

leaderboard_ad

Advertise in the 2011 Book of Lists and you will be in front of: **63** lists | **1,117** businesses | **3,280** contacts **CALL TODAY!** 315-579-3907 OR 315-579-3903

RESERVE TODAY... NO payment is due until January 2011

Plan now and secure your position across from the list of your choice before your competition has the chance.

BUSINESS JOURNAL
CENTRAL NEW YORK • MOHAWK VALLEY • GREATER BINGHAMTON

Welcome to The Central New York Business Journal

Friday, October 29, 2010
Adam Rombel | Logout

BUSINESS JOURNAL

CENTRAL NEW YORK

Our Publications:
 ▶ Central New York Business Journal
 ▶ The Greater Binghamton Business Journal
 ▶ The Mohawk Valley Business Journal

Home News Channels Opinions Events Research Subscribe Advertise About Us My Account

Admin

SearchPane

SEARCH

LOOKING FOR AN ARTICLE?

Click Here to Search Our Archives

Advanced Search Sponsored by:

BUSINESS JOURNAL
CENTRAL NEW YORK
MOHAWK VALLEY
GREATER BINGHAMTON

Sponsored By:

SponsorPane

ContentPane

SHARE [Facebook] [Twitter] [Email] ...

Turbo-charging a regional economy, one startup at a time

10/1/2010 10:00:00 AM by Martin Babinec

VIEWPOINT

Picture a downtown movie theater/converted show club jammed to its 600-person capacity with a highly energized audience. It's a somewhat younger crowd, wildly cheering the on-stage performers — who are not rock stars in the conventional sense. Instead, they are the latest class of mostly first-time entrepreneurs who are presenting their companies to this packed house of potential investors and experienced tech entrepreneurs.

Welcome to the closing event of this year's TechStars Boulder — the nation's premiere venture accelerator held in Boulder, Colo. Demo Day 2010 featured 11 companies picked from more than 400 candidates. Once accepted into the three-month program, each received no more than \$18,000 in funding and an invitation to move to Boulder for three months of 18-to-20 hour days building prototypes and honing their business plans.



So what prompts a startup to surrender 6 percent of its company's ownership for such a big commitment of time and only enough money to cover living expenses over the course of the program? With private companies seeking funding all over the United States, why are angel and venture-capital investors from all over the country flocking to Boulder to hear 11 early-stage companies make their eight-minute pitch?

TechStars entrepreneurs and investors share the same motivation of building/investing in a venture where the earliest-stage risks have been identified and addressed, and the path to execution is much clearer than your typical early-stage tech startup. The TechStars model ensures that in just 12 weeks' time, these fledgling companies are transformed

ContentPane2

FEATURED CHANNEL

Lead CNYBJ

Anaren profit jumps 41 percent in Q1

Anaren, Inc. (NASDAQ: ANEN) earned \$4.1 million in its fiscal first quarter, up 41 percent from a year earlier. The company, which announced its latest results Thursday, earned 28 cents a share in the period, which ended Sept. 30, up from 19 cents a share in the first quarter last year. Based in DeWitt, Anaren develops and manufactures components and subsystems for the defense and wireless-communications markets.

CHANNELS

- Banking/Finance
- Construction
- Education/Training
- Employee Benefits & HR
- Energy
- Health Care
- Insurance & Financial Planning
- Law/Accounting
- Manufacturing
- Nonprofits
- Real Estate
- Small Business
- Sustainable Business
- Technology
- Workforce & Economic Development

RightPane

Whitman
SCHOOL of MANAGEMENT
SYRACUSE UNIVERSITY

Presents

40
under FORTY

November 23, 2010
Nicholas J. Pirro
Convention Center at Oncenter

Register Now

Supported by: **SRC**

LeftPane

Follow us on twitter

DAILY PODCASTS

SUBSCRIBE NEWS ALERTS

THE LISTS

BOOK OF LISTS

Click To Buy

OUR PARTNERS

YNN
YOUR NEWS NOW



from a raw concept to financeable ventures. The prototype demonstrations showcase the technology potential, while the business-case pitch shows how an early investment could lead to a multi-million dollar valuation.

This year's crop of TechStars follows the proven formula of mostly Web 2.0 companies, mobile apps, and software. All of these businesses can be built quickly with relatively small amounts of invested capital to reach rapid customer adoption, seven-figure revenue, and acquisition potential by larger, buyer-hungry firms (think Google, Amazon, eBay, etc.). Among my favorites was a three-person startup, Omniar, originating from the University of Rochester with a truly ground-breaking technology. Its software allows smart-phone users to access detailed, context-specific content just by snapping a photo of something they are looking at.

Mentors: The Secret Sauce

Most companies begin TechStars with an idea for a web-based product or service. They are usually a bit unclear as to exactly how they will monetize their technology — i.e., revenue models, specific verticals to pursue, and the right distribution strategy in a crowded marketplace. These are key areas where first-time entrepreneurs usually have the greatest difficulty finding their way. Finding the right mentors can mean the difference between success and failure of a new venture. It is not lost on entrepreneurs that every hour the founder spends trying to locate and woo target mentors is one less hour he/she has available to develop the product and find new customers. The latter priorities typically win out and early-stage ventures often lack the critical guidance needed to navigate key path choices.

Even when smart founders seek to link up with experienced entrepreneurs or industry specialists in their chosen field, it is difficult to locate and convince a high-profile mentor to spend any time with a novice entrepreneur evaluating what is often little more than a half-formed idea.

The TechStars model breaks this cycle by leveraging founders' reputation within the technology and venture-capital markets to invite highly accomplished mentors for one-on-one sessions with their startups. The TechStars mentor list includes top-tier technologists and tech entrepreneurs from around the country.

Almost all of them have already experienced multi-million (and in some cases billion) dollar exits from taking an early-stage company all the way to an IPO or successful sale to a larger company in which they made millions for their company's shareholders and employees.

Mentors counsel from personal experience and freely give their time and expertise to help the fledgling TechStars companies rise to the next level. TechStars companies have the luxury of world-class mentors engaging in intense sessions that question the founders' business strategy, technical path, financing needs, and other key early-stage decisions necessary to put a startup on the right trajectory.

High success rate in a high-risk world

This is the fourth year for TechStars Boulder, and 70 percent of TechStars grads have already received follow-on financing and/or had successful exits in being sold to other companies. If this pace continues as the portfolio matures, the 0.700 batting average would be considered off the charts spectacular in the venture-investing world. Average angel/seed investor exits involve receiving a multiple of the invested capital, so even a 0.25 success rate can generate a profitable portfolio.

As the TechStars reputation spreads throughout university campuses, tech incubators and the angel-investor community, so does competition to take part in this phenomenal experience. The appeal for both aspiring entrepreneurs and early-stage investors is unmistakable — and by bringing the best from both camps, it increases the odds of success in a venture achieving its potential.

TechStars as community builder

Another notable outcome is how TechStars ends up serving as a breeding ground for tech companies who come to Boulder to take part in the program. While some might have had origins in the local community, most are coming from outside the area and many of those firms stay in Boulder after the program is completed. The local impact includes not only the inflow of a significant number of high-spending visitors who gain exposure to the community, but also the formation of new tech companies. These companies create high-paying jobs and, most importantly, bring a new wave of entrepreneurs who are likely to start future companies in the very place where they put down their first entrepreneurial roots.

OPINIONS

FROM THE PUBLISHER



A Lesson from Canada on Cutting Spending and Deficits

On Friday, Oct. 8, the U.S. Labor Department issued its monthly payroll report for September. Non-farm payrolls fell by another 95,000 jobs, largely because private-sector employers are reluctant to hire, preferring instead to sit on mountains of cash.



ROMBEL ON BUSINESS BLOG



Stocks rally despite weak economy

Stocks have been on quite the ride lately. Through Sept. 28, the S&P 500 Index rose 9.4 percent and the NASDAQ climbed 12.6 percent in September, which is traditionally the worst month for stocks.



VIEWPOINTS/OP-EDS



Why Company Culture Counts

Here's a test: Describe your company's culture in one sentence.



ContentPane3

ON THE MOVE

People on the Move - GB -10/25/2010 ADVERTISING AGENCIES

Laurie Van Kuren has been named manager, media and account services at Riger Advertising.



MARKET RESEARCH

Top Ranks Lists

The 2010 Book of Lists electronic edition may be downloaded in Excel format. These 62 lists include key business information (when available) such as number of employees, revenue, products/services offered, and top executives for each company.

Edit Text



Could upstate New York do a TechStars program?

This is a tantalizing question to ponder since a full-blown TechStars somewhere in Upstate might help create 10-12 new high-growth companies per year in the area and ultimately spawn both high-tech jobs and other new ventures. But even more importantly, TechStars here would be a magnet to pull together the high-quality mentors from the newer tech industries that Upstate so desperately needs. If we are ever to increase our rate of fast-growth, high-tech startups beyond the anemic rate we're producing today, we need a catalyst like TechStars.

Since I created Upstate Venture Connect (UVC) with the goal of helping early-stage tech entrepreneurs get connected to the people that want to support them, the goal of an Upstate TechStars falls into the no-brainer category for me. Fact is, though, more than 50 other regions are also at the TechStars doorstep making the same request. Additionally, many of those competing locations already have a concentration of high-growth tech entrepreneurs that we lack.

Upstate does have some things going for it though, including its footprint of about 120 colleges and universities serving as a "talent factory" cranking out more than 120,000 graduates a year — with an increasing number of the best and brightest grads foregoing the corporate ladder to pursue entrepreneurial aspirations. UVC's plan for building its Vconnect social-networking platform is targeted to help coalesce our own network of upstate talent, alums, and former residents. It is important to collaborate with our network of technologists, entrepreneurs, and other tech-industry supporters who want to help in revitalizing the upstate economy, even if they're located in Boston, Silicon Valley, or other locations.

1000 startups in 2000 days

That's the mantra at UVC. Building an ecosystem that is friendly to early-stage tech companies is how it will help play a role in company and job creation. There is growing awareness that this region's long-term success will not come from attracting big companies to move here; instead, the success will come from lots of small companies fitting the high-growth profile creating the desire for the best and brightest to want to remain here.

This is a journey that will take both time and resources. It will have to include help from individuals and organizations who share in this vision if we're to achieve the transformational change in the region's economy that new industries could bring.

Someday, we'll see the cheering crowd for an Upstate TechStars Demo Day and know we're on the way to becoming a tech powerhouse in our own right.

Martin Babinec is a native and current resident of Little Falls and founder and chairman of Upstate Venture Connect (www.uvc.org), a nonprofit focused on accelerating the creation and growth of fast track high-tech companies in upstate New York.

[Return](#)

 Print



SEARCH ARTICLES



Keyword:

Health Care	Banking/Finance
Technology	Manufacturing
Sustainable Business	Small Business
From the Publisher	From The Editor
Print Edition CNYBJ	Print Edition TGBBJ
Print Edition MVBj	News Alerts
CEO Spotlight	People On The Move
Voices & Opinions	Business of The Week
Breaking News CNYBJ	Breaking News MVBj
Breaking News TGBBJ	Workforce & Economic Development
TechBiz	Nonprofits



Legal/Accounting Insurance & Financial Planning
Energy/Environment Employee Benefits & Human Resources
Education/Training Construction
Real Estate Podcasts
Select all / Select none



Author:

Search by date:

From:  To: 

Search

[Breaking News](#) | [Print Edition](#) | [Search Archives](#) | [Regional News](#) | [People On The Move](#) | [Business Of The Week](#) | [Daily News Alerts](#) | [Daily News Alerts Signup](#) | [Contact Editorial](#) | [Photo Galleries](#) | [Calendar of Events](#) | [Daily Podcasts](#) | [Video Galleries](#) | [BizEventz Banners](#)



Copyright © 2010. All rights reserved.