

ATTACHMENT B
CONCEPTUAL OUTLINE
VIRTUAL BUSINESS INCUBATOR PROGRAM

Virginia Virtual Business Incubator Program Goals

- Support self employment as an important source of jobs and investment within the region.
- Support development of entrepreneurial and intrapreneurial companies both new and existing that can grow and generate jobs and investment within the region.
- Support the overall health and vitality of the entrepreneurial business community within the region.

Program Objectives

- Seek out individuals with business skills and those already in business to facilitate the growth of new and existing businesses within the locality or region.
- Overcome business information barriers and make education and technical assistance more available to individuals and businesses within the region.
- Facilitate linkages between individuals and organizations in order to increase the access to business training opportunities and business and social networks that will lead to growth opportunities for both start-up and existing businesses within the region.
- Produce successful businesses within the region that are able to operate adequately and are financially viable.

Services

- Offer a one-stop information clearing house for all potential and current entrepreneurs.
- Supply a user-friendly website that contains the most relevant and requested information and links to proven resources.
- Create a regional and local forum for economic development entities and business resource providers to increase their entrepreneurial contacts.
- Present an accessible, on-line and mobile consulting team, with a human touch, capable of providing high quality technical assistance and other professional services to entrepreneurs.
- Provide networking opportunities for VBI Clients to have peer-to-peer interaction and forums to promote their goods and services to perspective clients.

Virtual Business Incubator – Four Step Approach

- 1) Communicate Interest & Assistance
- 2) Determine Where the Respondent is on the Business Continuum
 - a. Thinking of Starting a Business
 - b. Starting a Business
 - c. Up & Growing Business
- 3) Determine the Type of Business and Specific Needs - for example:
 - Business Planning
 - Legal Services
 - Marketing
 - Hiring & Training Employees
 - Logistics
 - Technology Applications
- 4) Responding to Identified Needs
 - Provide opportunities for individuals and businesses to know what is available
 - Channel clients to a network of assistance providers based on type of business and their needs

Services Offerings to VBI Clients

The range and type of services offered will vary depending on individual needs of the clients, their level of business knowledge and where they are on the business continuum. Examples of potential services include:

- Entrepreneurial training and instruction in business concepts
- Business plan development and implementation
- Business research and information on current trends
- Business operating and management development
- Accounting, insurance and legal counseling
- Coordination with existing agencies/organizations for individual services
- Financial documentation assistance and referrals
- Government Contracting
- Promotion and Promotional Mix
- Management Training
- Web page design and development

Service Fee Structure

The VBI website and business orientation sessions put on by the localities would be free and are the base component of the program. However, enhanced VBI services could be provided based on either a monthly service fee or a menu fee structure.

Monthly Fee Structure

Clients wanting on-going participation in the Expert Advisory Network could be charged a monthly fee. New and existing businesses participating in the VBI will have access to a wider array of services. Clients could have reduced costs for customized consulting services, research and technical support services and reduced fees for VBI sponsored events, such as trade fairs, on-line classes, and training.

Menu Fee Structure

As a substitution to a monthly fee VBI could create a cost for a menu of business incubation services. The fees charged would be for basic service and would be dependent upon what is negotiated with members of the Expert Advisory Network.

For Example:

Business Plan Package	Business Start-up Package	Business Development Package
Cost : \$400 – 30 days	Cost:\$1,500 – 120 days	Cost: \$2,500 – 180 days
<ul style="list-style-type: none"> ▪ Basics of business planning ▪ Twice weekly meeting with consultant ▪ One (1) hour each with an Attorney, Accountant, Insurance expert 	<ul style="list-style-type: none"> ▪ Twice weekly meeting with consultant ▪ Weekly consultation with mentor ▪ One (1) hour each with an Attorney, Accountant, Insurance expert ▪ Creation of a business plan ▪ Hiring employees ▪ Securing financing 	<ul style="list-style-type: none"> ▪ Weekly meeting with consultant ▪ Weekly consultation with mentor ▪ One (1) hour each with an Attorney, Accountant, Insurance expert ▪ Business plan creation and implementation ▪ Hiring employees ▪ Securing financing ▪ Management training ▪ Marketing consultation

General Promotional Mix Considerations

It is important to leverage the promotion of the Virtual Business Incubator Program (VBIP) with local efforts (local ED web sites, local “How to Start a Business” seminars, SBA seminars) and presentations to area Chambers of Commerce, schools, colleges and universities.

Promotion of the VBI Program

- Brochures
- Compact Disc/DVD
- Editorial Placement/Press Releases
- Print Advertising
- Public Library Posting
- In-Person Presentations
- Seminars
- Web Based Marketing

Client Promotion

- Editorial Placement/Press Releases
- Published Directory of Clients who have completed business plans and are in business (web and print)
- Searchable Client Database of Services/Products
- Special Networking Events
- Trade Shows

Special Promotion

- Annual Regional Business Plan Competition – Select a distinguished panel of judges and seek corporate sponsors to provide awards for quality business plans developed by specific groups (i.e. local high school, college and university, and local entrepreneur) who would receive a prize such as paid counseling, seed funding, or other form of start-up assistance.

Benchmarking Activities

As with all public supported programs, it is important to monitor its use to determine if the funds are being used wisely and the program is having the intended effect. The VBIP manager will collect a variety of data to include but not limited to:

Elements of Program Participation (Clients)

- Creation of a database that tracks the number of individuals, existing businesses and minority and women owned businesses assisted:
 - Type of start-up businesses being considered by individuals
 - Type of businesses being started
 - Type of existing businesses being assisted
 - Minority/Women participation
- Scope and range of services and business assistance provided to clients
- Size of incubatees in terms of annual revenue, employees, product and/or service line
- Distribution of client and graduating companies (Where in the City of Hampton do they operate?)
- Graduation/participation rates
- Sustainability rates 1, 3 and 5 years after graduation/participation
- Assistance provided after graduation
- Annual critique of the VBI Program and Lessons Learned

Elements of Program Participation (Expert Advisory Network)

- Creation of a database of expert advisors
- Bi-annual survey of Expert Advisory Network providers to solicit feedback concerning client referrals and their experience working with clients
- Bi-annual survey of localities soliciting feedback on the VBI Program (beginning in the first year of the program and not to overlap with Expert Advisory Network survey)

Encourage Local Inducements

Encourage localities to provide some level of local financial incentive to encourage business start-ups.

- **Business Plan Grant** for residents successfully completing a business plan through an approved program provided through a university, the Virginia Small Business Development Center, or other recognized organization could be eligible for a grant of up half of the typical tuition cost and if they start a business in the locality they could receive full tuition reimbursement. Consideration for non-residents to receive a tuition reimbursement grant could be given however, non-residents must have completed the same approved course work and started a business in the locality.
- **Technical Assistance Grant** to aid small businesses as defined by the locality providing matching grants of up to a specified amount could be used for obtaining legal counsel for

patents, development of prototypes, Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) proposal assistance, commercialization of technology, development of market studies tied to products, purchase of federal accounting software, workforce training and other pre-approved activities that will lead to business expansion within the locality.

- **E-Commerce Assistance Grant** to help facilitate technology access for local, small for-profit and minority owned businesses. The services provided under the grant program would include web site design and development, creation or enhancement of online shopping, and search engine optimization to help customers find their business.