

Youngstown Business Incubator

Vision Statement

To be the unquestioned leader in technology incubation within the Cleveland to Pittsburgh corridor.

Mission Statement

To accelerate the formation, growth and success rates of scalable, technology-based businesses and retain them in the Mahoning Valley

Strategic Plan

The Mahoning Valley, historically heavily dependent on the manufacturing sector, has experienced a tremendous erosion of its employment base as the national economy continues its transformation from a manufacturing based one to a technology based one. For communities such as the Mahoning Valley to survive this transformation, local catalytic agents will be needed. The Youngstown Business Incubator (YBI) has already proven itself successful at being that necessary catalyst of change.

YBI is a 501(c) 3 charitable, non-profit corporation with a primary service area of Mahoning, Trumbull, Columbiana and Portage Counties. YBI, however, considers the Cleveland to Pittsburgh corridor as its “corridor of opportunity”, and devotes most of its marketing, tenant recruiting, networking and resource acquisition efforts to this larger geographical area.

YBI began operations in November 1995 as a “mixed use” incubation facility and has had a number of very successful graduations of firms. These graduate businesses are primarily engaged in the light manufacturing industry. In January 2000, however, YBI adopted a new mission statement that focused the organization on “accelerating the formation, growth and success rates of scalable, technology based businesses within the Mahoning Valley.

In developing a local model to successfully support its redirected mission, YBI came, after extensive study and research, to several conclusions about the incubation of technology-based businesses in the Mahoning Valley. Those conclusions are, in summary, as follows:

Neither the traditional non-profit nor the traditional for-profit model of incubation will work effectively in the Mahoning Valley.

Given the limited resources and funding available to YBI, it will be impossible and unaffordable for the organization to achieve success in incubating a wide range of technologies.

Startup funding for technology-based businesses is difficult to secure, leaving many promising technologies and companies without funding.

The quality and the quantity of our local “deal flow” will be insufficient to make YBI a success.

To overcome the obstacles presented by these aforementioned conclusions, YBI has incorporated the following strategies into its incubation model:

Deliver a hybrid model of incubation that weds the “best practices” of both the traditional non-profit and for-profit models of incubation, while specifically addressing the unique challenges of incubating technology based businesses in the Mahoning Valley.

Focus incubation services on the one technology that can be best supported by the resources that are available in the Mahoning Valley.

Deliver incubation services that allow promising new technologies and companies to “self fund” by eliminating or deferring as much of their operational startup expenses as possible.

Deliver business development services for startup companies and entrepreneurs that are unrivaled by any other incubation program in the Cleveland to Pittsburgh corridor.

In support of these aforementioned strategies, YBI has chosen to work almost exclusively with “business to business” (B2B) software application development companies. This particular technology was chosen for a number of reasons. First, there is sufficient regional talent to found, and subsequently staff, new B2B software firms. Second, B2B are relatively inexpensive to start. Third, B2B software companies are fast to market. And fourth, a substantial number of vertical markets are underserved, or are not yet served, with quality B2B software applications.

By focusing almost exclusively on just one technology, YBI has been able to afford creating and maintaining the most resource rich environment for B2B software companies in the Cleveland to Pittsburgh corridor. Because of its richness, and the outstanding successes it has produced, YBI has received substantial media coverage throughout the region. This, in turn, has created a high visibility for the organization and

an outstanding “deal flow” of startup firms seeking admission into YBI’s business development program.

The unique incubation environment provided by YBI is built on providing, at a deferred, abated, or no cost basis, the high-end resources that are typically unavailable or unaffordable to startup companies. All resources provided by YBI are also controlled by YBI, ensuring the continued high quality of their delivery.

Resources provided to YBI startup companies include office space, office furniture, telephone hardware, all utilities, and high speed Internet connectivity. In addition, the companies also have access to a long list of shared resources including video and teleconferencing systems, multi-media conference centers and presentation equipment, trade show booths, research data bases, software development tools, software production equipment, and software programming tutorials.

YBI can also provide a number of services. These services include local and long distance telephone, photocopy, printing, postage and courier services as well as early and later stage legal and accounting services.

YBI also provides a number of intangible services to its startup companies. Paramount among these is its extensive network of individuals from universities and the private sector in the Cleveland to Pittsburgh corridor who have agreed to provide their business and technical expertise YBI companies and, in some cases, serve as advisory board members. Many of these same individuals are invited to YBI to serve as guest speakers for the monthly CEO Boot Camps conducted for the benefit of YBI’s startup companies.

Goals

Goal #1 – Heighten and broaden the visibility of YBI to increase the quality of our deal flow.

Objectives Year 1 (July 2004 to June 2005)

Launch new YBI web site.

Add one new university to resource network.

Add one new Venture Capital company to resource network.

Build Akron based ListServ for YBI “Incubator Updates”.

Secure feature article on YBI in regional media.

Increase total number of portfolio companies by one.

Objectives Year 2 (July 2005 to June 2006)

Add one new university to resource network.

Add one new Venture Capital company to resource network.

Build Pittsburgh based ListServ for YBI “Incubator Updates”.

Secure feature article on YBI in regional media.

Link four new web sites to YBI’s.

Increase total number of portfolio companies by one.

Objectives Year 3 (July 2006 to June 2007)

Add one new university to resource network.

Add one new Venture Capital company to resource network.

Secure feature article on YBI in regional media.

Link four new web sites to YBI’s.

Increase total number of portfolio companies by one.

Goal #2 – Secure adequate income to meet existing client base and appropriate income to grow client base.

Objectives Year 1 (July 2004 to June 2005)

Fully implement new rent structure program.

Submit \$250,000 grant appropriations request to the Ohio Department of Development.

Work with Congressman Ryan’s office to identify possible federal funding sources.

Work toward building self-sustaining funding sources for YBI.

Objectives Year 2 (July 2005 to June 2006)

Secure \$250,000 annual grants allocation from the Ohio Department of Development.

Secure \$25,000 annual grants allocation from the Ohio IT Alliance.

Objectives Year 3 (July 2006 to June 2007)

Actively pursue \$1 million “named gift”.

Goal #3 – Secure high quality business advisors for our most promising tenant companies.

Objectives Year 1 (July 2004 to June 2005)

Identify specific needs and shortcomings of each targeted company.

Begin recruitment of high quality advisors to address companies’ specific needs and shortcomings.

Promote companies as potential “class projects” with regional business schools.

Objectives Year 2 (July 2005 to June 2006)

Complete recruitment of advisors.

Goal #4 – Build new office facility to keep graduate companies proximate to YBI and in Youngstown’s Central Business district.

Objectives Year 1 (July 2004 to June 2005)

Identify sources and secure funding for the project.

Objectives Year 2 (July 2005 to June 2006)

Complete environmental studies and remediation of the site.

Complete demolition of existing structures on the site.

Begin construction.

Objectives Year 3 (July 2006 to June 2007)

Finish construction.

Move YBI tenant companies SofTek Software and Turning Technologies into the new facility.

