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Pursuing an Upstate Entrepreneurial Vision

Last fall, U.S. President Barack Obama proclaimed the first-ever Entrepreneurs' Day. He called on the private sector, nonprofits, and universities to join his administration to promote the success of more entrepreneurs in the U.S.

In late January, the president announced his "Startup America Partnership" to celebrate, inspire, and accelerate the high-growth entrepreneurship throughout the country. Startup America brings together a coalition of the country's most innovative entrepreneurs, corporations, universities, and foundations working together with a wide range of federal agencies. The goals are to increase access to capital, expand entrepreneurship education and mentoring, increase the commercialization of the \$147 billion expended annually in federally funded research and development, and remove unnecessary barriers to high-growth startups.



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Despite the mantra that small business creates 70 percent of all new jobs, the president understands that a small group of fast-growing startups created all net, new jobs generated in the past two decades. He also understands that government needs to be a catalyst and then get out of the way so that the coalition can drive the program. Most interesting to me, this public/private partnership is not a grant recipient — it relies on the partners to fund the program. Bravo, Mr. President.

One of the drivers of Startup America is Brad Feld, an early-stage investor and entrepreneur for more than 20 years. While a student at MIT, Feld started his own business, Feld Technologies, which specialized in custom software applications. He subsequently sold the company to a public corporation, AmeriData Technologies. Feld then joined AmeriData as its chief technology officer, focused primarily on mergers and acquisitions. Feld later created several

venture funds, including two since 2007. Each fund is capped at \$225 million.

Feld came to Syracuse, Ithaca, and Rochester on Feb. 3 and 4 to talk about building entrepreneurial communities and to explain the life of an entrepreneur to area college students. He ventured into the snow-belt at the invitation of Martin Babinec, an old friend and fellow entrepreneur from Little Falls who spent the last 20 years building a major corporation in Silicon Valley and who now wants to rejuvenate Upstate to become a mecca of high-tech, fast-growing companies.

Feld, Babinec, and Nasir Ali, Babinec's co-founder of a not-for-profit corporation called Upstate Venture Connect (UVC), invited me to tag along for a day to see Feld in action. By the time I caught up with our peripatetic visitor on his second day here, he had already delivered five presentations to a variety of audiences including investors, entrepreneurs, students, development personnel, and university officials. Four more talks were scheduled on the second day.

To build an entrepreneurial community, Feld explained how he co-founded a startup accelerator called TechStars. The 90-day program, which currently runs in New York City, Boston, Boulder, and Seattle, invites entrepreneurs to apply online for a grant of up to \$18,000. Currently, each city receives approximately 600 applications annually. TechStars accepts 10 companies in each city and provides mentors to guide the entrepreneurs. Each city raises \$500,000 from investors, who make a four-year commitment, typically in the \$10,000-\$40,000 range. About half of the funds raised go to the companies while the other half supports the program.

As Feld describes the process, the first 30 days are utter chaos, the next 30 days everybody has his/her "head down," developing the product/service business plan, and the last 30 days are focused on fund raising. A quick glance at the TechStars website (www.techstars.org) reveals an impressive success rate, even though the program is only in its fifth year.

To be successful in developing an en-



trepreneurial community, Feld emphasized three points. First, the community has to take a long-term view of the process. He talked in terms of at least a 20-year commitment. Second, the program has to be led by

entrepreneurs and requires entrepreneurs as mentors. Third, the community has to "do things that engage startups."

Feld was insistent that Upstate could be a hotbed of entrepreneurial startups because we had the necessary ingredients. He was particularly impressed with the size of the college/university community in our region, which attracts more than 100,000 new students annually. (Feld affectionately calls them "fresh meat.")

During his two-day whirlwind tour, Feld reached out to about 1,000 people. He not only struck a spark among all of his audiences, but also laid out a clear roadmap for the entrepreneurial community to follow.

For the first time in my 25 years of reporting on business in our region, I believe there is reason for optimism that Upstate can nurture a steady stream of high-tech, fast-growing companies. Messrs. Babinec and Ali are savvy tech guys with the resources and determination to make things happen. They have spent the past year building a database of contacts and tying together our isolated pockets of research, entrepreneurs, and investors.

Now is the time for those area entrepreneurs who have been successful to step up to the plate both as investors and as mentors. The rewards are not just monetary. The greatest reward is creating a legacy by building our communities.

The catalyst for growth is UVC. Contact the co-founders at www.uvc.org. There is no time to waste. □



Feld

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