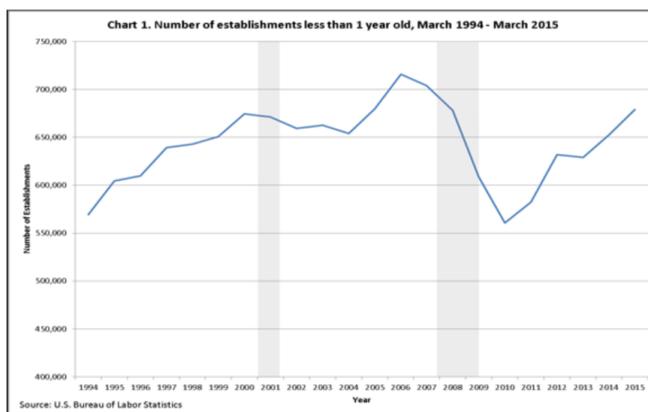




# The Case for Support Statement

## Introduction

Nevada start-up founders need our help! Founders and their families are devastated when their startup fails to take off after launch or dies in infancy - during the first or second year. It's tough. The Bureau of Labor Statistics documents that 20% of startups fail in their first year, and more than 50% fail by their fifth year. This is a hard and bleak truth. For female founders, minority founders, veteran founders and other protected groups, the statistics and challenges are more daunting. Even with maximum levels of effort, the majority of Nevada startups do not succeed and abandon their ventures after facing the initial setbacks. We can change many of these poor outcomes.



Source: Bureau of Labor Statistics

Many startups will fail even with assistance, but with the right help, the odds of success increase significantly, by 3 to 5 times. The success is not just for the founder and their family. Basic success means jobs and consistent economic activity in our Nevada communities. *Scalable* success from an acquisition or IPO, leaves a significant positive impact that lasts generations for the founders, early joiners, investors, and their families. It doesn't stop there. Scalable success supports other

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local causes and inspires new founders to repeat the start-up process, bringing generational economic prosperity and economic diversity to Nevada from outside of our traditional industries.

So what's the secret to this kind of success? The keys are targeted and experienced mentorship, access to venture and debt-based capital, access to key human capital, and a sound knowledge and



skills of entrepreneurship. Entrepreneurship plays a vital role in the growth of the U.S. economy; it creates jobs, reduces unemployment, and ultimately reduces crime. Capital is essential, but a startup needs more for true sustainability. Investing in business incubation, mentorship, coaching, and training is a worthy cause that not only contributes to our local economic progress but also promotes social development.

Source: Failory

## Why Nevada?

Nevada is by far one of the top states to start a business for a variety of reasons, including government and regulatory environments that support business development. Additionally, the exodus of many technology companies from California has provided a robust environment for incubation, with access to talent and potential customers, partners and acquisitions. The State of Nevada is seeing the biggest growth in what experts are calling the big four: manufacturing, logistics, information technology, and healthcare. "Think about it like your retirement portfolio,

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right?" Bob Potts, Research Director for the Governor's Office of Economic Development, said. "You're more diversified, you're more resilient in those downturns in the economy."

Nevada's startup activity score is the best in the U.S., and tops the charts for the highest density of startups with more than 100 startup companies per 1,000 firm population. However, the state is ranked in the bottom half for access to resources, such as mentorship and education, and second to LAST in the country for access to capital! The economic environments are ideal for innovation, but the critical resources needed are sparse, which forces many start-ups to move out of state for the best shot at success. StartUpNV was created to remedy this disparity and keep our best and brightest here in Nevada.

### **Mission and Vision**

The mission of StartUpNV is to amplify the success of the current and future Nevada start-ups by providing inspirational, collaborative work environments with a proven methodology and targeted mentoring to advance early-stage entrepreneurs who have a scalable vision and the ability to execute. Our aim is to build a startup environment similar to what we see in Silicon Valley and other tech hubs around the world. And presently, Nevada has no other business innovation incubator. By creating a virtuous cycle of start-up based entrepreneurship in Nevada, we will diversify the local economy and dramatically increase our resiliency in economic downturns.

### **History of the Organization**

StartUpNV was founded in the year 2017 with the aim of developing a world-class and state-wide business incubator in Nevada. The organization is managed by a group of dedicated, successful Nevadans who want to give back to the community.

A few key people's passion for the start-up community in Nevada was the driving force in the founding of StartUpNV; Jeffrey Saling, Eric D. Madison, Zach Miles and Bob Susskind. The founders were influenced by the contemporary findings that despite Nevada being a home to many

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creative and scalable ideas, most scalable startups shift operations to other states to find the resources needed to execute their plans. The obvious need to help new startups was the inspiration to start a business incubator – both as a way to reducing startup failures, as well as to create and keep success at home in Nevada .

### **Description of the Business**

StartUpNV is Nevada’s only statewide incubator. Our aim is to diversify the state’s economy and retain our best and the brightest entrepreneurs and graduates. We are a nonprofit 501(c) 3 and are made up of a team of volunteers consisting of successful entrepreneurs, advisors, investors, and people passionate about the innovation born in Nevada. StartUpNV engages new and experienced entrepreneurs from a wide variety of industries and business sectors through events, education, coaching, mentoring, and investment. We offer entrepreneurs an opportunity to develop from an idea through beta testing, to a revenue producing business with the appropriate capitalization for growth. By investing in this future, we invite others to experience what Elon Musk dubbed Nevada, “The Land of Opportunity.”

Our workspaces in Las Vegas and Reno are inspiring and connect to SBDC facilities throughout Nevada’s eight rural areas. Our mentors are experienced and successful, with well-connected networks and, most importantly, they are accessible. Our business and capital partners count on StartUpNV to create a strong and growing pipeline entrepreneurial founders and new companies in Nevada. Our communities count on us to cultivate new ideas and generate self-sustaining and diversified local economies, grow businesses and jobs, and attract and retain the best innovators here in our state of Nevada.

### **Capital Funding | FundNV & other Partners**

StartUpNV’s early stage investment fund, FundNV is a separate entity that focuses on investing in select StartUpNV companies. We plan to raise one million dollars from accredited investors that

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will be used to support 20 companies over a 2-3 year span. FundNV provides investors an opportunity to invest in our locally focused fund, with no management fees, and get maximum returns on their investment in a diverse portfolio of well vetted Nevada based scalable start-ups. For the startups, FundNV's investment will be a "stamp of approval" that is passed along as deal flow to other Nevada investments groups. By living with these companies for many months during their incubation, FundNV, through StartUpNV, has a unique investment strategy that makes it a trusted and strategic source for other capital partners.

The StartUpNV Capital Committee is a curated advisory board that helps member companies get ready for investment, and then connects them to a select group of capital partners that support every stage of a business from pre-seed, seeding, growth, and to liquidity. The Capital Committee introduces members (present and graduated) to investors at the right time, matching stage and criteria for both company and investor.

### **Outcomes and Proof of Impact**

Since the StartUpNV program was launched last year, we have grown our members from a handful to hundreds of entrepreneurs. In the last one year alone, StartUpNV has listened to over 150 pitches and assisted these entrepreneurs with written feedback, mentorship, coaching, business incubation services, or capital. 32 companies in a variety of industries, have successfully participated in the StartUpNV incubator for 3-12 or more months. Follow-up studies done at the close of the second half of the year 2018, reveal that over 95% of the startups that passed through our incubation program are still thriving, which in comparison to the 20% of small business nationally that fail within the first year, and 30% that fail within the second year, is evidentiary of the benefits incubation provides. According to our first year, a startup is 75% more likely to succeed with our support. During our first full year, six StartUpNV member companies raised over \$3.8 million in capital funding.

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Moreover, we helped many more member and non-member Nevada based startups. StartUpNV helps through our network of 100+ mentors, by coaching on pitches , by making invaluable introductions to key employees, partners, and customers. All of our help has proven to be of great assistance to the survival of our fragile Nevada start-up ventures. While our formal incubation membership is currently limited to 25 companies at a time, we provide general help and access to services to the entire business community in Nevada. We are here to help any current or future Nevadan be successful.

### **Financial Needs**

Our goal for the year 2019 is to raise \$250,000 to enable us to implement and expand the proposed program activities to assist many more member and non-member start-ups.

This year, we aim to mobilize over \$50,000 to finance our mentorship activities by partnering with a customized software platform that enables mentors and members to have a virtual network throughout Nevada, and even throughout the globe.

\$40,000 will allow us to host weekly public educational events and workshops, featuring experts and influencers on how-to topics for growing your business, the a-b-c's of pitching, how to meet investors, panels, and other critical topics for Nevada's business community at no cost to attendees.

In order for StartUpNV to assist a higher volume of entrepreneurs, \$50,000 will go towards membership fees for underserved communities, workspace partnerships in rural areas, and more services/discounts/resources for our members.

Another aspect of accessing more rural location in Nevada is our IT sponsorship of \$15,000 which will provide for reliable equipment to virtually connect our network by livestreaming events, video conferencing with mentors around the state, and allowing pitch applicants to present from locations remote from our Reno and Las Vegas hubs.

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Our Entrepreneurs in Residence, Military, and Corporate Innovation programs will attract serial entrepreneurs looking for their next venture, departments of defense, and innovative companies to interact and partner with our companies through a curated process that StartUpNV provides by matching their needs with startups that solve their problems. \$50,000 will support these initiatives by covering outreach, program buildout, and application support.

The final pieces of our 2019 goal include \$20,000 for marketing, \$20,000 for general operations, and \$5,000 for miscellaneous expenses.

Additional stretch funding goals consist of

- a Grant Writing sponsor of \$25,000 to contract with seasoned grant writers to help source and secure federal, state and private grant award money,
- a Real Estate benefactor of an unspecified amount to invest in an “opportunity zone” location for StartUpNV offices in Reno and/or Las Vegas. There are some remarkable tax deferral and tax free gains on investment advantages to this benefactor.
- an annual major event sponsor of \$25,000 to facilitate annual fundraisers for both Las Vegas and Reno.

We are a 501(c) 3 non-profit and run entirely from donations. StartUpNV is 100% volunteer organization with no paid staff. Member company fees cover only a small part (about 10%) of our costs.. We depend on community donations from individuals and corporate sponsors to support our mission. The funds we’ve received from these donations to date cover only a small portion of the program objectives. Consequently, the scope and the impact of the StartUpNV incubator are limited. Currently, StartUpNV program is unable to assist thousands of startups that have contacted our organization. So far, we have a list of over 500 innovative startups that would like to be incubated for their ventures to have a strong foundation.

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## Means of Support: Fundraising

StartUpNV is asking for support from both corporate and individual supporters. Corporate supporters are asked to support part of all of our programs related to

- Pitch Day – sponsor / advertise on our written and web-based feedback materials
- Mentorship – sponsor / naming rights to our mentor program
- Membership(s) Sponsor – sponsor a member company that can't afford the \$100/mo fee
- Education Sponsor – sponsor lunch-n-learn and other workshop programs for founders

The StartUpNV individual giving program is through our special *Giving Circle* of dedicated individual supporters who make an annual gift of \$1,000 or more to help in the mission of mentoring and incubating early stage startups across Nevada. *StartUpNV Giving Circle* gifts provide the resources needed to continue our mentorship, training, and incubation and donors have the ability to choose where their money goes by selecting the category of the population that will benefit. The StartUp Giving Circle will provide benefits for our esteemed partners as shown below;

- Donations of \$1,000-\$2,499
  - An invitation to StartUpNV special events and special newsletter.
- Donations of \$2,500-\$4,999
  - The entire benefits above plus VIP invites to closed events such as pitch days and seminars.
- Donations of \$5,000-\$9,999
  - All the above benefits plus recognition in print and on the StartUpNV website.
- Donations of \$10,000+
  - All the above benefits plus the opportunity be a title sponsor on a program or event series, and option to attend board meetings.

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Moreover, we will have annual fundraising events that will target corporate social responsibility programs. We will recruit and partner with major and medium-sized successful companies to mobilize funds that will be used to support the StartUpNV state-wide incubator.

With your help, our efforts will contribute significantly to the progress and development of early stage startups across Nevada, resulting in a more diverse, sustainable economy and access to the resources needed by our entire population of entrepreneurs – not just those able to “self-fund” Together, we can ensure that the best innovative ideas are fully supported and remain at home in Nevada throughout their success, injecting capital and opportunity into Nevada’s economy. We kindly request you to consider this proposal and make this program successful and have a long-term positive impact on the lives of the thousands of dreamers, employees, and families living in Nevada.

If you’d like to support us, but in a smaller way – please donate any amount directly on our website at <https://startupnv.org/donate/>.

You can also donate indirectly by choosing StartUpNV as your supported charity through the Amazon Smile program. Amazon will donate one half of one percent of your purchased amount to StartUpNV. To make StartUpNV your selected Amazon Smile charity go to (get the website and info) and select StartUpNV. These donations from Amazon purchases really add up – and they don’t cost you a penny!

For Corporate or Giving Circle donations, we will provide an invoice (and receipt), please contact any of us noted below. We will answer any questions and work with you to make the donation easy. You can make a payment by check or credit card

- Madeline Feldman: [madeline@startupnv.org](mailto:madeline@startupnv.org) | +1.775.339.1031
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