

Incubation Nation

Where Great Ideas Are Born

Youngstown isn't the only city trying to incubate a future. Business incubators can be found nearly everywhere. In some cases, they are being spun out of university research labs. Others reflect attempts by local entrepreneurs to supercharge their hometowns. This map puts the spotlight on 20 initiatives. Some have been around for years; some are start-ups themselves. But they are all working to transform the raw material of ideas into fully formed, job-generating businesses.

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Seattle

Former Microsoft developers William Lai and Adam Sheppard hope to re-create the software giant's culture of innovation with a new incubator, 8ninth. **Lai and Sheppard will invest up to \$250,000 in projects that show promise.** *Who gets in:* Web-based software ventures that can be validated without a big upfront investment. *Breakout company:* Lolligift, a group gifting service currently in talks with three large merchants that want to incorporate it into their e-commerce sites.

Fargo, North Dakota

The Red River Valley Research Corridor, which includes Fargo and Grand Forks, is an effort to commercialize research from the area's four universities. Its biggest supporter: Senator Byron Dorgan, who has funneled \$694 million to the region to build labs and **help procure federal contracts for local companies.** *Who gets in:* Start-ups in the fields of infectious disease vaccines, microelectronics, and aerospace. *Breakout company:* Fargo-based Aldevron has received \$8.5 million in funding from the Department of Defense and the National Institutes of Health to develop vaccines for both HIV and biological threats to military personnel.

Phoenix

Launched in 2007, Science Foundation Arizona funds research projects with commercial potential and matches them with investors. The foundation's board finances about 35 percent of the proposals it receives each year and awards grants up to \$2 million each. *Who gets in:* **There are special initiatives for solar energy and sustainable mining.** *Breakout company:* Heliae Development is creating a process to generate jet fuel from strains of oil-rich algae.

Kona, Hawaii

Hawaii is leveraging its most abundant resources—sun and sea. The 45 tenants at the Natural Energy Laboratory of Hawaii Authority are developing applications in aquaculture, renewable energy, and marine biotechnology. *Who gets in:* **Innovative start-ups nationwide.** *Breakout company:* Sopogy has raised nearly \$20 million for development of its micro-solar panels.

Boulder

In Boulder, summer is TechStars season. For three months, 10 start-ups at the incubator get up to \$18,000 in funding and advice from dozens of entrepreneurs and investors from around the country. **Six start-ups from Boulder's 2009 class have closed venture deals.** *Who gets in:* Web-based and software companies. *Breakout company:* SendGrid, which helps companies deliver, scale, and measure e-mail campaigns.

Corvallis, Oregon

The Oregon Nanoscience and Microtechnologies Institute **provides seed grants of \$250,000** and works with regional venture capitalists, who review proposals and often invest follow-on capital. *Who gets in:* Teams that have an academic researcher as well as someone with entrepreneurial experience. *Breakout company:* Home Dialysis Plus has developed a kidney dialysis device that allows patients to receive home treatments.

San Diego

Connect, one of the nation's first incubators, has been working with start-ups since 1985; **the 2,000 ventures it has assisted have received more than \$10 billion in funding.** Participants get advice from mentors, as well as help with building prototypes, securing intellectual property, or performing preclinical trials. *Who gets in:* Early-stage tech firms. *Breakout company:* ecoATM, creator of a vending machine that automates the process of recycling electronic devices.

Salt Lake City

BiInnovations Gateway offers subsidized laboratory space to business tenants, which share state-of-the-art equipment with students from Salt Lake Community College and Granite Technical Institute, a local high school; **after graduating, students can pursue internships with tenant companies.** *Who gets in:* Pre-revenue biotech firms. *Inaugural company:* The program's first tenant, Symbion Discovery, seeks to develop drugs and therapeutic products from cyanobacteria and other natural sources.

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