NewCo Factory 2.0

A competitive early phase business acceleration service for domestic and foreign teams.

Proposal for discussion

21.10.2014

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NewCo Factory 2.0 (2015-2016)

Objectives

1. Accelerate development of potential growth companies in Helsinki in terms of businesses and staff
2. Helping growth companies to expand to international markets early
3. Co-operate with industry specific consortia and other ecosystem to accelerate new growth companies in Helsinki (ICT, Health & wellbeing, Cleantech, etc.)
4. Attract and assist international startup teams to establish their businesses in Helsinki

Focused on business acceleration

- Move from piloting to productized NewCo Factory services
- Focus on startup phase only and scale NewCo Factory services

  Leverage learning's and share production of "Pre-Startup –phase" –activities with YritysHelsinki service teams. Aim to have more efficient service chain.
- Offer hands-on, practical internationalization support to startups via network partners (e.g. Berlin, Eindhoven, London, USA)

Targets:

- Startups in NewCo Factory service (tbd)
- Set up new development areas in ICT, Health & Wellness, Cleantech (tbd)
- International companies to Helsinki (tbd)

NewCo Factory 2.0 will focus on startup phase business acceleration

Leverage learnings 2013-14 and coordinate continuation with YritysHelsinki teams.

NewCo Factory will be focused on Startup - phase

Ideation

Potential scalable product/service idea for big enough target market. Some initial revenue models for how it would make money. One person OR only vague team; no confirmed commitment and/or no right skills balance in the team structure yet

Concepting

Having clear and meaningful target with clear direction for min. 3 years with milestones to get there, -> 3, 6, 12, 24, 36 months… Having team of two or three core founding people with balanced ownership. Can also already have some extended team with lighter commitment (stock options and/or cash compensation)

Commitment

Committed & skills balanced founding team. Able to develop the product/service (Minimum Viable Product) without dependency of uncommitted external resources OR already have initial product/ service developed. Have signed shareholder agreement between founders, with milestones, committed time and money usage, for min. 2+ years with vesting etc.

Validation

Can already show some user growth and/or revenue (initial traction). AND/OR continue to attract additional resources (money or sweat equity) for equity or future revenues. Looking for clear market validation (Product Market Fit), to be able to move into scaling.

Scaling

Showing clear, growing and measurable user/market traction in big or rapidly growing target market. Can and want to scale fast. AND/OR is able to attract significant funding.

Establishing

Achieved great growth, that can expected to continue strong. No longer need to "try" get resources and can get those easily. Continue to grow and often wants to culturally continue behaving like a "startup" for as long as possible. Founders make exit or continue biz as usual.

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NewCo Factory 2.0 - Building services with ecosystem

ICT & Media

Health & Wellbeing

Cleantech

Etc etc

EnterpriseHelsinki

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Business Acceleration Program

Development projects (tbd)

COMPANY CO-OPERATION
(GE Healthcare, Meilahti etc.)

INDUSTRY PARTNERS
Big companies, Vigo-accelerators and other private actors

Seed financing with partner
- Seed Grant for participants
- Financing for the most potential ones

Services for startups
- Professional partners (pro bono)
- Boiler room (sales)
- Internationalization partners

Events
(Industry main events Slush, Web Summit, TechCrunch, etc.)

International networks
Ger, NL, UK, USA

Advisor Circle

Industry focus based on existing capital area expertise and Helsinki Economic Development strategy focus areas

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NewCo Factory 2.0 supporting EnterpriseHelsinki services for early phase growth companies

Helsinki City – ELO strategy

- Industry priorities
- Goals
- Resources

6Aika – co-operation?

Building industry specific ecosystem

1. Industry pilot: Business acceleration services

2. Pilot (tbd)

NewCo Factory 2.0

- Business development/ acceleration: concept & methods
- Generic business development

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NewCo Factory 2.0 – Modular Service Elements

Business Acceleration Program

- 6-12 months intensive business coaching
- Company specific business coaching, dedicated business advisor
- Find product-market fit for the product or service, business model, channel strategy and pricing model
- Validate business model via customer pilots in key markets
- Start marketing and sales activities
- Build growth roadmap and find the right strategy
- Help to build a strong management team and find experienced advisors from Advisor Circle
- Access to early stage funding and prepare the company for next funding rounds

Professional Services by partners (pro-bono)

Advisor Circle

Info sessions and trainings

International networks

International events (Slush, Web Summit, TechCrunch etc.)

Co-working space & office space in capital area

NewCo Factory Budget Proposal 2015-2016

NewCo Factory 2015	Annual	Total 2015-2016
Project personnel	270 000 EUR	540 000 EUR
Marketing & events	10 000 EUR	20 000 EUR
Travel	20 000 EUR	40 000 EUR
TOTAL	**300 000 EUR**	**600 000 EUR**

Resourcing / Roles Proposal

1. Business Advisor: Project Manager & Relationships
2. Business Advisor: Industry expertise & International Networks
3. Business Advisor: Industry expertise & International teams to Finland
4. Business Advisor: Business Development & Partnerships
5. Planner: Marketing & Communication & Events

Accelerator Business Models

Basic funding:

- Background organizations – salaries & office
- EU funding for the Programs (entrepreneurship, networks)

Additional:

- Program fees from startups
- Membership fees – professional services & mentors
- Company sponsorships

- Boiler Room services
- Digital Marketing Room services

Separate:

- Investment fund: seed grants for accelerator program teams