Build to Scale Program

the Office of INNOVATION *and* ENTREPRENEURSHIP

25 February 2020

INNOVATION. REGIONAL COLLABORATION. JOB CREATION.

WE WILL COVER…

- **Welcome & Intros**
  - Office of Innovation & Entrepreneurship
  - Historical information
- **2020 Build to Scale**
  - Who we fund
  - Review of 3 competitions

- **Application Information**
  - Concept Proposal
  - Full Application
- **FAQs and Q+A**

Craig Buerstatte
Director
Office of Innovation and Entrepreneurship
cbuerstatte@eda.gov

Lindsey Cox
Program Manager
Office of Innovation and Entrepreneurship
lcox@eda.gov

Emily Miller
Acting Deputy Director
Office of Innovation and Entrepreneurship
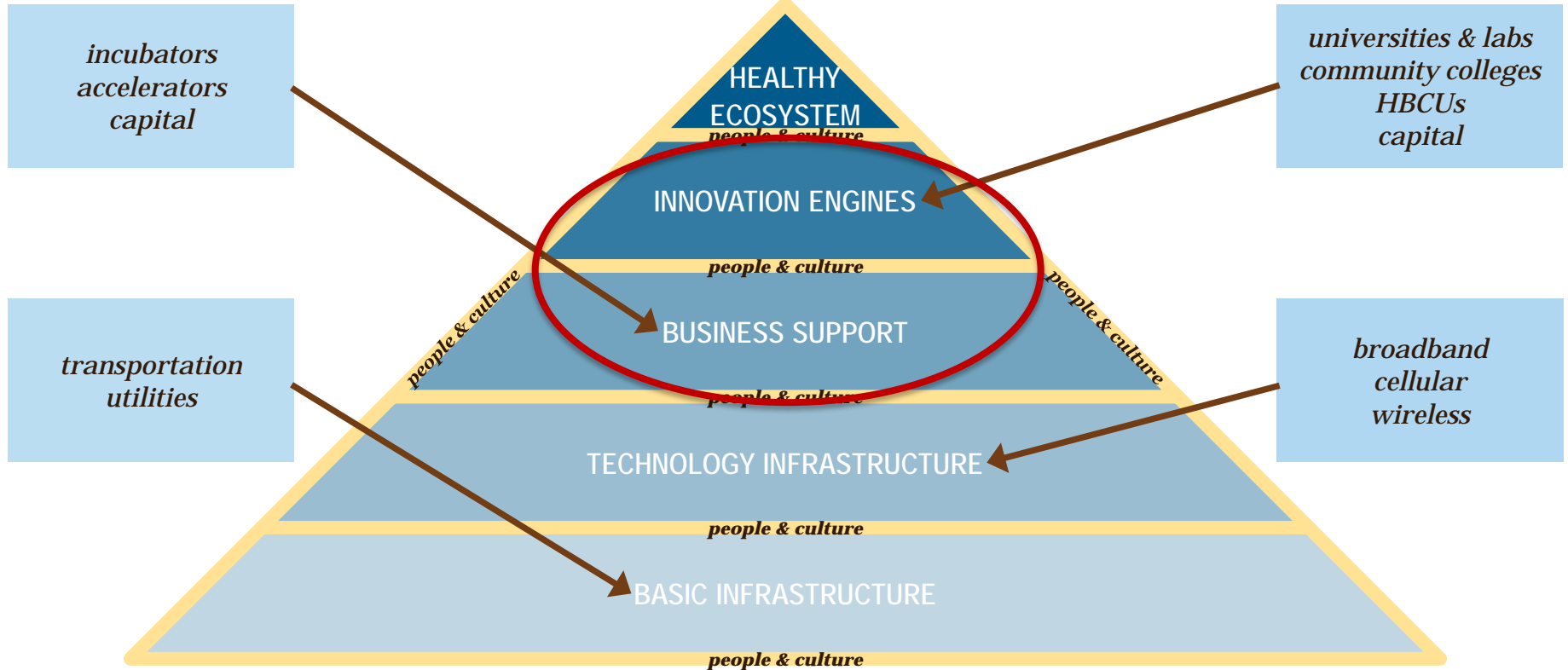emiller@eda.gov

New brand, same spirit
Tiered funding levels for the Venture Challenge
A new competition – Industry Challenge
Two-phased application process

Authorized by Sect. 27 Stevenson Wydler Tech Act to:

- Build and scale regional innovation initiatives, by
- Building innovation-based business ventures, and
- Scaling new products, processes, and services in the market, to
- Achieve measurable economic impacts such as new business starts, jobs, venture capital raised in the region, and more

incubators
accelerators
capital

universities & labs
community colleges
HBCUs
capital

transportation
utilities

broadband
cellular
wireless

HEALTHY ECOSYSTEM
people & culture

INNOVATION ENGINES
people & culture

BUSINESS SUPPORT
people & culture

TECHNOLOGY INFRASTRUCTURE
people & culture

BASIC INFRASTRUCTURE
people & culture

SINCE THE FIRST ROUND OF GRANTS IN 2014 . . .

- **224** Investments in **47** states & **2** territories
- **$100 million** in Federal funding, leveraging **$120 million** in community match
- **14,200+** jobs
- **$1.6 billion+** in follow-on capital
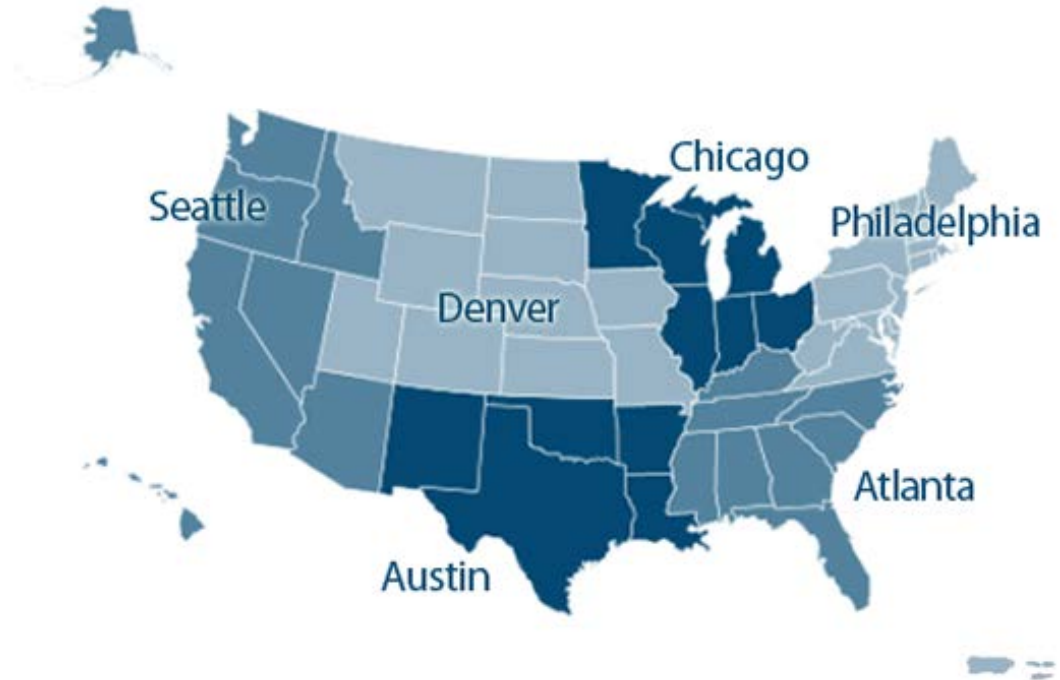- **5x** oversubscription
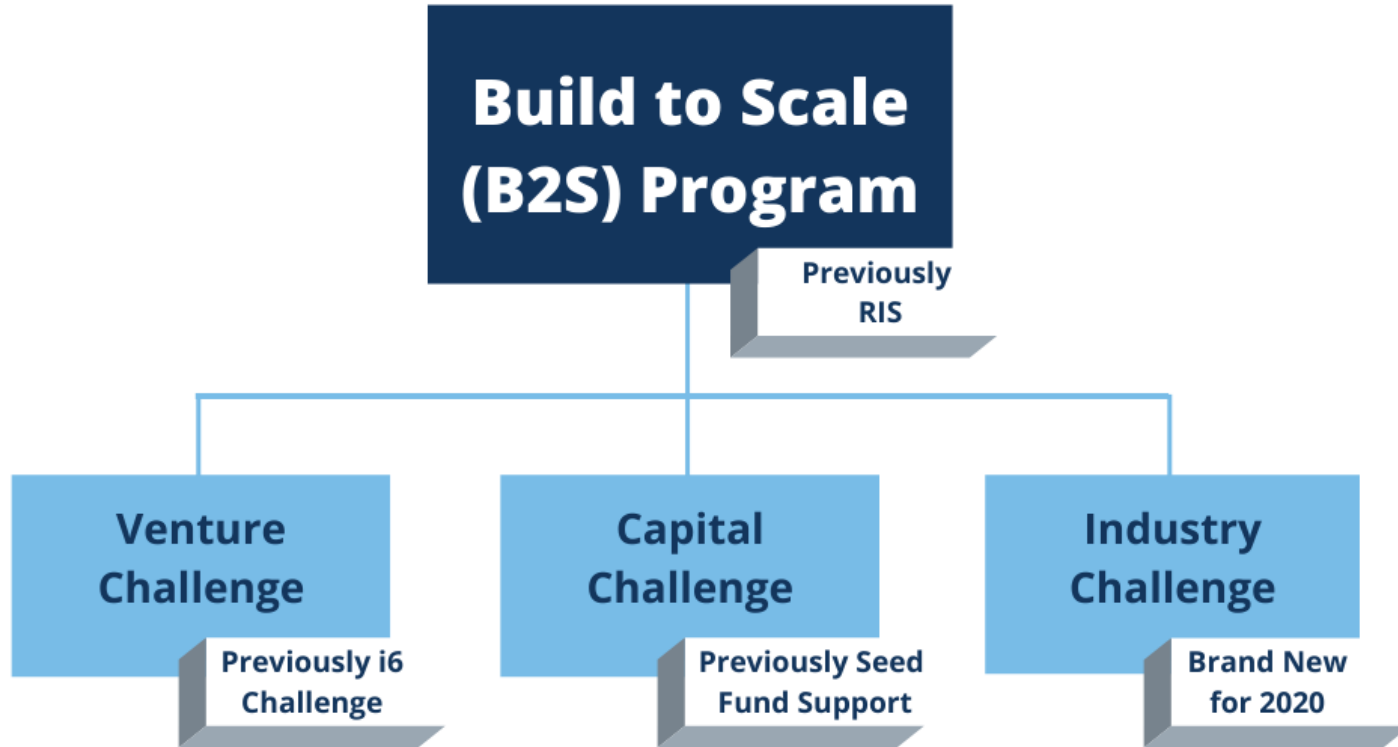
Project profiles @ https://www.eda.gov/oie/historical/
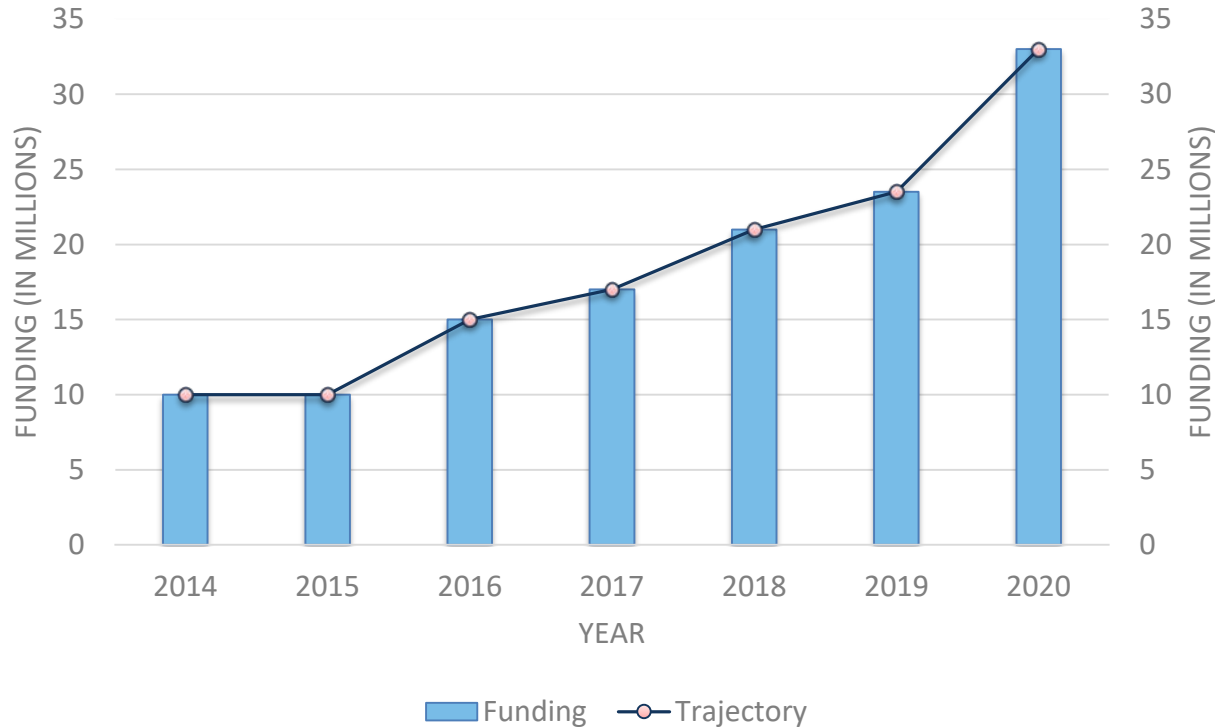
EDA has national representation & support:

1) **By State** - Economic Development Representatives (EDRs)

2) **By Region** - I&E Representatives each *regional office (x6)*

3) **By Program** - EDA (OIE) HQ in *Washington, DC*

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Build to Scale: Compare & Contrast

Planning ←————————◆————————→ Executing

Construction ←————————————————◆→ Not Construction

Traditional Small Business ←————————————◆————————→ Scalable/ Tech Enabled

Rural ←————————◆————————————→ Urban
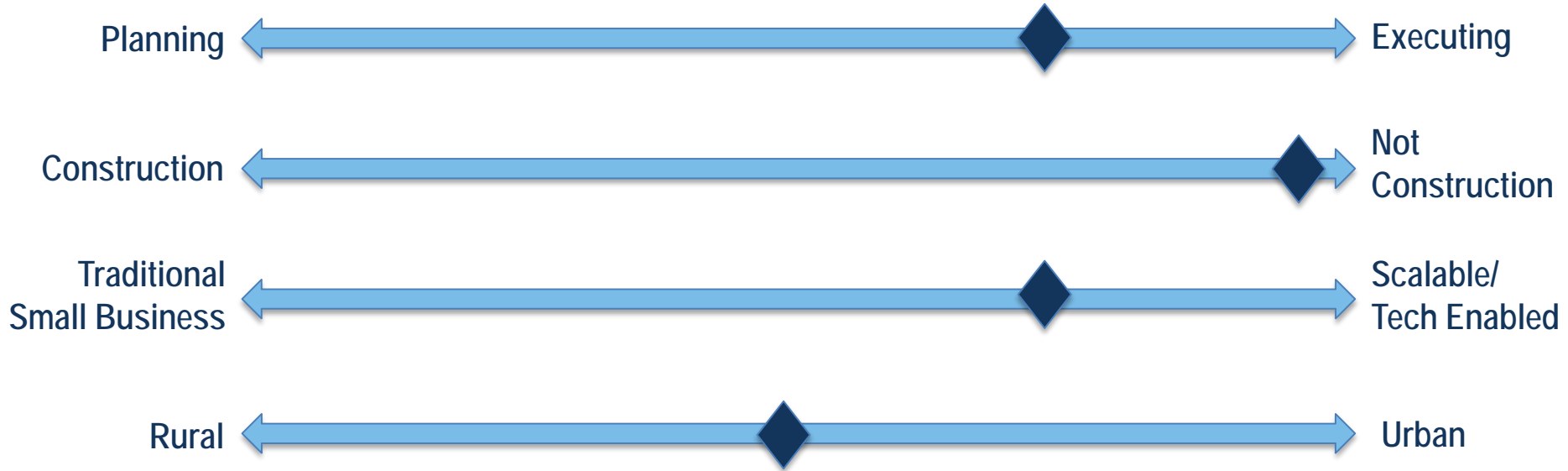
WHO DOES BUILD TO SCALE FUND?
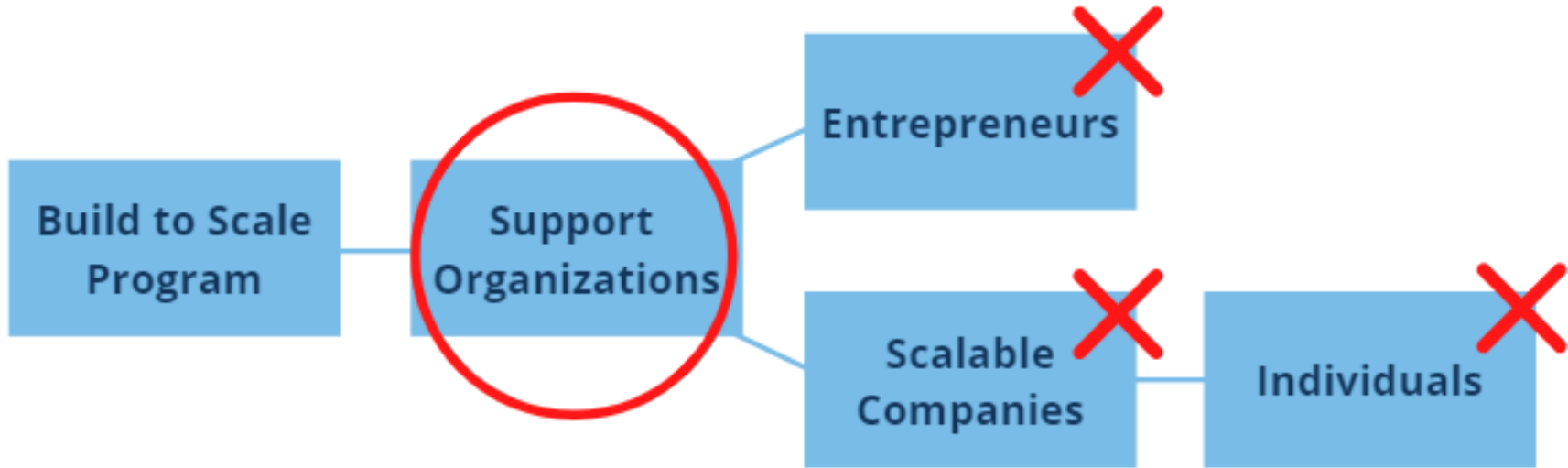
1. A **State**;
2. An **Indian tribe**;
3. A **city** or **other political subdivision of a State**;
4. An entity that—
    a. is a **nonprofit organization**, an **institution of higher education**, a **public-private partnership**, a **science or research park**, a **Federal laboratory**, or an **economic development organization**, or a **venture development organization, or similar** entity; <u>**and**</u>
    b. has an application that is **supported by a State or a political subdivision** of a State; or
5. A **consortium** of any of the entities described in subparagraphs (1) through (4).[1]

<u>NOTE</u>: Entities operating within the performance period of a previously-awarded RIS or i6 are **not** eligible for award under that same grant program (e.g., a 2018 i6 recipient is ineligible for the 2020 Venture Challenge but **may** be eligible for the 2020 Capital Challenge).

Individuals are <u>NOT</u> eligible for funding.

The VENTURE CHALLENGE seeks to support entrepreneurship and accelerate company growth in communities, regions or combinations of regions.

Up to **$26M** has been allocated for the **Venture Challenge**.

Organizations should be supporting companies who are...

SCALABLE BY NATURE

CHALLENGING THE STATUS QUO OF ESTABLISHED MARKETS

COMMERCIALIZING TECHNOLOGIES

FURTHERING JOB CREATION WITHIN THEIR BUSINESSES

Examples of grantee activities:

ACCELERATOR PROGRAMS

MENTOR NETWORKS

MARKET DEVELOPMENT

CORPORATE CONNECTIONS

These are examples. Not every applicant will exhibit these activities.

B2S

The VENTURE CHALLENGE *is a single competition with two levels of funding.*

BUILD

- Piloting a solution to a demonstrated need
- Implementing a proven solution for a new community or region
- Up to **$600k** over 3 years

SCALE

- Scaling an existing initiative with proven impacts
- Proven track record of successful programming deployment
- Up to **$1.5M** over 3 years

Applicants may only apply to ONE FUNDING LEVEL.
Both Build and Scale require a 1:1 match.
Project funds (i.e., both Federal and matching funds) CANNOT be given directly to startups.

The CAPITAL CHALLENGE *seeks to increase access to capital in communities, sectors, or regions where risk capital is in short supply.*

Up to **$5M** has been allocated for the **Capital Challenge**.

Build to Scale (B2S) Program

Venture Challenge

Capital Challenge

Industry Challenge

The CAPITAL CHALLENGE *provides operational support for…*

- the FORMATION, LAUNCH, or SCALE OF INVESTMENT FUNDS that seek to invest their capital in <u>scalable startups</u>
- organizations with a goal to EXPAND CAPITAL DEPLOYMENT within a community, region, or regional industry (i.e. angel networks or investor training programs)

Project funds (i.e., both Federal and matching funds) <u>CANNOT</u> *be given directly to startups. These dollars* <u>CANNOT</u> *support loan programs.*

The CAPITAL CHALLENGE *is a single competition with a single funding level.*

Grant funds are to be used to increase access to capital in communities, sectors, or regions where risk capital is in short supply and can cover programmatic and operating expenses.

Up to **$300k** over 3 years.

Both Build and Scale require a 1:1 match and maximum 3 year project period.
Project funds (i.e., both Federal and matching funds) CANNOT *be given directly to startups.*

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The INDUSTRY CHALLENGE *seeks to support entrepreneurship and accelerate company growth in communities, regions or combinations of regions within the* BLUE ECONOMY*.*

Up to **$4M** has been allocated for the **Industry Challenge**.

Build to Scale (B2S) Program

| Venture Challenge | Capital Challenge | Industry Challenge |

*What is the **Blue Economy**?*

The blue economy is generally defined as sustainable use of ocean resources for economic growth, improved livelihoods and jobs, while preserving the health of marine ecosystems. For the purpose of this solicitation the definition is broadened to include freshwater as well as marine activities.

It is <u>more than just ocean technologies</u> - it also includes lakes, rivers, tributaries and things you might not have even thought of like aquaculture!

Applicants should be...

SUPPORTING COMMERCIALIZATION OF BLUE ECONOMY TECHNOLOGIES

IMPROVING COMPETITIVENESS OF BLUE ECONOMY STARTUPS

INCREASING CONNECTIVITY AND COLLABORATION BETWEEN BLUE ECONOMY STAKEHOLDERS

LEVERAGING THE BLUE ECONOMY TO SUPPORT INNOVATION AND JOB CREATION

The INDUSTRY CHALLENGE *is a single competition with a single funding level, jointly funded by EDA and DOE WPTO.*

May be piloting or scaling
Creating a support network
Programmatic and operating expenses
Up to **$600k** over 3 years

Industry Challenge grants require a 1:1 match and 3 year grant term.
Project funds (i.e., both Federal and matching funds) CANNOT be given directly to startups.

Applicants may submit ONE *application per challenge.*

Applicants may only submit ONE APPLICATION FOR EITHER 'BUILD' OR 'SCALE' *under the venture challenge.*

EXAMPLE: An organization can apply the Venture Challenge at the 'Build' level AND the Capital Challenge but NOT the Venture Challenge at the 'Build' and 'Scale' levels.
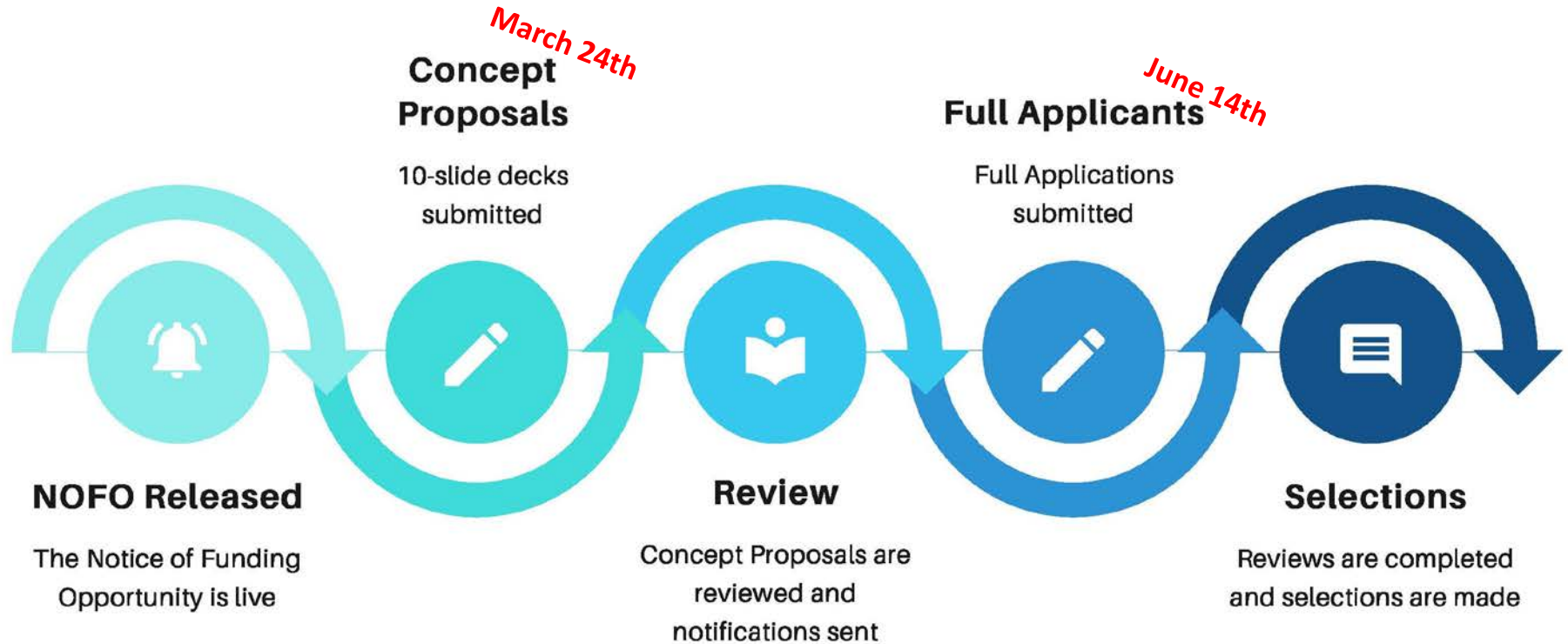
The **Concept Proposal** content is **VERY SPECIFIC**. A template has been made available for your ease.

Concept Proposal Deck Structure
Slide 1: Organization Information
Slide 2: Mission, Vision and Summary
Slide 3 and 4: Organization Approach
Slide 5: Collaboration and Service Area
Slide 6 and 7: Implementation Strategy
Slide 8: Estimated Budget (should include match)
Slide 9: Team
Slide 10: Outcomes

There are **no requirements** regarding design & graphics usage.

Concept Proposals, in the form of a **10-slide deck**, will be scored and receive an **'encourage' or 'discourage' to apply**; however any organization **may submit a full application regardless** of receiving an 'encourage' or 'discourage'.

You are also required to show proof of **SAM registration** or proof that you have started this process.

We anticipate sending results approx. 30 days from the receipt deadline.
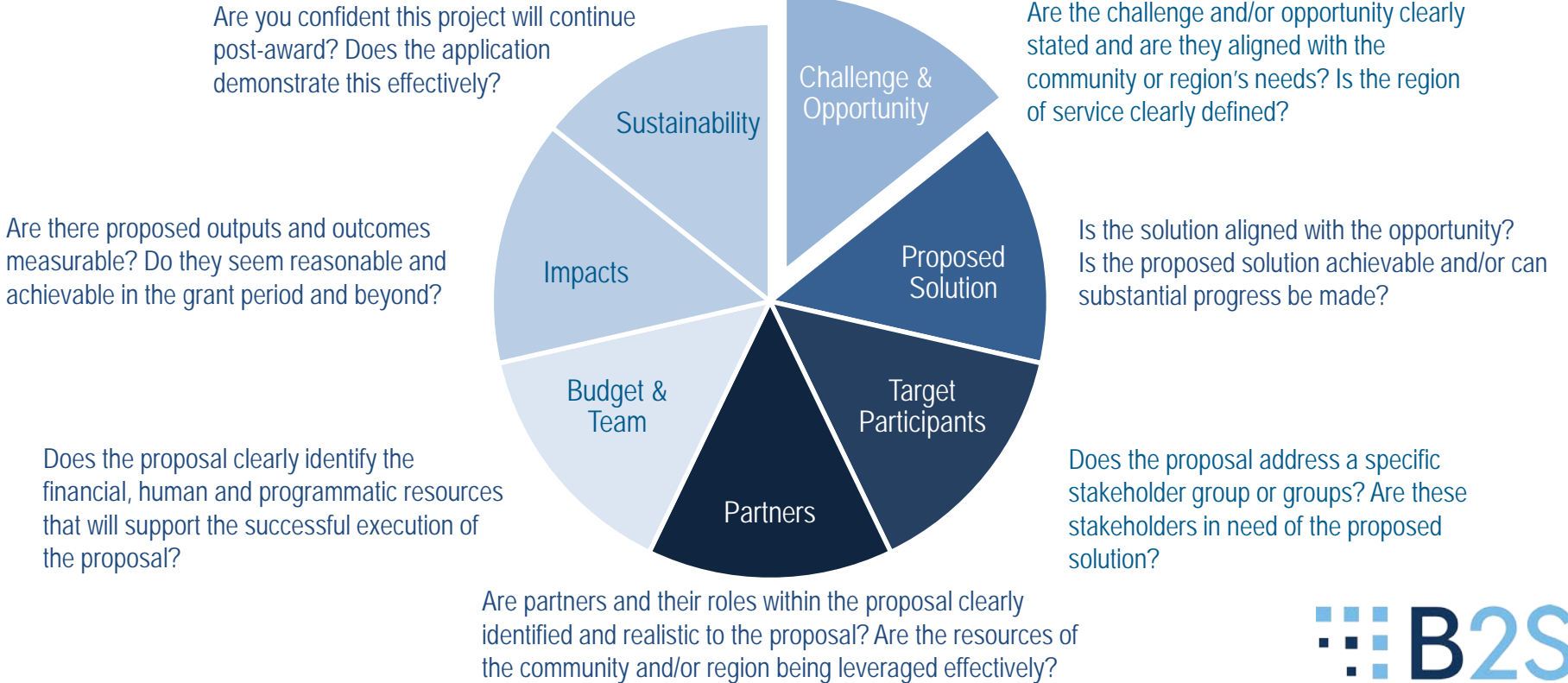
TEMPLATE: https://www.eda.gov/oie/buildtoscale/

DUE DATE: MARCH 24, 2020

EMAIL: APPLYB2S@EDA.GOV

B2S

Full Applications will be evaluated on the same criteria as the concept proposals. A **10-page project narrative**, **4-page budget narrative**, and **additional supporting documents** are required.

See NOFO for complete Full Application Requirements.

Are you confident this project will continue post-award? Does the application demonstrate this effectively?

Are the challenge and/or opportunity clearly stated and are they aligned with the community or region's needs? Is the region of service clearly defined?

Are there proposed outputs and outcomes measurable? Do they seem reasonable and achievable in the grant period and beyond?

Is the solution aligned with the opportunity? Is the proposed solution achievable and/or can substantial progress be made?

Does the proposal clearly identify the financial, human and programmatic resources that will support the successful execution of the proposal?

Does the proposal address a specific stakeholder group or groups? Are these stakeholders in need of the proposed solution?

Are partners and their roles within the proposal clearly identified and realistic to the proposal? Are the resources of the community and/or region being leveraged effectively?

Pie chart segments:
- Sustainability
- Challenge & Opportunity
- Impacts
- Proposed Solution
- Budget & Team
- Target Participants
- Partners

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BUDGETS *and* BUDGET NARRATIVES *should be thought of holistically – this includes match and how it is discussed within your Full Application.*

Example: If you are applying for $600,000 in Build to Scale funds, you would be running a $1,200,000 initiative – and budget. The budget should flow seamlessly with your application – with the costs in your budget easily traceable to program activities.

A budget template is included in the NOFO.

B2S

At the time of Full Application, matching shares (whether cash or in-kind) must:

1. <u>BE COMMITTED</u> to the project for the period of performance,
2. <u>BE AVAILABLE</u> as needed, and
3. <u>NOT BE CONDITIONED OR ENCUMBERED</u> in any way that may preclude its use consistent with the requirements of EDA investment assistance.

Applications should include signed Commitment Letters for all matching funds from <u>**ALL SOURCES**</u> (i.e. applicant, co-applicants or third party organizations).

CONCEPT PROPOSAL DEADLINE—*March 24, 2020*

FULL APPLICATION WEBINAR—*May 5, 2020*

FULL APPLICATION DEADLINE—*June 14, 2020*

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✓ Designed for the specific region or community

✓ "Bottom-up" solutions

✓ Enabling scalable businesses

✗ Silicon Valley of _____

Past projects - https://www.eda.gov/oie/historical/

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Can I apply to both the Venture and Capital Challenges? Can I apply to both Build and Scale levels within the Venture Challenge?

You may submit <u>one</u> Concept Proposal per Challenge. You may only apply to <u>one funding level</u> within the Venture Challenge – Build or Scale.

Some of our "neighbors" are recent grantees. Will we be competitive if we apply this year?

Yes, you are still eligible and competitive – however, we encourage you to examine the work you are applying to do against the work of the other organizations. Part of the goal of the program is to grow regional economies through collaboration, not duplication.

We are working hard to identify the best type of match for a strong proposal. What recommendations do you have? Do you prefer cash or in-kind?

We have no preference between cash, in-kind or a combination of the two. The best type of match is the match that helps you complete the work you plan to do. Remember, match is part of a holistic budget.

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My organization is a for-profit entity. Can I apply for a grant?

All categories of eligible entities are identified in the NOFO (see Appendix A of this deck). Individual for-profit startups or businesses are not eligible, but certain types of for-profit entities that support innovators and entrepreneurs may be eligible for funding.

EDA strongly encourages any for-profit organizations that may identify as one of the eligible categories to refer to the examples provided in the NOFO, and then discuss their eligibility with their respective Regional POC or OIE.

My organization has a national footprint. Will I be competitive?

Build to Scale's mission is **build regional economies through scalable startups.**

Applicant organizations should be supporting companies in developing the next generation of technologies. These organizations may be operating initiatives to unlock investment capital across a region or sector, operating programs to accelerate company growth, empowering the next generation of entrepreneurs, and/or enabling technology commercialization.

They should also seek to support entrepreneurship and accelerate company growth in their **community, region, or combination of regions**.

Questions?