



TechTown Detroit Business Incubator Program Overview

The TechTown Business Incubator Center (TBIC) is a service offered by TechTown Detroit, Detroit's business innovation hub. As the city's most established business accelerator and incubator, TechTown Detroit provides a powerful connection to a broad network of resources, catalyzing entire communities of entrepreneurs best poised to energize the local economy.

TechTown Detroit offers an intensive business support program that accelerates the successful development of Greater Detroit-based technology-focused startups/early-stage companies by providing an array of resources and services. The TBIC is housed within TechTown, which encompasses 25,000 square feet of mixed used tenant space in Detroit's Innovation District and is in close proximity to a myriad of community assets. The TBIC supports companies working in most industries, including, but not limited to: advanced manufacturing, information technology, automotive, clean-tech, agriculture, medical, transportation, and consumer products.

Programs Offered

All TBIC clients receive Incubator Services, which provide clients with approximately eight hours of monthly contact with TBIC staff for on-going strategic consultations, business coaching, financial reviews, and participation in on-site events, educational classes, and networking opportunities. TBIC clients also gain access to a variety of services, some provided by third parties, including:

- Developing or refining a business model
- Technology assessments
- Company formation
- Product development
- Market analysis
- Grant writing
- Technology road-mapping
- Assessing management team and talent needs
- Financial model development
- Developing a funding strategy
- Creating go-to-market strategies
- Access to capital sources
- Co-working, dedicated and wet lab space
- Networking events

TechTown Detroit is a MEDC SmartZone, which means that the TBIC can sponsor client companies for MEDC-supported programs, such as the Business Accelerator Fund (BAF) and the Michigan Pre-See Fund.

Those clients of the TBIC who choose to locate their business within the TBIC, either on a co-working or dedicated space basis, are said to be receiving Incubator Services.

Application Criteria

To be considered for acceptance into the TBIC, an applicant business must be legally registered with the State of Michigan and should meet at least one of the following criteria:

- A tech-based startup focused on commercial application that has been in operation for fewer than three years.
- A tech-based company that has undergone substantial change in ownership or business model within one year of application date.
- A home-based, tech-based business that is ready to transition to a professional environment.

In order to apply for the program, a company must complete the TechTown Business Incubator Program application and pay the non-refundable \$40 application fee. Admission to the program is based on the following criteria: the need for and interest in the TBIC; capacity and commitment of principals to be successful; uniqueness of tech-based product or service; availability of the product or service in the community; potential for job creation and/or retention. If an applicant is not accepted into the TechTown incubator, TechTown Detroit will typically suggest refinements to the application and/or refer the applicant to more appropriate resources for support.

Admittance Process

The process for becoming a TBIC client is as follows:

1. Potential client completes the TechTown Business Incubator Program application, available on-line at techtowndetroit.submittable.com/submit/45806.
2. Potential client and TechTown LABS team meet to discuss the potential client's incubation and business support needs. TechTown LABS team assesses the potential client's application per the above guidelines and notification of the team's decision is emailed to the applicant.
3. If the TechTown LABS teams decides to admit the applicant to the program, an Incubator Client Services Agreement is issued and signed. Note that admission to the program is conditional – all client engagements are subject to review after the first three months of incubation.
4. Clients are expected to exit the TBIC within 39 months of their admission into the program.

Costs

Incubator Services:

TBIC Incubator services pricing is specifically designed to minimize a Client's out-of-pocket expenses. For the first three months of Accelerator Services (the trial period), the cost is \$500, paid at the beginning of the engagement. Note – companies that have previously participated in certain TechTown programs may be eligible for a reduced rate.

After the trial period, payment for services is deferred. The service fee is \$10,000 for each six month period of incubation services provided. The accumulated service fee is paid on a deferred basis and is unsecured, with the payment obligation expiring on the tenth anniversary of the end of incubation.

Clients are required to make service fee payments to TechTown Detroit twice per year, but only when the accumulated amount due is greater than or equal to \$250. The payment amount is calculated as 1% of gross revenue until the client has earned a cumulative \$1M of gross revenue and 2% of gross revenue thereafter, until the accumulated service fee has been paid in full.

Optional Services:

TBIC clients are provided with four hours per month of TechTown meeting room space and are welcomed to drop in and work from TechTown. TBIC Clients with more significant space needs may wish to avail themselves of TechTown's space resources, specifically co-working space or dedicated space.

- Co-working is for earlier stage companies, typically with no more than three employees. TechTown offers three co-working plans, which range in cost from \$75 to \$188 per desk per month (a savings of half as compared to the regular rate). The costs for using the co-working space may increase from time to time.
- Dedicated space is intended for more mature companies TBIC companies. These spaces are suites within the TechTown building and are provided at market rates. Those interested in dedicated space will be introduced to TechTown's Building Manager by the TBIC staff.

Amenities provided by TechTown include: use of conference rooms, access to complimentary parking, Wi-Fi, printing/scanning station, kitchen access with refrigerator space, freshly brewed coffee and tea, storage lockers, bike racks, etc. Mailboxes are available (at an additional cost for those using the co-working space).

Client Commitments

Clients entering the TBIC must fundamentally commit to dedicating themselves to the growth and success of their business. More specific commitments include some or all of the following:

- Periodically scheduled meetings with TechTown LABS staff to both set and assess established milestones
- Semi-annual business progress reviews with TechTown LABS staff
- Completion of various business documents, which may include a business model canvas, an executive summary, and a business plan
- Development of a *pro forma* financial model
- Production of the Client's product and/or service
- Development of a marketing strategy and the creation of marketing materials
- Establishment of a corporate HR policy and a strategy for company personnel growth
- Establishment of an accounting system and a relationship with an accountant
- Establishment of a relationship with a corporate attorney
- Provide, during the engagement and for a period of five years post-engagement, economic data that will be shared with the program's funders.

Should TechTown LABS staff feel that a client is not meeting their commitments, TechTown Detroit reserves the right to remove the client from the program.

Visit our website, <http://techtowndetroit.org/entrepreneur/labs/incubation>, or email us at Labs@TechTownDetroit.org, in order to attain more program details.