R&D and bringing new products and services to market
Identify sources of capital and increase access	<ul style="list-style-type: none"> -Increased number of start-ups and business growth due to increased awareness of and access to capital -Increased level of capital resources through development of entrepreneurial financing funds and better leveraging of existing funds -Increased awareness of investment opportunities and willingness to invest by lenders and others -Increased number of investment ready start-ups and businesses

Figure 11: Priorities and Measures of Success

Resource Allocation

The SlingShot Implementation Budget represents approximately \$894,500. The chart below summarizes the general categories that SlingShot will fund and the approximate percentage of the total fund that will support each priority area.

Task	Amount	Description	Responsible Party
Design of Investment Fund	\$ 20,000	Development of funding criteria, RFP/RFQ solicitation and review process, contracting process	WB Leadership/ Valley Vision
Employer/Partner/Funder Engagement	\$ 30,000	Ongoing engagement of existing and new employers, entrepreneurs, partners and funders to participate in SlingShot activities, Work Groups, Business Leadership Council, Advisory Committee, meetings, forums, etc.	WB Leadership/ Valley Vision
Investment Fund Resource Navigator Communications Entrepreneurial Events Scale-Ups and Pilots Flex Fund	\$ 750,000	Allocation of funding for investments matching priorities with targeted strategies, across several categories (see detail in narrative above)	SlingShot Governance staffed by WB Leadership and Valley Vision
Analysis of Pilots/ Replication Potential	\$ 20,000	Documentation of noteworthy pilots inside and outside the region and potential for replication/scaling up	TBD
Project Management Project coordination Production materials/ communications Travel and other expenses CWDB Regional convenings Evaluation/Metrics	\$ 74,500 \$ 30,000 \$ 10,000 \$ 10,000 \$ 4,500 \$ 20,000	Internal project coordination of WB partners, state agencies, reporting; expenses; CWDB regional convenings; evaluation and metrics development and reporting	Valley Vision
TOTAL	\$894,500		

Figure 12: Resource Allocation

Appendix A: Outreach and Engagement

Business and Service Provider Engagement

Businesses/Employers

Name	Company	# Employees	Annual Revenue	Sector
Alberto Ayulo	Johnson Controls			Manufacturing
Bryan Barton	innerVid	0	\$10,000	Information and Communications Technology
Mark Berman	Davis Energy Group, Advanced Energy Group			Clean Technology
John Bissell	Micromidas	45		Clean Technology
John Bodrozic	HomeZada	3	\$75,000	Information and Communications Technology
Gale Brodie	Waddell & Reed			Business Services
Mike Cappelluti	The Highlands Consulting Group LLC	14	\$4.5 million	Information and Communications Technology
Jessica Clark	RTB Consulting	1	\$750,000	Services – Management and Consulting
Tamiko Gaines	HM Clause			Food and Agriculture
Jeff Hallsten	Hallsten Corporation	>50	\$10-15 million	Advanced Manufacturing
Mark Haney	Mark Haney Realty Group	>12		Construction, Security, Business Services
Marcus Haney	Mark Haney Realty Group	>12		Construction, Security, Business Services
Mike Hart	Sierra Energy Group			Clean Technology
Rick Heron	Western Health Advantage			Health Services
Tom Kandris	PackageOne			Advanced Manufacturing
Daniel Kauffman	Third Plateau Social Impact Strategy	Self-Employed		Civic Entrepreneurship
Neal Liggins	LocalStar	Self-Employed	<\$5,000	Information and Communications Technology
Lance Loveday	Closed Loop, Forager	25	\$6 million	Information and Communications Technology and Marketing

				Services
DeLania Lustig	Sacramento Business Journal			Information and Communications Technology
Rick Nelson	Direct Technology	350	\$60 million	Information and Communications Technology
Michelle O'dell	Kaiser Permanente	10,380		Health Services
Tina Reynolds	UpTown Studios			Information and Communications Technology
Angel Reynoso	Angel Reynoso State Farm Insurance	0		Business Services
Chris Russell	Stoel Rives LLP	48		Legal Services
Jay Sales	VSP	2000		Manufacturing
John Selep (investor fund)	Ag Tech Innovation Fund			Food and Agriculture
Jeff Smith	Taborda Solutions, Inc.	>60	\$45 million	Information and Communications Technology
Anette Smith-Dohring	Sutter Health	8,817		Health Services
DJ Stephan	SkySlope	70		Technology/real estate
Rob Van Tuyle	BloodSource			Health Services
Michael Ward	Michael Ward Consulting Ltd.	Self-Employed		Business Services
Bob Waste	UC Davis Health System	9,706		Health Service
Don Whittaker	Ceronix			Manufacturing

Engagement with Service Providers, Economic Development, Workforce Development, Education, Civic Leaders and Other System Partners

Name	Organization
Supervisor Roger Abe	Yuba County Board of Supervisors
Mayor Cecilia Aguilar-Curry	Mayor, City of Winters
David Allee	Glenn County Health and Human Services
Melissa Anguiano	City of Sacramento, Economic Development
Meg Arnold	GSD Consulting
Ami Bera	U.S. Representative for CA 7 th District
Monique Brown	Velocity Venture Capital
Rinky Basi	Sutter County One Stop
Larry Burkhart	City of Sacramento, Director of Economic Development
Dave Butler	Next-Ed, Former Executive Director
Nathan Dietrich	Sacramento State University, Director of State and Federal Relations
Joe DiNunzio	Davis Roots

John Fleming	Yuba County, Economic Development
Zak Ford	Next-Ed
Ken Freeman	Business Basics 101
Darin Gale	City of Yuba City
Amber Harris	UC Davis
Mary Hayes	SCORE
Christine Irion	Sacramento State University
Andrew Kim	Congressman Garamendi Office
Mary Kimball	Center for Land-Based Learning
Siew Yee Lee	Minority Business Development Agency/ Dept. of Commerce
LaRee LaRose	Sacramento Works
Scott Leslie	Capital Region Small Business Development Center
Tanya Little	Dept. Government Services, CA
Gina Lujan	Hacker Lab
Kelly McCoy	Sacramento County Environmental Management Dept.
Joe McClure	U.S. Small Business Administration
Christine McMorrow	Center for Land-Based Learning
Claudette Michel	Yuba College
Deborah Muramoto	California Capital, Women's Business Center
Monica Nainsztein	NAWBO
Lorilee Neisen	Next-Ed
Jamey Nye	Los Rios Community College District
Brooks Ohlson	Sacramento Regional Center for International Trade Development
Diane Parro	City of Davis
Gilda Perez	Small Business Administration
Stella Premo	Next-Ed
Scott Ragsdale	Davis Roots
Angie Rooney	SCORE
Ryan Sharp	UC Davis
Councilman Jay Schenirer	Sacramento City Council
Ed Silva	UC Davis Sustainable Ag Tech Innovation Center
Gary Simon	CleanStart
Ashleigh Stayton	Next-Ed
Brynda Stranix	Yuba Sutter Economic Development Corp
Randy Wagner	SEDCorp
Clarence Williams	California Capital Financial Development Corporation
Matt Yancey	Davis Chamber of Commerce/SMUD
Kristin York	Sierra Business Council, Peak Innovation

Appendix B: Engagement Findings Summary

Engagement Profile

Four WIB partners - Sacramento Employment and Training Agency (SETA), Golden Sierra WIB, North Central Counties Consortium, and Yolo County WIB, supported by Valley Vision and other SlingShot partners - have worked together to identify employers who represent multiple stages of entrepreneurial growth and are from the diverse geographic expanse of the Capital Region. The SlingShot team has engaged with entrepreneurs, businesses and/or CEOs across four sectors during the project planning phase in April-August 2015 for Project SlingShot (Appendix A). The team's activities include:

- Visiting the geographic sub-regions of each partner WIB

 - Meeting with entrepreneurs across the spectrum of business growth ranging from early stage to established companies

- Hosting focus groups with more established entrepreneurs, and

 - Participating in events, workshops and gatherings held for and by entrepreneurs and businesses. These gatherings include meetings and meet-ups convened by resource partners, business accelerators, co-working spaces, incubators, and a variety of service providers.

Through group meetings, events and individual interviews, the SlingShot team gained an understanding of the current Innovation Ecosystem and its assets and gaps, as well as the current and potential future commitments of employers/entrepreneurs (Appendix B). The team also identified champions and business leaders who are committed to participating in creating a healthy innovation ecosystem for the long-term through the SlingShot process and implementation. These activities will guide the development of priorities and strategies for the project's implementation phase.

Resource Assessment of the Entrepreneurial Ecosystem

Project SlingShot's leadership commissioned USSourceLink to provide a high level assessment of the Capital Region's entrepreneurial ecosystem. Started in Kansas City as KCSourceLink in 2003 with the support of the Ewing Marion Kauffman Foundation, USSourceLink's mission is to match aspiring and existing entrepreneurs to the resources they need to grow. This is accomplished by uniting existing programs into collaborative networks providing a highly reliable, visible and vibrant source of business startup and growth information. USSourceLink charted approximately 170 organizations in the Capital region based on a draft inventory of entrepreneurial and startup services prepared by Valley Vision. The USSourceLink assessment documents the presence of resources, but not the quality of relevancy of those resources. The business and service provider engagement gives the qualitative view of the quality of services and the perception of relevancy of those services by entrepreneurs.

This document synthesizes the findings of the business engagement process led by the Workforce Board partners and Valley Vision, and the entrepreneurial ecosystem assessment prepared by USSourceLink in order to present a conceptual framework for Project SlingShot implementation. Further, this document summarizes the commitments of regional partners, both public and private sector, to supporting an Innovation Ecosystem through Project SlingShot implementation.

Resources/ Creating Supportive Networks

Goal and Definition: Entrepreneurs need support networks that provide trusted referrals to investors and other funders, as well as experts in operations, marketing, technology, sales, and dozens of other business-related services. Fortunately, many communities have an abundance of business development resources, but often entrepreneurs can't find them or find the right one for them. With a multitude of different kinds of businesses – whether they are technology, Main Street, second stage or microenterprise – and a multitude of resources, a central point for visibility and connection can help strengthen businesses and accelerate their growth.

Current Assets and Gaps: The Capital Region's resource bank for entrepreneurs is growing.

USSourceLink scanned 170 organizations that provide services to all different types of entrepreneurs, from technology to microenterprise, and found that the Capital Region is represented to a varying degree in most entrepreneurial service need categories. However, early stage entrepreneurs reported that they don't know where to go for mentorship, investment or talent recruitment for their businesses. Later stage entrepreneurs noted that services are out there but there is not time to navigate systems to find what is needed. Additionally, entrepreneurs don't always see an immediate fit between available resources that they are aware of and their specific needs.

Creating and Connecting Networked Capital

Goal: Capital is the fuel that propels businesses forward. Entrepreneurs and business owners need the right funding to develop prototypes, take ideas to market, open storefronts, finance executive talent, and fund expansion. Communities need networked capital and a continuum of funding to address the needs of starting and growing businesses at all stages.

Current Assets and Gaps: USSourceLink identified the types of funding sources needed by different types of entrepreneurs and assessed the Capital Region's availability of those funding sources. They found that 20 banks offer SBA-backed loans for small businesses and that more resources could be needed to serve those moving from economic disadvantage. Many innovation-led businesses seek equity funding to start and grow their businesses. Venture capital firms or Angel Investors are sought for this type of funding. USSourceLink found that the Capital Region has few investors for pre-seed or seed businesses and the investors that are here are focused on Ag tech or real estate businesses. Indeed, entrepreneurs overwhelmingly noted that lack of available investment funding is a major hindrance to starting or growing a business in the Capital Region.

Second stage entrepreneurs largely rely on investment from outside the region to start their businesses. Business competitions are a source of funding for a small subset of early entrepreneurs, including Velocity Venture Capital and UC Davis AgTech Innovation Center- Innovation Seed Fund. By and large, the region will need to focus efforts on strengthening early-stage equity funding.

Pipeline of Ideas: Connecting Entrepreneurs, Companies and Research Institutions

Goal: Engaging research and educational institutions (including universities, colleges, and community colleges) and corporations to match ideas with seasoned entrepreneurs will give rise to new innovation and move ideas from the whiteboard to the boardroom. In many communities, the people with the passion to drive innovations into the marketplace are unconnected to the pipeline of ideas.

Additionally, in order for ideas to develop, entrepreneurs need a network of trusted peers and mentors to commiserate, brainstorm, teach and learn from.

Assets and Gaps: USSourceLink reports that networking and mentoring are well represented in the

Capital Region's ecosystem with 78 organizations offering networking services and 64 offering networking/counseling. Entrepreneurs and CEOs mentioned some specific assets –including EO, Velocity Venture Capital, SARTA and UC Davis networks. Overall, companies and entrepreneurs did not perceive that CEO mentor groups or meetups are readily available in the region. Entrepreneurs across the board noted that meet ups and regional gatherings are service provider oriented and not conducive to true exchange of ideas and shared vulnerability. CEOs mentioned their desire and willingness to mentor, while early stage entrepreneurs emphasized their need for mentors within their industry; however in most cases the CEO/entrepreneur did not know of an avenue to find this mentor/mentee relationship.

UC Davis has created some avenues for technology transfer and incubation. The Child Family Institute for Innovation and Entrepreneurship facilitates research to commercialization for UC Davis students through the Sustainable AgTech Innovation Center. Additionally, a new partnership between UC Davis and HM Clause, a Davis biotech company, opened a shared wet lab space for UC Davis affiliates. Velocity Venture Capital, Hacker Lab, the new Hacker Lab Sierra College in Rocklin, Urban Hive and SARTA programs are resources for entrepreneurs in early to mid-stage as well as helping create an educational pathway for entrepreneurial skills.

Innovation Hubs are becoming a regional strategy to centralize places for specific types of innovative enterprises. For example, Sacramento City Councilman Jay Schenirer is working on a MedZone in Oak Park – a centralized hub of medical technology companies and services built around the medical assets located in the community. The Capital Region has created innovations within the medical sector particularly within telemedicine, e-medicine and improving operational efficiencies. Other innovation hubs are popping up in the region – Davis is gaining traction as a hub for Ag Tech. Mayor Johnson has proposed the Railyards as a location for an Innovation District. The UC Davis World Food Center will be developing a new Innovation Institute for Food and Health that will be a regional asset.

[Developing Talent/Workforce Development](#)

Goal: Developing businesses need access to highly skilled and motivated talent pools. STEM and entrepreneurship education at all levels, from grade school to graduate school, can help create the qualified workforce of the future.

Assets and Gaps: The Capital Region has rich resources to draw from for education and workforce development. USSourceLink reports that workforce development is a strength in the Capital Region because of the focus of the Workforce Boards and many organizations and educational partners around the region's Next Economy clusters. The effort to include these critical resources in STEM education and career pathways indicated to USSourceLink that the Capital Region understands the important role that a qualified, motivated workforce plays in building strong companies. Further, alignment of career pathways in K-12 with community colleges and 4-year universities through CRANE, CAP and other initiatives is supporting a capable workforce and the designation of Business Skills and Entrepreneurial Specialist helps infuse these important skills into the pathways.

There is still room for improvement. CEOs note that regional universities could have a stronger economic development focus in order to connect with larger community initiatives, and that reducing silos within those institutions would affect systemic change that could enable more technology transfer and better support entrepreneurial skills. Further, Yuba/Sutter/Colusa/Glenn county partners note that the strength of STEM in K-12 school systems in their sub-region is weak. Entrepreneurs find that there are talented individuals in the region, but they are hard to find and often are hard to convince to join a startup. Sales skills and software development and coding skills were noted as difficult to find. Startups would like to see more accessible job boards and internship criteria within colleges and universities that would allow students to intern at a startup.

Storytelling and Branding our Region

Goal: Healthy entrepreneurial ecosystems share the good news. Stories of success provide hope and inspiration, encourage support of entrepreneurs and support organizations, and help create a climate of risk taking. In most communities the story of entrepreneurship is fragmented and no one organization steps up to take the lead.

Assets and Gaps: Businesses perceive that the government culture permeates the Capital Region and stifles innovation and entrepreneurship. The Capital Region's lack of cohesive and positive identity discourages excitement about and development of new ideas. But, things are improving.

"Civic amenities are changing. We have \$2 billion coming in with the Arena and other downtown investments. It's going to be cool, which will attract millennials to come and live and stay here." Co-working spaces like Hacker Lab and Urban Hive have sparked a sense of excitement and have engaged the imagination of the community. Events like TBD, TechCon and other entrepreneurial and cultural events provide an anchor around innovation and build cohesion and excitement in the community. New spaces like 420 MVL in Marysville which combine art, music, locally grown food and co-working spaces and collaborative businesses services show that the more rural parts of the region are tapping into the creative energy of place-making projects and are part of a broader network across the region. The City of Sacramento is pursuing a plan to redevelop the downtown Railyards with new housing, amenities and a centerpiece on innovation. The Railyards, which will be one of the largest infill development sites in the country, have the potential of reinventing Sacramento through this front and center Innovation District.

Appendix C: USSourceLink Report

Mapping the Capital Region's Entrepreneurial and Startup Resources: Strengths, Weaknesses and Gap Analysis

August 14, 2015



Prepared for:

The Capital Region Workforce Boards:

Sacramento Employment and Training Agency

Golden Sierra Workforce Board

North Central Counties Consortium

Yolo County Workforce Board

Prepared by:

U.S.SourceLink

With the assistance of Valley Vision

Executive Summary

Earlier this year, the four Capital Region Workforce Boards (Sacramento Employment and Training Agency –SETA, Golden Sierra Workforce Board, North Central Counties Consortium and Yolo County Workforce Board) approached U.S.SourceLink for assistance in mapping the resources in the nine-county region that support entrepreneurs and business owners. The goal of this project was to better understand the entrepreneurial ecosystem, both strengths and gaps, in order to facilitate strategic planning for the Capital Region’s Project SlingShot. The mission of SlingShot is to strengthen the region’s entrepreneurial ecosystem and catalyze a culture of innovation, thereby spurring economic growth and job creation.

This report provides a high level mapping of the Capital Region’s entrepreneurial ecosystem around six key aspects that create the foundation for a thriving ecosystem, by type of entrepreneur. Approximately 170 organizations were charted based on a draft inventory of entrepreneurial and startup services prepared by Valley Vision, which is coordinating the SlingShot strategic planning.

The region shows marked strength in services offered around networking, mentoring and planning/management. Gaps appear to exist in legal services, manufacturing/logistics and coworking/incubator space. The region appears to have a number of resources to assist those seeking capital, with apparent gaps around credit building services, pre-seed and seed stage funding.

About U.S.SourceLink

U.S.SourceLink was selected for this project due to its extensive experience. Working with the Kauffman Foundation and helping build entrepreneurial ecosystems nationwide, U.S.SourceLink has a finger on the pulse of key trends and innovations in the entrepreneurship space. From hosting thought leader gatherings to presenting at national economic development conferences to working every day with on-the-ground community champions, U.S.SourceLink is well positioned to know and share best practices for thriving entrepreneurial ecosystems.

Started in Kansas City as KCSOURCELINK in 2003 with the support of the Ewing Marion Kauffman Foundation, U.S.SourceLink is an outreach program of the University of Missouri – Kansas City. Its mission is to match aspiring and existing entrepreneurs to the resources they need to grow by uniting existing programs into collaborative networks providing a highly reliable, visible and vibrant source of business startup and growth information. Today, KCSOURCELINK has 240+ partners in the Kansas City region and operates a clearinghouse both by hotline and through the website to assist business owners with finding the resources that they

need to succeed. The Kansas City program serves as a test bed for innovations that can be shared with other communities.

U.S.SourceLink began expanding across the country in 2005. Affiliates who have adopted the U.S.SourceLink model for their communities, such as NetWork Kansas and IASourceLink, act as hubs in their respective communities, connecting entrepreneurs to the resources they need to grow. This puts the leaders of these organizations directly at the center of a region's entrepreneurial ecosystem, hearing first hand from the entrepreneurs about their needs and in a unique position to identify the region's resource gaps and measure entrepreneurial growth.

Introduction

Kauffman Foundation research shows that of the 12 million new U.S. jobs added in 2007 alone, young firms (up to age five) were responsible for the creation of nearly 8 million jobs. Those entrepreneurs need thriving networks to grow and succeed. This precept has revealed itself over and over in the 12 years since U.S.SourceLink began bridging resource organizations to one another and to entrepreneurs throughout the country.

It's simple: The more contacts entrepreneurs can make early in the life of their companies—that is, the more help and information they can get—the greater their chances of getting products developed, finding viable markets, surviving the first years, and growing toward success.

Location and industry aren't the critical issues. Both information and social contacts make the difference. Regardless of where companies are located or what their products are, virtually all entrepreneurs grapple with how to start and fund their businesses, and eventually, how to grow their businesses and scale globally. Gaps in knowledge and experience complicate the startup process and extend the time it takes for startups to grow.

Communities can help entrepreneurs, first by creating a vibrant network of resources to support them, and then by helping aspiring and existing business owners connect to the network.

With the help of U.S.SourceLink, the Capital Region Workforce Boards have embarked on a project to:

- Better understand the components of a healthy entrepreneurial ecosystem □
- Better understand the resources available in the Capital Region to support an entrepreneurial ecosystem

- Determine gaps in services as a way to focus funding on appropriate programs □
- Make the resources visible to entrepreneurs and other stakeholders in the region □

A Healthy Entrepreneurial Ecosystem

Entrepreneurial ecosystems are evolving quickly. New programs emerge regularly from a region's academic, business, government and nonprofit organizations. Despite the changing landscape, U.S.SourceLink has found – through helping more than 25 communities assess their entrepreneurial ecosystems and organize their entrepreneurial resources – that six key aspects create the foundation of a strong entrepreneurial ecosystem. They are:

- Resources□
- Networked capital□
- Pipeline of ideas
- Talent/workforce development□
- Corporate engagement□
- Storytelling

Resources. Entrepreneurs need support networks that provide trusted referrals to investors and other funders, as well as experts in operations, marketing, technology, sales, and dozens of other business-related services. Fortunately, many communities have an abundance of business development resources, but often entrepreneurs can't find them or find the right one for them. With a multitude of different kinds of businesses – whether they are technology, Main Street, second stage or microenterprise – and a multitude of resources, a central point for visibility and connection can help strengthen businesses and accelerate their growth.

Networked capital. Capital is the fuel that propels businesses forward. Entrepreneurs and business owners need the right funding to develop prototypes, take ideas to market, open storefronts, finance executive talent, and fund expansion. Communities need networked capital and a continuum of funding to address the needs of starting and growing businesses at all stages.

Pipeline of ideas. Engaging research institutions and corporations to match ideas with seasoned entrepreneurs will give rise to new innovation and move ideas from the whiteboard to the boardroom. In many communities, the people with the passion to drive innovations into the marketplace are unconnected to the pipeline of ideas.

Talent/workforce development. Developing businesses need access to highly skilled and motivated talent pools. STEM and entrepreneurship education at all levels, from grade school to graduate school, can help create the qualified workforce of the future.

Corporate engagement. The landscape of most communities includes a range of corporations and foundations that can support entrepreneurship. Immersing these companies fully in the entrepreneurial ecosystem brings invaluable expertise, connections and resources to generate spin-outs, ignite research and help startups succeed. Linking these institutions can also leverage funding from outside of the community to fill funding, support, mentoring and other gaps by creating much needed resources.

Storytelling. Healthy entrepreneurial ecosystems share the good news. Stories of success provide hope and inspiration, encourage support of entrepreneurs and support organizations, and help create a climate of risk taking. In most communities the story of entrepreneurship is fragmented and no one organization steps up to take the lead

Four Types of Entrepreneurs

A healthy entrepreneurial ecosystem acknowledges that not all entrepreneurs and business owners are the same. This is a good thing, because economies are based on many different kinds of businesses and each play a different role in defining an economy.

U.S.SourceLink has developed a classification of entrepreneurs by the type of companies they lead and their goals for growth: Innovation-Led, Second Stage, Main Street and Microenterprise.

Innovation-Led

Innovation-led enterprises are businesses in which research and development brings forth an innovative product or process. The innovation typically involves intellectual property that contributes to a strong competitive advantage in the marketplace and serves as a foundation for a high rate of growth.

Often formed around life sciences or technology innovations, these enterprises can require significant funding and specialized facilities. Owners are willing to give away equity to investors to secure the financial resources they need to grow. These businesses may cluster around research institutes and universities as technology is transferred from research labs into the marketplace.

Second Stage

Second stage enterprises have survived the startup phase and have owners who are focused on growing and expanding. The second-stage firms generally have between 10 to 99 employees and/or \$750,000 to \$50 million in revenue.

For these companies, business plans have morphed into strategic marketing plans. Finding a location is replaced by funding an expansion. Defining a market niche transforms into finding new markets, launching a new product line, exporting or selling to the government. And finding a team to launch the business becomes a search to find the experts who can take the business to the next level.

Main Street

Main Street companies make up a large segment of the economy, serve communities' growing populations and define a community's cultural character. These entrepreneurs are found among the local dry cleaner, grocery store owner, coffee shop owner, restaurateur or graphic design boutique.

Main Street entrepreneurs aren't driven by rapid growth. The founders create them to build a successful career in their area of passion and expertise and plan to work in the company for a long time. Their exit plan may involve selling the company to a key employee or passing it on to a family member.

Microenterprise

By definition, microenterprises are businesses that require less than \$35,000 in capitalization to start. In today's economic environment, dislocated workers and retirees are starting these companies to replace income lost through downsizing or retirement. In the microenterprise space, there is a segment of support organizations that help those in poverty build wealth through microenterprise programs. Referrals may come from social services agencies and this group may need additional technical assistance due to lack of basic math skills, etc.

Startups

This report also breaks out services specifically targeted to those starting businesses. Regardless of industry or type of business, almost all startups go through the same steps: idea, feasibility, legal formation, licensing and permits. In most communities it is helpful to route the earliest-stage startups to specific resources who have time and resources to spend with those in the conceptual stage.

The following sections provide analysis of two of the components of a healthy entrepreneurial ecosystem: existing resources and networked capital in the Capital Region. The analysis of resources is based on services provided and type of entrepreneur served. Capital resources are mapped against a funding continuum. The scope of the project did not allow for deeper research into pipeline of ideas, talent/workforce development, corporate engagement or storytelling, but additional research can occur in the next phase of SlingShot implementation.

Resources in the Capital Region

U.S.SourceLink worked with the Capital Region's Draft Inventory of Entrepreneurial and Startup Services, prepared by Valley Vision and SETA as a mapping of existing resources in the Capital Region. U.S.SourceLink provided additional research and added more resources to the list based on experience with typical business support organizations. The resulting list was compared against a taxonomy developed through work with communities across the country.

Taking into account the clustering of service providers, U.S.SourceLink has developed a methodology to categorize and map a community's entrepreneurial support assets. Each provider is categorized by the following:

- Specific Service(s) offered: Service providers were categorized using only those services which they directly offer to new clients. Service providers were not categorized under a service for which they offer referrals, or a service offered only to existing clients. □

- Client Profile: Some service providers focus on specific types of entrepreneurs as described above. For example, two organization may provide one-on-one business counseling, however, one might provide that service only to innovation-led businesses. We therefore further categorize service providers based upon the type of entrepreneur they serve. □

- Special Audiences: All new companies must go through the startup phase, regardless of the type of business. Therefore, service providers were categorized specifically as

offering startup assistance. Service providers were also tagged if they provided specific offerings to women and/or minority owned business.

It is worth noting that these categories are not always mutually exclusive. Providers may officially serve multiple quadrants but focus most of their time serving only one. For the purpose of this study the primary audience served was considered.

Specific services were summarized under the broader category headings. For instance, assistance with social media and exporting falls under the broader category of marketing. Procurement includes selling to the government as well as large corporations and other types of clients.

The scope of this project did not allow for direct outreach to business support resources. For some organizations, it was not possible to determine specific services and/or audience served from website descriptions. In several instances, websites were nonfunctional.

The following chart categorizes the service providers identified in the Inventory of Entrepreneurial and Startup Services by service provided, client profile and special audiences. An (I) indicates incomplete or unavailable information for that service provider. In all, approximately 170 organizations were charted, most of which are public sector nonprofits. State agencies, and nonprofit organizations located outside of the region that provide services for businesses and entrepreneurs within the study area were included in the inventory. Additional organizations were included, representing the types of establishments that are typically found in an entrepreneurial support network -- libraries, chambers of commerce and the IRS – as well as resources identified through guides and websites. There are most likely other resources that are missing from this listing. The resource inventory and assessment will be updated as information becomes available.

Organization																			
3Core																			
3Fold Communications																			
49er Regional Occupational Program																			
Adon Communications																			
AgTech Innovation Fund																			
Aker Capital LLC																			
Auburn Tech Incubator																			
BizWorks (Yuba - Sutter)																			
Breakaway Funding																			
Business Environmental Resource Center (BERC)																			
CA Indian Manpower Consortium																			
CalGold																			
California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)																			
California Asian Chamber of Commerce																			
California Association of Public Procurement Officials, Inc. (CAPPO) – County of Sacramento																			

California Beginning Farmer Bonds (CDLAC)		x													x				
California Capital		x	x				x	x	x				x		x	x	x	x	x
California Department of Food & Ag						x						x			x	x	x	x	x
California Department of Public Health												x			x	x	x	x	x
California Department of Transportation (Caltrans)			x												x				

Organization	Management	Capital	Procurement	Legal Services	Marketing/Logistics	Marketing/Sales	Engineering/Selling	Networking	Management	Commercialization	Compliance	Space & Minority Development					
California Disabled Veterans Business Enterprise Certification			x									x	x	x			
California Employment Training Panel		x										x			x	x	x
California Energy Efficiency Finance Project		x													x	x	x
California Environmental Protection Agency/Office of the Ombudsman		x						x			x						
California Farm Equipment and Machinery Exemption		x														x	x
California Film and TV Tax Credit Program		x											x			x	x
California Industrial Development Bonds		x														x	x
California Infrastructure and Economic Development Bank (IBank) CLEEN Center		x												x	x	x	x
California Infrastructure and Economic Development Bank's (IBank) Export Financing Program		x														x	x
California Manufacturing and R&D Exemption		x								x						x	x

Organization	Management	Capital	Procurement	Legal Services	Touring/Logistics	Marketing/Sales	Engineering/Construction	Networking	Management	Commercialization	Compliance	Space & Minorities	Development					
Capcity								X				X		X	X		X	
Career Academies - CAP AND CRANE													X					
CDC Small Business Center		X										X	X	X	X	X	X	
Center For International Trade & Development (Northern California - Sacramento Regional)						X	X	X						X	X	X	X	X
Center for Land-Based Learning							X	X	X			X		X	X			
Central Sierra Regional Occupation Program													X					
China Trade Office						X	X	X						X			X	X
City of Davis Economic Development		X				X					X							
City of Elk Grove Economic Development		X				X					X							
City of Folsom Economic Development						X			X		X							
City of Rocklin Economic Development		X				X					X							
City of Roseville Economic Development (CDC)						X					X							
City of Sacramento Economic Development			X			X		X			X			X	X	X	X	X
City of West Sacramento Economic Development		X				X					X							

City of Woodland Economic Development		x				x					x									
City of Yuba Economic Development		x				x					x									
Connections Workforce Development and Business Resource Center														x		x	x		x	
County of Placer Economic Development						x		x			x			x						
County of Sacramento – Dept. of General Services			x								x					x	x		x	
County of Yuba Economic Development						x					x									
CSUS College of Business Administration Center for Entrepreneurship							x		x			x		x		x				
Davis Chamber of Commerce (SBDC)								x								x	x	x	x	x

Organization																			
Davis Roots							x	x	x						x			x	
Downtown Sacramento Partnership (PBID - Calling All Dreamers)		x					x	x	x						x	x	x	x	
East Sacramento Chamber of Commerce								x							x	x	x	x	x
El Dorado Chamber of Commerce Ag Council							x		x						x				
Eldoradobusiness.com							x	x	x						x	x	x	x	x
Energy Innovations Small Grant Program		x									x				x			x	
Federal Deposit Insurance Committee									x						x	x			
Federal Reserve/Community Reinvestment Act								x	x										
Folsom Chamber of Commerce (SBDC)								x							x	x	x	x	x
GO-Biz							x		x						x	x	x	x	x
GO-Biz (California Competes Tax Credit)		x						x				x			x	x	x	x	x
Golden Pacific Bank	x														x	x	x	x	x
Golden Sierra Job Training Agency																			x
Golden Triangle Capital Network (Innovate Northstate)							x	x							x				x

Greater Broadway Partnership (PBID)						x		x												
Greater Sacramento Area Economic Council						x		x							x			x	x	x
Grow America Fund		x												x				x		
Grown Programs (Local Food)						x		x	x						x			x		
Hacker Lab/Hacker Lab Sierra College							x	x					x		x				x	

Organization	Financial Management	Capital	Procurement	Legal Services	Manufacturing Logistics	Marketing/Sales	Mentoring/Consulting	Networking	Planning/Management	R&D/Commercialization	Regulatory Compliance	Space	Women & Minority	Workforce Development					
Interface Financial Group		X			X										X	X	X	X	X
Internal Revenue Service (IRS)- Small Business and Self-Employed Tax Center											X				X	X	X	X	X
iWest at CSUS (forthcoming)																			
Los Rios Community College District							X	X					X						
Mack Road Partnership (PBID)						X		X							X	X	X		
MANEX (Corporation for Manufacturing Excellence)					X	X	X		X	X			X						
MedZone (in development)													X						
Midtown Business Association (PBID)						X		X											
Moneta Ventures															X				X
NACCE													X						
National Association of Women Business Owners (NAWBO)							X	X	X				X		X	X	X	X	X
New Employment Credit		X													X	X	X	X	X

Next-Ed								x						x						
North Central Counties Consortium								x						x						
North Sacramento Chamber of Commerce								x							x	x	x	x	x	
Northern California World Trade Center						x	x	x			x				x				x	x
Oak Park Business Association (PBID)						x		x							x	x	x			
Opening DOORS	x	x				x	x		x				x		x	x	x			
Pacific Gas & Electric-PG&E	x								x						x			x	x	x
Placer County Business Advantage Network		x												x	x	x	x	x	x	

Organization	<i>Financial Management</i>	<i>Capital</i>	<i>Procurement</i>	<i>Legal Services</i>	<i>Manufacturing/Logistics</i>	<i>Marketing/Sales</i>	<i>Mentoring/Counseling</i>	<i>Networking</i>	<i>Planning/Management</i>	<i>R&D/Commercialization</i>	<i>Regulatory Compliance</i>	<i>Space</i>	<i>Women & Minority</i>	<i>Workforce Development</i>					
Pollinate Davis							X					X			X	X	X	X	X
Power Inn Alliance (PBID)					X		X								X	X	X	X	
SacLEAD							X	X					X	X	X	X	X	X	X
Sacramento Angels		X													X				
Sacramento Area Women's Chamber of Commerce								X					X		X	X	X		
Sacramento Asian Pacific Chamber of Commerce		X	X			X	X	X					X	X	X	X	X	X	X
Sacramento Black Chamber of Commerce								X							X	X	X		
Sacramento County Office of Education							X	X					X	X					
Sacramento Employment & Training Agency (SETA)														X		X	X	X	X
Sacramento Entrepreneur and Small Business Meet Up Networks and Successful Thinkers Networks								X							X	X	X		

Sacramento Entrepreneurship Academy							x	x							x					
Sacramento Hispanic Chamber of Commerce		x	x				x	x	x	x				x		x	x			
Sacramento Housing & Redevelopment Agency (SHRA)			x													x	x	x	x	x
Sacramento Metro Chamber (SBDC Network Manager)			x				x	x	x						x	x	x			
Sacramento Municipal Utility District-SMUD		x							x						x		x	x	x	
Sacramento Public Library									x						x	x	x	x	x	
Sacramento Rainbow Chamber of Commerce								x												
Sacramento SCORE	x						x	x	x						x	x	x			
Sacramento State College of Continuing Education																				

Organization	Finance/Management	Capital	Procurement	Legal/Services	Manufacturing/Logistics	Marketing/Sales	Mentoring/Counseling	Networking	Planning/Management	R&D/Commercialization	Regulatory/Compliance	Space	Women&Minority	WorkforceDevelopment						
Sacramento Startup Grind								X							X				X	
Sacramento Veterans Resource Center							X		X				X		X	X	X			
SAFE-BIDCO		X															X			X
SARTA							X		X	X				X	X	X	X	X	X	X
SARTA AgStart							X	X	X	X					X				X	
SARTA CleanStart							X	X	X	X					X				X	
SARTA MedStart							X	X	X	X					X				X	
SARTA TechStart							X	X							X				X	
SARTA Venture Lab										X					X				X	
SARTA Venturestart							X								X				X	
SmartBiz Loans		X														X	X	X		
SBA, Small Business Investment Corporation Impact Investment Fund		X																		
Sierra Business Council - Peak Innovation Center (SBDC)	X						X	X	X											
Sierra Commons								X							X	X				

Sierra Economic Development Corp. SEDCorp		x					x	x	x						x	x	x	x	
Slavic American Chamber of Commerce								x	x						x	x	x	x	x
SME Sacramento Valley Chapter					x			x							x			x	x
Socotra Capital		x																	
Soil Born Farms							x	x	x					x	x	x			
State of CA Dept. of General Services			x								x		x			x	x	x	x
Stockton Boulevard Business Information Center (BIC)									x				x		x	x			

Organization	<i>Financial Management</i>	<i>Capital</i>	<i>Procurement</i>	<i>Legal Services</i>	<i>Manufacturing/Logistics</i>	<i>Marketing/Sales</i>	<i>Mentoring/Counseling</i>	<i>Networking</i>	<i>Planning/Management</i>	<i>R&D/Commercialization</i>	<i>Regulatory Compliance</i>	<i>Space</i>	<i>Women & Minority</i>	<i>Workforce Development</i>					
Stockton Blvd (PBID)						X		X							X	X	X		
The River District (PBID)						X		X							X	X	X		
The Shop - VSP Global Innovation						X	X	X		X					X			X	
UC Cooperative Extension - Colusa County	X					X	X		X						X	X			
UC Cooperative Extension - Glenn County	X					X	X		X						X	X			
UC Cooperative Extension - Sacramento County	X					X	X		X						X	X			
UC Cooperative Extension - Sutter Yuba	X					X	X		X						X	X			
UC Cooperative Extension - El Dorado County (Central Sierra)	X					X	X		X						X	X			
UC Cooperative Extension - Placer County	X					X	X		X						X	X			X
UC Cooperative Extension - Yolo County	X						X								X	X			
UC Davis – Child Family Institute for Innovation & Entrepreneurship							X	X	X	X					X			X	
UC Davis Ag Tech Sustainable Innovation Center		X					X	X	X	X					X			X	
UC Davis World Food Center								X		X								X	
United Commercial Services - ITA						X		X	X						X	X		X	X

University of the Pacific/McGeorge School of Law				x			x							x	x						
Urban Hive							x	x						x			x				
US Export Assistance Program							x	x													
US Government Business.org							x										x	x	x	x	x
USDA Rural Development California		x						x						x			x	x	x	x	x

Organization	<i>Financial Management</i>	<i>Capital</i>	<i>Procurement</i>	<i>Legal Services</i>	<i>Manufacturing/Logistics</i>	<i>Marketing/Sales</i>	<i>Mentoring/Counseling</i>	<i>Networking</i>	<i>Planning/Management</i>	<i>R&D/Commercialization</i>	<i>Regulatory Compliance</i>	<i>Space</i>	<i>Women & Minority</i>	<i>Workforce Development</i>						
Uptown Studios							X	X	X						X		X	X		
Valley Economic Development Center Inc.		X							X									X		X
Velocity Venture Capital		X				X	X	X				X			X				X	
Veterans Business Outreach Center Region IX	X					X	X	X							X		X			
VSP Global, The SHOP										X										
West Sacramento Chamber of Commerce								X							X		X	X	X	X
Woodland Community College														X						
Women's Business Center (California Capital)	X		X			X	X	X	X				X		X		X	X	X	X
Yolo County Workforce Board								X						X						
Yolo-Solano Farmbudsman Program							X		X		X				X		X			X
Yuba College							X	X	X		X			X						
Yuba Sutter Business Consortium		X					X		X					X						
Yuba Sutter Chamber of Commerce (SBDC)						X	X	X							X		X	X	X	X
Yuba Sutter EDC		X				X		X	X											
Totals	15	51	14	1	3	45	64	78	53	13	26	11	22	34	112	88	76	82	64	

Resource Strengths and Gaps

The chart shows clear areas of strength. Networking is an area of strength, with 78 organizations offering networking opportunities. In most communities, chambers of commerce offer broad networking services. In the Capital Region, several other organizations offer networking in addition to chambers of commerce.

Mentoring/counseling is offered by 64 organizations, an area of strength expected in a community like the Capital Region. Planning and management services are offered by 53 organizations. This is typically an area in which many organizations offer services, and the Capital Region is no exception.

Not surprisingly, given the focus of the Workforce Boards and many organizations and educational partners around the region's Next Economy clusters, workforce development stands out. In many communities, traditional education and STEM education efforts are not well connected into the entrepreneurial ecosystem. The effort to include these critical resources in the Capital Region's entrepreneurial asset map indicates a recognition of the important role a qualified, motivated workforce plays in building strong companies.

Resource providers in the Capital Region provide a diversity of services, with at least one provider covering each area of assistance. More than 50 organizations offer assistance with capital, which is a very good showing. Capital will be described in more depth in the next section.

Area of Assistance	# of Organizations Providing Service
Networking	78
Mentoring/Counseling	64
Planning/Management	53
Marketing/Sales	45
Workforce Development	34

In terms of weaknesses, given the assessment of the organizations represented here, the Capital Region offers only one legal services to startups and entrepreneurs (not including for profit legal services firms). Manufacturing support also appears to be weak, with only three providers of manufacturing and logistics services. Only 11 resource providers offer coworking or incubator space.

These gaps could be due to the limited nature of this initial study. Further in-depth research could reveal additional resources in these key areas. Or these could be true gaps in the marketplace, in which case Sacramento would be wise to begin a process of building capacity in these areas.

Area of Assistance	# of Organizations Providing Service
Space	11
Manufacturing/Logistics	3
Legal Services	1

With regard to audiences, resource providers offer a baseline level of services to all types of entrepreneurs. More than 112 organizations assist those in the startup stage. Twenty-two provide specific assistance to women and/or minority owned businesses.

According to YourEconomy.org, the Capital Region derives almost 35% of all jobs from second stage business owners. According to this analysis of resource providers, only about 37% of the resource providers offer services to second stage companies. Again, this may be a limitation of this particular analysis or it may indicate a true gap in the market.

Networked Capital

Just as different kinds of companies need different kinds of business building assistance, they also typically require different kinds of startup and growth capital. According to the U.S. Small Business Administration, one third of new non-employer startups and 12% of employer startups require no outside funding. About 50% of funding for small businesses comes from loans and only about 4% secure angel or venture capital.

The chart below indicates the most likely sources of funding for the four types of entrepreneurs.

Innovation-led	Second Stage	Main Street	Microenterprise
Some of these seek equity funding from angels investors and/or venture capital. These types of innovations are the most likely candidates for SBIR funding.	Because they frequently have collateral and track records, they are more likely candidates for bank financing and lines of credit	Most fund their startups through personal savings and growth through cash flow. Lines of credit, SBA-backed loans and microloans are also sources of funding.	Microloans, credit cards, personal savings.

In general, Main Street and microenterprises tend to seek debt funding to finance their businesses. Second stage businesses also use debt. In most communities, the private sector (banks, credit unions) serve the needs of business clients who are “bankable,” that is, they have collateral, cash

flow and/or credit history that enable a company to secure private debt financing. Until a company or individual is bankable, their sources of business financing are heavily reliant on the community.

In the Capital Region, the organizations offering small business loans tend to focus on either SBA-backed loans or specialty programs such as energy efficiency incentives. Several microloan programs appear to be active, which can provide much needed assistance to startups. Almost 20 local banks have been identified as offering SBA -backed loans. More resources could be needed to serve those moving from economic disadvantage into business ownership. Communities the size of the Capital Region typically have a broad array of revolving loan programs. Few of those resources showed up in this analysis, and could signify another gap in the market.

Personal emergency loans	Secured credit cards	Credit building loans	Microloans	Community advantage loans	SBA-backed loans
	DJF Frontier	Opening Doors - MoneyWorks	Opening Doors - microloan		California Capital
			3Core - microloan		CDC Small Business Center
			SEDCorp - microloan		Grow America Fund
			SAFE-BIDCO		SEDCorp – revolving loans
			CAMEO		Yuba Sutter EDC
			Interface Finance Group		SAFE-BIDCO
					Valley Economic Development Center
					Sacramento Area Asian Pacific Chamber
					Smart Biz Loans
					Local banks

Other loans and incentives:

- California Alternative Energy and Advanced Transportation Financing Authority
- California Beginning Farmer Bonds
- California Centers for International Trade Development
- California Competes Tax Credit (GO-BIZ)
- California Employment Training Panel
- California Energy Innovations Small Grant Program
- California Farm Equipment and Machinery Exemption
- California Film and TV Tax Credit Program
- California Hub for Energy Efficiency Financing Pilot Programs
- California Industrial Development Bonds
- California Infrastructure and Economic Development Bank (IBank) CLEEN Center
- California Infrastructure and Economic Development Bank's (IBank) Export Financing Program
- California Manufacturing and R&D Exemption
- California New Employment Credit
- California Small Business Loan Guarantee Program
- California Teleproduction Exemption
- California Timber Harvesting Exemption
- CalRecycle
- Placer County Business Advantage
- Sacramento Municipal Utility District

SBA – SBIC Impact Interest Fund

USDA – REAP and energy efficiency loans and grants, Value added producer grants
 USDA – Value Added Producer Grants

Many innovation-led businesses seek equity funding to start and grow their businesses. Much like with debt, business frequently move from “unbankable” to “bankable.” In this scenario, bankable typically means a company has moved beyond the proof-of-concept stage and is into rapid growth with customers and products.

The private sector (venture capital firms) typically meet the needs of clients at the Series A through Mezzanine levels. Angels often come in at series A as well, for companies that are not yet “bankable.” Again, the community frequently is called on to support funding at the “unbankable” stages – pre-seed and seed. In the Capital Region there appear to be a few business competitions that fund pre-seed. Two of the organizations that provide resources at the seed stage are focused on ag tech and one on real estate. If this is truly the case, then the community will need to focus efforts on strengthening the early-stage end of the equity funding continuum.

Pre-seed	Seed	Series A	Series B	Series C	Mezzanine
Velocity Venture Capital – startup competition	UC Davis Ag Tech Innovation Center – Innovation Seed Fund	Velocity Venture Capital	Velocity Venture Capital	Velocity Venture Capital	Velocity Venture Capital
Downtown Sacramento Partnership – Calling all Dreamers	Breakaway Funding	Aker Capital	Aker Capital	Aker Capital	
Breakaway Funding	AgTech Innovation Fund	American River Ventures	American River Ventures	American River Ventures	
	Socotra Capital – real estate	Sacramento Angels			
		Breakaway Funding			

Conclusion

Mapping the assets to support entrepreneurs and business owners in a community is a critical first step in strengthening a region's entrepreneurial ecosystem. The analysis of the assets in the Capital Region reveal an array of resources for entrepreneurs of all types. Resources for startups are particularly plentiful, with potential gaps for the second stage business owner. Resources for networking, planning/management and workforce development appear to be plentiful. There appear to be gaps in assistance for financial management, R&D/commercialization and manufacturing.

It is important to note there may be resources in the region that were not discovered through this top level analysis. A deep dive would likely reveal additional support. Alternatively, this analysis could reveal true gaps in the marketplace and would require a concerted effort to fill.

The next, equally important, step is to make those resources visible and accessible to the various types of entrepreneurs through a central hub in the region, and for service providers to align their resources to the need of the entrepreneurs.

Appendix D: SlingShot Partners

Slingshot Advisory Committee

Sacramento: Employment and Training Agency (SETA) Workforce Area

Meg Arnold, MedZone

Monique Brown, Velocity Venture Capital

Terri Carpenter, SETA

James Correa, Office of Mayor Kevin Johnson

Christine Irion, Sacramento State

Tom Kandris, PackageOne

Trish Kelly, Valley Vision

Roy Kim, SETA

Kathy Kossick, SETA

Pat Fong Kushida, Asian Chamber of Commerce

Deborah Lowe Muramoto, Women's Business Center

Scott Leslie, Sacramento Metro Chamber of Commerce, SBDC Network

Frank Louie, Xerox

Gina Lujan, Hacker Lab

Joe McClure, SBA

Jamey Nye, Los Rios Community College

Brooks Ohlson, Los Rios Community College

Dean Peckam, City of Sacramento Economic Development

Dr. Matt Perry, CRANE

Mónica Nainsztein Rodríguez, SpanishOne Plus

Stella Premo, NextEd

Scott Reed, Greater Sacramento

Tina Reynolds, UpTown Studios

Evan Schmidt, Valley Vision

John Selep, Ag Tech Innovation Fund

Anette Smith-Dohring, Sutter Health, (Sacramento and Golden Sierra Workforce Boards)

William Walker, SETA

Clarence Williams, California Capital

Greg Williams Sr., SETA

Chris Worden, Sacramento Metro Chamber

Matt Yancey, Davis Chamber of Commerce

Golden Sierra Workforce Area:

Virginia Boyar, Lake Tahoe Community College
Jason Buckingham, Golden Sierra Workforce Board
Darlene Galipo, Golden Sierra
Karen Garner, City of Roseville Economic Development
Michael Indiveri, Golden Sierra
Laura Matteoli, City of Roseville
Jeff McLaughlin, El Dorado County Economic Development
Carol Pepper-Kittredge, Sierra College
Norma Santiago, Catalytic Connections
Dave Snyder, Placer County Economic Development
Shawn Tillman, City of Lincoln Economic Development
Dale Van Dam, Folsom Lake College
Michael Ward, Michael Ward Consulting Ltd.
Randy Wagner, SEDCorp
Kristin York, Sierra Business Council, Reach Innovation Center

North Central Counties Consortium

Roger Abe, Supervisor, Yuba County
Nancy Crooks, North Central Counties Consortium
Ed Davis, Yuba Community College
Ben Felt, Colusa County Economic Development
John Fleming, Yuba County Economic Development
Ken Freeman, Yuba College
Darin Gale, Yuba City Economic Development
Doug Gibbs, Product Builders/Gibbs Group LLC
Andre Kim, Office of Congressman John Garamendi
Jeff Lucas, Community Development Services, Glenn County
Rickki Shaffer, Yuba - Sutter Chamber of Commerce
Lettie Seaver, NCCC Staff
Brynda Stranix, Yuba-Sutter EDC

Yolo County (Workforce Area)

Cecilia Aguiar-Curry, Mayor, City of Winters
Amber Harris, UC Davis Child Family Center for Innovation and Entrepreneurship
Josette Lewis, UC Davis World Food Center Elaine Lytle, Yolo County
WB
Diane Parro, City of Davis Ryan Sharp, UC Davis
Lisa Vincent, Yolo County WB
Christine McMorrow, Center for Land-Based Learning

Business Leadership Council

Kathy Burris, CVS, (Golden Sierra)
Margaret Fernandez, The Plus Group, Inc. (Yuba/Sutter)
Ken Garnett, All Phase Security, Inc. (Yolo)
Tom Kandris, PackageOne, (SETA)
Frank Louie, Xerox, (SETA)
Gary Pelfrey, Davis Flight Support, (Yolo)
Angel Reynoso, Angel Reynoso State Farm Ins.,
(Yuba/Sutter) Stewart Schurr, PC Doctor, (Golden Sierra)
Anette Smith-Dohring, Sutter Health, (SETA, Golden Sierra)

Work Group Members

Talent and Workforce Development

James Correa, Office of Mayor Kevin
Johnson Michael Indiveri, Golden Sierra
Mary Kimball, Center for Land-Based Learning
Gina Lujan, Hacker Lab
Gary Pelfrey, Davis Flight Support (Yolo)
Carol Pepper-Kittredge, Sierra College, (Golden Sierra)
Matt Perry, CRANE
Stella Premo, Next-Ed
Tina Reynolds, UpTown Studios
Jacqui Sojol – Momentum Initiative
Michael Ward, Michael Ward Consulting Ltd.
William Walker, SETA

Networked Capital

Alberto B. Ayulo, Johnson Controls
John Bissell, MicroMidas
Monique Brown, Velocity Venture Capital
Joe McClure, U.S. Small Business Administration, SBA
Dean Peckham, City of Sacramento Economic Development
John Selep, Ag Tech Innovation Fund
D.J. Stephan, SkySlope
Natalie Stone, Velocity Venture Capital
Randy Wagner, SEDCorp
Kristin York, Sierra Business Council, Peak Innovation

Pipeline of Ideas

Amanda Blackwood, The Momentum Initiative
Margaret Fernandez, The Plus One Group
Tom Kandris, PackageOne
Diane Parro, City of Davis
Dean Peckham, City of Sacramento Economic Development
Norma Santiago, Catalytic Connections
Rob White, Sierra Energy
Greg Williams Sr., SETA

Metrics

Monique Brown, Velocity Venture Capital
James Correa, Office of Mayor Kevin Johnson
Amber Harris, UC Davis Child Family Center for Innovation and Entrepreneurship
Michael Indiveri, Golden Sierra
Tom Kandris, PackageOne
Mary Kimball, Center for Land Based Learning
Pat Fong Kushida, Asian Chamber of Commerce
Joe McClure, U.S. Small Business
Administration Brooks Ohlson, Los Rios
Community College Diane Parro, City of Davis
Dean Peckham, City of Sacramento Economic
Development Matt Perry, CRANE
Norma Santiago, The Catalytic
Connection John Selep, Ag Tech
Innovation Fund Anette Smith-Dohring,
Sutter Health Randy Wagner, SEDCorp
Michael Ward, High Bar
Global Greg Williams, SETA
Chris Worden, Sacramento Metro Chamber

Appendix E: SlingShot Working Group Charter

SlingShot Working Group Charter

Version 1.0

1. Effective Date and Duration:

October 1, 2015 through December 31, 2016, subject to annual ratification by Business Leadership Council (BLC) and the Workforce Boards (SETA, NCCC, Golden Sierra, Yolo).

2. Committee Purpose:

(Overall charge, purpose, or focus of this committee in helping fulfill the objectives of SlingShot.)

Responsible for the creation of strategies and recommendations for BLC review and approval that will lead to the investment of SlingShot funds and/or the implementation of SlingShot project objectives to strengthen the Capital region's entrepreneurial ecosystem.

3. Deliverables:

- a) Refine and prioritize project strategies identified through engagement processes in order to champion and advance chosen strategies;
- b) Advance recommended strategies to the BLC using criteria and tools developed by SlingShot staff
- c) Monitor the improvement of the Entrepreneurial Ecosystem and develop strategies for program sustainability
- d) Provide data for area WBs and regional plans
- e) Champion high return-on-investment (ROI) SlingShot projects and help establish commitments to contribute to project sustainability.

4. Functional Relationship, Composition, and Administration:

- a) This Working Group shall function as a subset of the full SlingShot governance and structure, including the BLC and the four regional Workforce Boards (SETA, NCCC, Golden Sierra and Yolo) who shall retain full responsibility for financial oversight.
- b) The Chair of each Working Group shall be selected by a majority of the Working Group members and appointment shall last from October 2015 to December 31, 2016.
- c) The Working Group shall be staffed by Valley Vision or a designee of the Workforce Boards, including WB staff and/or Collaborative Economics.

5. Chair Roles and Responsibilities:

- (a) Guides the Working Group in accomplishing the purpose and objectives detailed in this charter;
- (b) Ensures the Working Group delivers work products and recommendations in alignment with the work and budget schedule of Project SlingShot and participating Workforce Boards and the CA Workforce Board;
- (c) Conducts meetings of the Working Group and directs the communication for Working Group matters;
- (d) Clarifies and assigns tasks, as necessary;
- (e) Works with Valley Vision or the Workforce Board designee (WB staff or Collaborative Economics) to ensure the Working Group work is carried out between meetings; and

- (f) Endeavors to build a sense of trust, productivity and camaraderie within the Working Group.
6. Valley Vision or Workforce Board Designee Roles and Responsibilities:
- (a) Works in coordination with the Working Group Chair to discharge the purpose and responsibilities of the Working Group;
 - (b) Empowered to make decisions that support the execution of the Working Group deliverables;
 - (c) Responsible for developing and delivering Working Group work materials in advance of scheduled meetings and summarizing decisions made and subsequent actions to be taken;
7. Applicable Governing Documents
- SlingShot Compact and Implementation Plan
 - This Working Group Charter