

Request Name: VentureCapital.org

Description: VentureCapital.org (VCO), aka Wayne Brown Institute, is a Utah 501(C)(3) educational, charitable, non-profit. During its 35-year history, VCO has helped hundreds of Utah technology and life science companies start, raise money, expand, and create jobs. These companies now generate over \$4.5 billion in sales, \$150 million in Utah state tax revenue, and 45,000 jobs. VCO is seeking \$500,000 in ongoing funds from the Utah State Legislature in the 2019 General Session, in order to expand our reach throughout the state, hire more interns and staff, support more volunteers, and help more aspiring technology entrepreneurs.

Agency: Economic Development

Purpose: To launch more high growth/high tech companies and thereby expand the employment and high value added tax base throughout Utah in a consistent and sustainable way.

Funding for: \$500,000.

Government



VENTURE CAPITAL.ORG

START. FIND MONEY. CHANGE THE WORLD.

VentureCapital.org
PO BOX 2135
120 South Main Street
Salt Lake City, Utah 84110
(801) 595-1141

\$500,000 BUDGET

Uses of Funds:

Costs/Expenses:

• Salaries & Wages	\$250,000	
○ Management		
▪ Marketing Officer		\$ 70,000
▪ Program Manager - Interns		\$ 65,000
▪ CVN/Company Analyst		\$ 65,000
○ Senior Interns		\$ 30,000
○ Junior Interns (40 Stipends)		\$ 20,000
• Professional Staff Support	\$183,400	
○ Payroll Taxes (8%)		\$ 18,400
○ Benefits (20%)		\$ 40,000
○ Technology		\$ 25,000
○ Travel		\$ 15,000
○ Promotion/materials		\$ 35,000
○ Other Operating Expense (20%)		\$ 50,000
• Intern/Student support	\$ 55,000	
○ Technology (software licenses)		\$ 25,000
○ Travel		\$ 5,000
○ Recruitment		\$ 10,000
○ Training/Onboarding materials		\$ 15,000
• Misc.	\$ 11,600	
TOTAL	\$500,000	



KEY PERFORMANCE INDICATORS 2015-2017

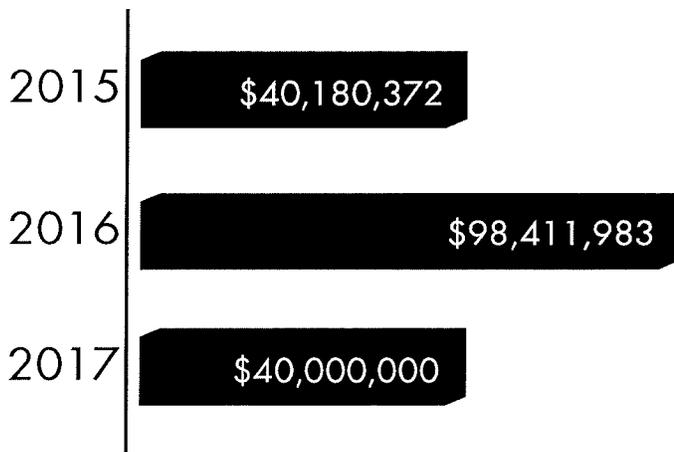
ECONOMIC IMPACT

PERCENTAGE OF IC* PRESENTERS WHO RECEIVED FUNDING**



*IC = Investors Choice Venture Capital Conference
**raised within a year after conference

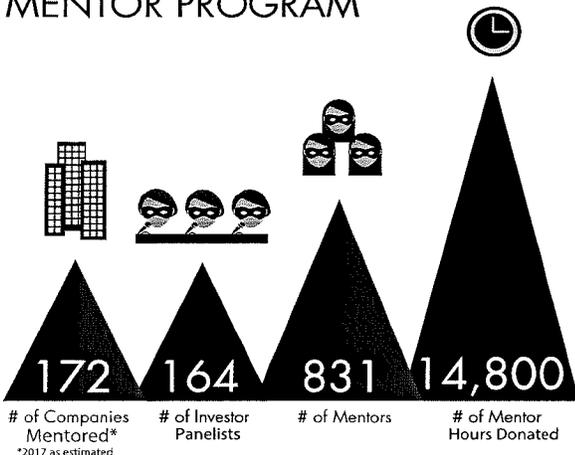
DOLLARS(\$) RAISED BY IC PARTICIPANTS**



NUMBER OF DIRECT JOBS CREATED/RETAINED



COOPERATIVE VENTURING MENTOR PROGRAM



*2017 as estimated

STUDENT INVOLVEMENT



72%
Low/Mod Income



22%
Women



28%
Minority

THROUGHOUT THE PARTICIPATING UNIVERSITIES

36
Student interns
in 2017

146
Total internships in the
program for the last 3 years.

106
Events

6,768
Attendance



Wayne Brown Institute
PO BOX 2135
120 South Main Street Suite 800
Salt Lake City, Utah 84110
(801) 595-1141

RE: Government funding received by Wayne Brown Institute

TO WHOM IT MAY CONCERN:

In 2018 Wayne Brown Institute received from Utah State Government agencies the following in the form of Sponsorships:

GOED: \$1,000

USTAR: \$7,500

The Education Fund of the Division of Securities: \$10,000

Prior years are similar. Funding from all state sources has been under \$30,000 a year for the last decade.

Wayne Brown Institute last received contracted dollars (non-sponsorship) from the State in the early '90s.

Sincerely,

Bradley B. Bertoch
President
VentureCapital.org
bbertoch@venturecapital.org | 801.598.4651

VENTURECAPITAL.ORG

BUSINESS CASE FOR APPROPRIATION REQUEST

Request. Wayne Brown Institute, dba VentureCapital.org (VCO), is a Utah 501(C)(3) educational non-profit. During its 35 year history, VCO has helped hundreds of Utah technology and life science companies start, raise money, and change the world. Those companies now generate over \$4.5 billion in sales, \$150 million in Utah state tax revenue, and 45,000 jobs. VCO is seeking \$500,000 in ongoing funds from the Utah State Legislature in the 2019 general session, in order to expand our reach throughout the state, hire more interns and staff, support more volunteers, and help more aspiring technology entrepreneurs.

History. VCO was created in 1983 by Dr. Wayne S. Brown, former Dean of the College of Engineering at the University of Utah. As a legendary Utah innovator and entrepreneur, Dr. Brown was frustrated with technology commercialization—the process of bringing new ideas and products to market. This was especially difficult in Utah, where innovation was plentiful, but capital was scarce. He created VCO to build Utah’s technology community, connect it with capital and resources, and create high-paying jobs. In so doing, Dr. Brown also created the world’s very first “venture accelerator” right here in Utah. Although VCO has evolved with the market, our mission, focus, and basic methods remain the same.

The Problem. Technology is vital. Every year, most of the new jobs, tax base, and net growth in the US economy is driven by new businesses, and technology (including life science) in particular. Getting technology to market is still difficult and expensive—most new businesses fail within five years, and technology ventures are even more risky. Many entrepreneurs are women, minorities, immigrants, and veterans, who face tough challenges. Harder still, over 98% are first-timers, with no prior start-up experience. They often don’t know how to attract the capital and resources they need.

The VCO Solution. VCO brings promising entrepreneurs together with teams of experienced technologists, business leaders, and mentors, who can help the entrepreneur develop and tell their story to potential investors. This process is transformative—seasoned mentors often see issues that first-time entrepreneurs miss, and can help them pivot to new strategies or markets. By addressing issues early, communicating effectively, and understanding their investor audience, participating firms can attract the resources they need. Our unique process has three steps:

1. Find, screen, and select companies with strong growth potential (market, technology, and leadership);
2. Using experienced volunteers from the community, educate, mentor, and help develop these companies; and
3. Provide live and virtual forums in which these companies can “pitch” their business case to potential investors for needed capital and other resources. VCO does not invest, lend, or take a commission in these transactions—it just helps match companies with appropriate resources.

Track Record. In 35 years, VCO has helped well over 1000 entrepreneurs and companies from all over the country. Every year, new VCO graduates raise over \$45 million in venture capital, and past graduates raise hundreds of millions more. At our signature annual Investors Choice® Conference, over 70% go on to raise money, and 80% are still in business after 10 years. A recent independent study found that VCO alumni firms out-performed five of the best venture accelerators in the country: Y-Combinator, 500 StartUps, Plug and Play, Techstars and Dream IT.

VCO is people. In just the last three years, VCO provided over 15,000 hours of service to over 170 promising companies. This is only possible because the 500+ skilled and experienced members of our Cooperative Venturing Network® (CVN) believe in the VCO mission, and enjoy the VCO process. Each CVN team of 4-8 mentors is organized and kept running for 6-8 weeks by a student intern, who gains valuable insights, experience, and personal contacts. Our CVN model scales well, too: virtual (web-based) team meetings let us reach more companies, in both urban and rural areas, more frequently, with more mentors, and more diverse points of view, without wasting time and expense on travel.

Large Return on Investment. VCO operates on a budget of less than \$500,000, provided by corporate sponsors including Pitchbook; Durham Jones & Pinegar, Tanner LLC, Utah Department of Securities, and Zions Bank. Thanks to its many volunteers and interns, and the ongoing value of its successful alumni, VCO generates a very large multiplier effect on the Utah economy, producing Utah tax revenues over 300 times larger than our budget every year! VCO is a Utah home-grown success story—one that has repeatedly proven its worth for over 35 years.

Use of funds. With \$500,000 in additional annual funds, VCO would 1) hire more management, support staff, and student interns, so we can recruit more volunteers, and screen, mentor, and present more companies; 2) optimize our process and IT for more virtual mentoring and pitch events; 3) expand our geographic scope to companies throughout rural Utah; and 4) further enhance Utah’s leadership position in technology innovation and finance.

Conclusion. VCO is requesting \$500,000 annually in ongoing funds, to provide increased education and mentoring for technology entrepreneurs and their emerging companies, to further build our tech sector, and create more high-paying jobs.