

**Organization:** Frederick County Office of Economic Development

**Community Size:** Large (More than 200,000)

**Name of Program:** Community Growth Accelerator Program - The Edge

**Contributions to Best Practices:** When discussing economic development, there is but one technique that showed a clear superior result in the development and support of entrepreneurship in the community— accelerator programs for startup companies. According to the Harvard Business Review: “accelerators have an important role to play that can help position entrepreneurs for success.” The same report also claims that “accelerated ventures grow at significantly higher rates compared to ventures that applied but were not accepted into the accelerator program. Without acceleration, emerging market ventures are simply not able to attract the investment that is consistent with their underlying promise.”

Furthermore, according to recent research, “a larger number of accelerated startups make it through to Series A and Series B compared to non-accelerated. In particular, 71% of accelerated startups that have raised a Series A, go on to raise a Series B (vs. ‘only’ 53% for non-accelerated). Just looking at these numbers, there is a clear pattern of success for startups who participated in an accelerator program versus the ones who have not had the same experience.

There are several benefits to a startup from being a part of an accelerator, but the most important ones are: access to funding, networking opportunities, free space, learning opportunities, competitive but engaging environment and Demo Day (final pitch to a group of potential investors). Therefore, Frederick Innovative Technology Center, Inc (FITCI) and five other partners decided to launch a Community Growth Accelerator Program named “The Edge”. In December 2018, all partners signed an MOU for The Edge program; close to 70 mentors and lecturers were on board by April 2019, and the first cohort of 14 startups started their classes towards the end of May 2019. The Edge accelerator was founded to provide an ecosystem of support for our participants: infrastructure, training and general support to startups that otherwise would not have time nor money to get those crucial resources.

The Edge Accelerator provided our participants with 51 in-person hours of instruction. We met each Monday for 13 weeks (12-week program + Demo Day), from 6:00 PM to 9:00 PM with a different topic/workshop presented each week. Attached with this application, you will find a detailed weekly schedule titled “FITCI 12 Week The Edge Accelerator Program.” During the Week 0, the introduction week, we met Tuesday through Friday from 5:00 PM to 9:00 PM. Anywhere from 4- 8 different mentors were in attendance for each of the weeks to advise the participants. Mentors were selected and assigned to certain classes according to their expertise. For instance, TEDCO, Shulman Rogers and Mount St. Mary’s Business School representatives were present for the “Fundraising and Capital Consideration” weeks, while our marketing, communications and promotions focused mentors were present at the “Storytelling +Rocking the Pitch” in Week 0, the introduction week.

The Edge Accelerator has managed to focus on all the above-mentioned accelerator benefits, as well as to maintain a retention rate of 79% (11 out of 14 businesses completed our program) whereas most other accelerators have at least a 50% fallout rate. Our high retention is partly

due to the personalized approach and mentorship opportunities each of the participants receive in face to face weekly workshops as well as via our online portal. Another advantage of The Edge within our community is the fact that it supports and grows businesses regardless of their industry. The accelerator program was constructed to be industry agnostic and bring together experts from industries represented by the participants accepted to the cohort.

Here are the names of businesses who completed the program:

1. CarrTech: Sue Carr, Terri Lopatka and John Nazzaro. Next-generation filtered needles for safer, easier, quicker drug delivery with less medical waste.
2. Guiding Future Stars: Christopher Stack. Helping high school athletes and their families navigate the college recruiting process.
3. Hawkeye MedTech: Ashok Kapur. TotalCare, an innovative telemedicine solution platform for improving healthcare outcomes. Available on Android and Apple.
4. Impeccable Taste: Lianne DeLawter: A safe space for potential restaurant owner/operators to test menus, ideas and concepts while building business acumen.
5. Meridian Technology Systems: Daemon Price. Skorpion, patented technology hardware to protect critical infrastructure systems from cyber-attacks.
6. Molecular Tools: Olena Lar. An expedient and non-toxic fluorescent-based screening platform which provides greater sensitivity in drug/treatment testing.
7. NanoBioFab: Xiao Nao Liu. Breakthrough wearable technology providing real-time data on fat burning activity for increased personal or professional training effectivity.
8. Oncogone: Xiao Xiao Han. Safer, injectable dual-drug delivery hydrogel to target and treat cancerous tumors.
9. Tiny Code: Gary Munoz Lopez. An emergency communication device capable of bridging the gap between first responders and citizens when other systems are down.
10. VITA EDO: Christopher Pondoc and Blue Shapiro. An AI platform connecting students seeking employment with organizations in need of workers, interns or apprentices.
11. WISE: Emerson Wen. AVIVI, a retail intelligence platform to improve order/estimation margins for companies, such as fashion retailers.

**Coordination of Partnerships:** Our Community Growth Accelerator Program, The Edge, has been a joint venture with six organizations within our community. Frederick Innovative Technology Center Inc. (FITCI), as well as partners: Frederick County Office of Economic Development, The City of Frederick, Hood College, Chamber of Commerce and Frederick National Laboratory for Cancer Research, came together to sign the MOU for the accelerator. Each partner contributed not only valuable advice but connections, facilities and financial resources. For example: FITCI hired a project manager for the day-to-day activities, provided the space and the program, Hood College suggested 35 doctoral candidates as prospective advisors and offered their support, Frederick National Lab for Cancer Research offered extensive help with the initial planning process, Frederick County Maryland Office of Economic Development and The City of Frederick provided invaluable mentorship support plus award funds, and the Frederick County Chamber of Commerce was extremely valuable with support from their Leaders on Loan program. The goal of the Leaders On Loan program (LOL group) was to assist nonprofit organizations in Frederick County with projects and strategic planning. In our case, LOL group met or corresponded with The Edge team bi-weekly for the 6-month duration

of the accelerator planning stage. Each of the six members of the group had a goal to introduce us to as many local entrepreneurs/mentors as possible. In the end, they made close to 40 connections that turned into full-time volunteers for the roles of mentors or lecturers. Throughout the entire project we have had wonderful rapport with Rural Maryland Council who provided the funds for the initial kickstart of the program. The support of the Rural Maryland Council's dedication to entrepreneurial acceleration as a way to stimulate economic development in rural communities has been invaluable.

We would be remiss if we did not also mention others within our community that were involved with The Edge whether by mentorship or monetary resources: Maryland's Small Business Development Center (SBDC), PNC Bank, TEDCO, Shulman Rogers NEXT, Mount St. Mary's University, MD Department of Labor – Apprenticeship Program, DefTech, Leidos, Marketing@Work, Humble Ventures, M&T Bank, Frederick County Bank, Fort Detrick Alliance, WinnSupplies, Henry Martin Law, CycleFit, Immersion Active, Dynamic Automotive, Leaders on Loan (Frederick County Chamber of Commerce), Mark Lutherman Enterprises, Frederick Community College, First United Bank, Dale Carnegie, SoldierFit, Frederick Commercial RealEstate, VCRE Co., and Rehab2Perform.

**Leverage of Resources:** Besides leveraging public sector resources, the accelerator has managed to engage other private sector organizations to support our mission. For instance, we have established strong partnerships with local banks. PNC Bank became highly invested in The Edge by becoming a weekly sponsor as well as engaging several employees who attended the accelerator as mentors, advisors and Demo Day judges; M&T Bank graciously did similar with advising by sending a high level leadership team who gave a great overview for the financial part of the strategic planning for our participants; Frederick County Bank also invested similar resources into the program. We wanted to collaborate with those companies who are often the first contacts small businesses typically make when in need of early stage business loans. Our goal was to prepare our companies with the best advice and support these resources have to offer.

Another private sector that was critical to have onboard were Intellectual Property (IP) lawyers and other legal advisers. We partnered with NEXT by Shulman Rogers, a law firm offering legal services to startup and emerging growth companies. This provided the startups with guidance from senior attorneys and access to sophisticated technology platforms. Bringing in the experts from NEXT to advise the participants on early stage legal services, turned out to be very beneficial and cost effective for our startups. Furthermore, NEXT awarded our winners with free and discounted legal services at the end of the program.

The Edge also leveraged connections with all three of the local universities and colleges: Hood College, Mount St Mary's University and Frederick Community College (FCC) to bring in faculty and staff with a particular expertise. For instance, the head of the Hospitality, Culinary & Tourism Institute at FCC was connected to the founder and CEO of Impeccable Taste, The Edge participant specializing in incubating early-stage restaurants. Community connections such as these are crucial, as Impeccable Taste would have probably not been able to connect so easily with this resource if not for The Edge. Moreover, the colleges were an excellent starting point for all of our cohort companies with regards to advertising for internship opportunities and getting high-quality interns that may potentially become employees.

One more resource that The Edge wanted to bring into focus for our participants is TEDCO and the immense importance of their services. Throughout the 12-week program, TEDCO was an integral part of our panels and advising, as well as volunteering to bring in a professional to teach a Pitch Delivery Master Class. Linda Katz Wilner, the owner of “Speaking Successfully” taught the workshop. This provided the participants with tips on perfecting their pitch and speech techniques for when they go out to seek investments. TEDCO also brought in an expert in early stage investment who taught an “Investment Readiness” workshop.

**Innovation and Creativity:** We view The Edge program as revitalizing the community in regard to the business side of the community; as startups are receiving the well-rounded and critical help that they need to accelerate their business idea. Startups accepted to this program are the ones with the most innovative and revolutionary ideas within their field. The Edge is here to support their innovation and creativity. We implement online and in-person workshops, a dynamic ever-changing audience of CEOs, and entrepreneurs/business owners who give feedback to participant pitches on a weekly basis. Most accelerators have a constant group of advisors throughout the program, but our program went beyond that by adding (on average) 4-8 new advisors each week. In this way, we were able to freshen up ideas and get different perspectives on our participant’s pitches. The Edge is unique and innovative for all of these reasons. This program is replicable anywhere with the permission of The Edge team.

**Jobs (before):** 30

**Jobs (after):** 38

**Source of Fund (public investment):** The accelerator program was fully funded by the Rural Maryland Council (RMC). FITCI and five other partners submitted The Edge Accelerator project proposal to RMC in the summer of 2018. RMC, being a nonprofit with a main goal of supporting the development and growth of vibrant economies in Rural Maryland, approved the \$200,000 project due to its necessity for the businesses in rural Frederick County as well as the sustainability and replicability of the program in the future. Other sources of public funding came from: Frederick County Office of Economic Development with a \$3,000 Sponsor-a-Week sponsorship, as well as funding a special honorable mention award for The Demo Day of \$1,000; Frederick National Lab for Cancer Research with a Sponsor-A-Week sponsorship of \$1,000 and SBDC with in-kind donations by providing lecturers for the workshops as needed.

**Source of Funds (private investment):** Private sources of funding came from TEDCO with a Sponsor-A-Week sponsorships for \$3,000, funding for a Pitch Delivery Master Class for \$1,000, and in-kind donations for an “Investment Readiness” workshop and panel expertise, PNC with a Sponsor-A-Week sponsorship for \$3,000 and in-kind donations of mentors as needed, and Shulman Rogers NEXT with in-kind donations of free and discounted services to be offered to winning participants (valued at \$3,750), as well as panel expertise.

**Leverage of Resources (initial investment):** 1

**Leverage of Resources (total investment):** 215750

**Expansion of tax base (before):** 1

**Expansion of tax base (after):** 3

**ROI:** The Edge graduates reported a total of 38 jobs at the end of the program, in comparison to the estimate of 30 jobs at the beginning of the 12-week program. We estimate that from this initial cohort additional jobs will be created each year, in the fields of tech, bio-tech and service industries, this will expand the tax base at the same time. If taking into consideration the replicability and sustainability of our program, we can estimate that each year at least 15 startup companies will have an opportunity to draw knowledge and resources from the program, as well as create additional jobs in our community. According to The Edge post-program survey, there is a 90% likelihood of our startups keeping their business in Frederick County, which was one of the main objectives of the program – “attraction and retention of businesses in rural Frederick County”. Furthermore, the same survey uncovered that 100% of the participants would recommend The Edge to other entrepreneurs as well as 100% of the participants found it to be a “very valuable experience” for their business. This is a great testament to our classes, workshops and mentors as before starting the program only 45% of the participants thought that the program would be “very valuable”, 45% thought it would be “somewhat valuable” and 10% thought it might be “neither valuable nor invaluable.”

**Budget and Source of Funding:** Fully funded by Rural Maryland Council - \$200,000 MAERDAF/RMPIF grants ([https://rural.maryland.gov/maerdaf\\_rmpif/](https://rural.maryland.gov/maerdaf_rmpif/)), approved in Fall 2018. The grant was used to purchase and customize a proven accelerator program from Humble Ventures LLC as well as provide for a full time-lecturer for 12 weeks, co-creator of the program, Mr. Ray Crowell, who trained and supervised the rest of the 70 volunteer mentors. The grant also provided for the salary of a full-time Community Manager who coordinated the daily operations as well as the online engagement. As mentioned above, the purchased program was adopted for FITCI needs and is sustainable for the future; it is easily modifiable and teachable for a variety of business stages. Mentors and lecturers are already trained for the upcoming 2020 cohort, and all are community based and committed to coming back to teach/advise the startups in the future.

Additional funds of approximately \$15,750 were raised from Sponsor-A-Week sponsorships as well as in-kind donations. These sponsors were organizations or individuals that wanted to support the accelerator and we are happy to report that this entire amount was distributed as cash and in-kind prizes on Demo Day.

**Impact on Employment:** Reported number of jobs provided by the companies at the end of their participation in The Edge accelerator was 38, in comparison to an estimate of 30 jobs in the beginning of the program. All jobs are tech, bio-tech and service industry related. Majority of the jobs are highly skilled, well paid and are contributing to the initiative of increasing highly skilled employment in our county and reducing the number of those who have to commute each day due to the lack of qualified employment in our community.

The Edge has had a direct impact on employment within some of the startups. For instance, we have had a brilliant founder who, with the persuasion of The Edge mentors, found two other entrepreneurs and transformed his business idea with the help of these co-founders.

**Expansion of Impact on Tax Base:** The Edge has just completed its first cohort in 2019, with 14 businesses participating, but the impact is already there and the traction for the upcoming year is expected to be even more impressive. For instance, for the 3 months we accepted applications for the program, we have had 40 startup companies apply for a spot, with most of those applications happening within the last 3 weeks of the application period. Due to the great results and promotion efforts, we already have 9 businesses in line to apply for The Edge 2020, and the application period has not begun yet. This is confirmation of the exclusivity we are building, as well as the publicity the current program is garnering.

**Diversification of Economy:** Frederick County is well known for its tech and bio-tech focus, and while FITCI's incubator is heavily focused on the development of those industries, the accelerator was intentionally constructed to be industry agnostic. This gives the opportunity to many different businesses to take advantage of the resources and training we provide, we are confident that with additional runs of this program it will eventually culminate in greater diversification of the area's economy. As further example of this point can be seen by taking a closer look at the graduates from our very first cohort, our community is already being enriched by several different and unique startups: Impeccable Taste, an incubator/foundry for restaurants; WISE, an artificial intelligence startup for the fashion industry; VITA EDO, a unique high school internship tech startup; and also Guiding Future Stars (GFS), a college athlete prep business. All of these businesses are rather innovative, diverse and revolutionary for our community, in the sense that these industries are underrepresented in Frederick and foresee an immense growth in the future for them.

**File Upload:** <https://www.medamd.com/index.php?gf-download=2019%2F12%2FThe-Edge-Accelerator-PDF.pdf&form-id=26&field-id=40&hash=6d8beddfc47d06c43d29a02ff8e20554f1bf248ec0bd73bf3bb44258126d912d>

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