



Business Model Canvas and Plan Pearland Entrepreneurship Hub

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Pearland Economic Development Corporation



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ASSOCIATES

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SECTION 1: FOREWORD

The business model was developed using the Mission Model Canvas and its supporting Lean Startup: Value Proposition Canvas methodologies. An overview of each of the components of these methodologies is provided in Appendix A to assist the reader in understanding the content that appears in the business model that follows.

Following from the Market Opportunity Assessment (under separate cover), the business model involved completing the last four sections of the Mission Model Canvas: Key Resources, Key Activities, Key Resources, Key Partners, and Mission Budget/Cost. In addition, as the Mission Model Canvas is for use by a non-profit organization, the Mission Statement, Goals and Objectives for the project precede the sections of the Mission Model Canvas. The combination of all the sections of the Mission Model Canvas (including the sections in the Market Opportunity Assessment) will constitute the Business Model and Plan for the project.

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SECTION 2: BACKGROUND AND APPROACH

2.1 BACKGROUND

The Pearland Prosperity Strategic Plan¹ established Business Formation & Early-Stage Growth as a key component of its strategic framework to:

“Establish a hub for entrepreneurship to concentrate local service and connect to the regional ecosystem.”

The Pearland Economic Development Corporation retained Business Cluster Development and Claggett Wolfe Associates to conduct a Market Opportunity Assessment to fulfill this strategic initiative and assess the feasibility of creating an Entrepreneurship Hub to serve the needs of entrepreneurs, existing small businesses, and students (i.e., future innovators and entrepreneurs). In addition, the assessment had an overarching objective of creating and/or expanding businesses and “primary” job opportunities for residents and students through economic diversification and growth.

At the conclusion of the assessment, the project team recommended the creation of an Entrepreneurship Hub designed to enhance the City’s innovation and entrepreneurship culture, build and grow successful businesses, expand activity in primary (traded) sectors, create and retain primary jobs, and create an inclusive environment for entrepreneurs and small business owners in Pearland. The Entrepreneurship Hub would not require physical space but instead offer events and programs to achieve the Value Propositions (i.e., MVP) which include:

- Ideation and innovation and business plan competitions for entrepreneurs and businesses.
- Programs for secondary and post-secondary students to encourage innovative thinking and entrepreneurial pursuits.
- Pro-active coaching to entrepreneurs and small business owners and help entrepreneurs and small business owners in Pearland to connect to resources in the growing Houston ecosystem.
- Location assistance to growth stage companies seeking permanent locations within the region to encourage them to locate in Pearland as the Hub and the greater Houston ecosystem succeed in supporting the formation and growth of these companies.

Following the completion of the assessment, the Pearland EDC directed the project team (i.e., Carol Kraus Lauffer, Business Cluster Development and Chuck Wolfe, Claggett Wolfe Associates) to proceed with the development of a business model and plan for the Entrepreneurship Hub. The approach used to perform this analysis is outlined in the following section.

2.2 APPROACH

The findings from the Market Opportunity Assessment and the resulting Value Propositions serve as the basis for the development of the Business Model and Plan. The project team conducted additional research via the web and phone calls to collect the details necessary to complete the model and plan,

¹ *Pearland Prosperity Strategic Plan*, Market Street Services, Inc., February 2020.

and in particular, the programs and activities of the Key Partners in the region and the budget assumptions.

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SECTION 3: MISSION STATEMENT, GOALS AND OBJECTIVES

3.1 MISSION STATEMENT

The mission statement below serves as a tool to direct project management, staff and Board as they implement and manage the project, and helps to inform Partners, Stakeholders and Direct Beneficiaries about the project purpose.

“The Pearland Entrepreneurship Hub (Hub) will enhance Pearland’s innovation and entrepreneurship culture in order to create and grow businesses within the City with an emphasis on those in traded sector that will create and retain primary jobs. The Hub will build upon existing initiatives and establish new resources in partnership with academic institutions, private sector businesses and other business assistance providers in the greater Houston ecosystem. The Hub will provide an inclusive environment for entrepreneurs and small business owners seeking to launch and operate in the City of Pearland.”

3.2 GOALS AND OBJECTIVES


To satisfy the Mission and achieve the Beneficiary Gains (see Table 3.3 in the Market Opportunity Assessment, under separate cover), the project will establish a set of goals and objectives. Below are the project goals, with objectives listed underneath for each of the goals. The objectives are examples intended to demonstrate the types of metrics that can be tracked for this type of a project. Target figures for each of the objectives are sourced from Table 4.1: Estimated Utilization/Participation Rates by Hub Offerings in the Market Opportunity Assessment.

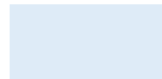
- Engage and retain an initial set of Key Partners to deliver and refine the MVP.
 - Sign agreements with 4 Ecosystem Partners, including assistance and resource providing organizations and funders, within the first six months.
 - Sign agreement with the San Jacinto SBDC within the first six months.
 - Sign agreements with 3 Pearland Partners, including the Pearland Chamber of Commerce, Greater Businesses of Pearland, and the Brazoria County Hispanic Chamber of Commerce within the first six months.
 - Sign agreements with 3 Post-Secondary Education Partners, including UHCL, San Jacinto Community College, and Alvin Community College, within the first six months.
 - Sign agreements with 2 Secondary Education Partners, including the Pearland ISD and Alvin ISD, within the first year.
- Enhance the City’s innovation and entrepreneurship culture by creating events, programs and activities for entrepreneurs, small business owners and post-secondary educational institutions and other educational partners that inspire ideation, innovation and entrepreneurship.
 - Create 1 Ideation and Innovation Competition within the first year that has a minimum of 25 participants.
 - Create or sponsor 1 Business Plan Competition within the first year.
 - Create 3 smaller events and activities online to support ideation, innovation and entrepreneurial development within the first year.


- Build upon the services currently provided to entrepreneurs and small businesses in Pearland—with a particular emphasis on traded sectors—by creating and providing structured assistance, including pro-active coaching.
 - Develop and launch the Pro-Active Coaching program, including the establishment of program structure and operations, and recruitment of 10 vetted coaches within the first year.
 - Attract at least 2 entrepreneurs as clients of the Pro-Active Coaching program within the first 18 months.
 - Attract at least 2 small business owners as clients of the Pro-Active Coaching program within the first 18 months.
- Partner with accelerators and incubators, maker spaces and innovation labs, other entrepreneurial assistance programs, and service providers and funding sources in the greater Houston ecosystem and ensure that entrepreneurs and small businesses in Pearland connect with these resources to maximize their growth potential and overall success.
 - Create relationships with 4 to 6 accelerators and incubators, maker spaces and innovation labs, other entrepreneurial assistance programs, and service providers and funding sources in the greater Houston ecosystem.
 - Connect at least 10 entrepreneurs and small business owners to providers in the greater Houston ecosystem within the first year.
- Increase the number of businesses in primary sectors that start and/or grow in Pearland.
 - Start and grow a minimum of 5 successful businesses in traded sectors in Pearland over the next five years.
 - Track startups that have launched through this project to determine if more than 75% are still in business after five years.
 - Create and retain primary jobs, which is a longer-term goal.
- Create and maintain a financially sustainable business model for the Hub, with particular attention paid to extending the number of financial supporters beyond the initial investors (e.g., Pearland EDC).
 - Obtain sufficient funds to support the first 2 years of operations.
 - During the first 2 years of operations, develop and execute a plan for obtaining additional and diversified funding sources.
- Establish a strong brand for Pearland as a place where innovation and entrepreneurship occur, and emerging technology and innovation driven companies choose to locate.
 - Measure culture change through the number of participants in the Ideation and Innovation Competitions over a five period. The number should increase over the years.
 - Conduct surveys or discussion groups (with live polling) to get feedback on Pearland’s brand and the level of achievement toward changing perceptions and building a strong brand as a place where innovation and entrepreneurship occur.


SECTION 4: MISSION MODEL CANVAS

The Mission Model Canvas utilizes a LEAN startup methodology to present a single page tool that presents a comprehensive business model for the project. During the market opportunity assessment process, the project team used the information gathered to complete the Beneficiaries, Value Propositions, Deployment, Buy-in & Support and Mission Achievement/Impact Factors components of the canvas associated with the project's Value Propositions (i.e., MVP). In this section, the project team extended this work beyond the quantitative and qualitative measures for the Mission Achievement /Impact Factors component of the canvas outlined in the Market Opportunity Assessment to identify Key Resources, Key Activities, Key Partners and prepare the Mission Budget/Costs needed to complete the Mission Model and Plan as presented in Section 5. The complete Mission Model Canvas is presented in Figure 4.1.

 Activities, resources and physical assets highlighted in “yellow” represent primary study findings or actions for their respective portion of the Mission Model Canvas. For example, “yellow” is used to represent groups that will be engaged as clients or users and thus will be the primary (or direct) Beneficiaries of the MVP. At the same time, Social Media and Events are primary actions that will be implemented to deploy the MVP.

 Findings and actions highlighted in “blue” represent secondary Beneficiaries that serve as stakeholders, supporters, and partners. Although this group will benefit from the project, it is important that they follow the basic premise of success identified Brad Feld's book entitled “Startup Communities: Building an Entrepreneurial Ecosystem in Your City” where it was stated “In Boulder, people are willing to work harder and devote a greater amount of time to help startups succeed with no expectations for reward.”²

 Activities, resources and physical assets highlighted in “orange” represent the core Value Proposition of the project's business model. Building the business model around the Value Propositions keeps the project focused on its Beneficiaries and their needs. By implementing and maintaining its Value Proposition, the project will attract the broadest range of users and have the greatest impact on achieving the project's Mission Achievement and Impact Factors.

 Activities, resources and physical assets highlighted in “green” represent the financial aspects of the project's business model. Building the Mission Budget/Costs around the implementation of Value Propositions keeps the project focused on its Beneficiaries and their needs. By implementing and maintaining its Value Proposition, the project will attract the broadest range of users and have the greatest impact on achieving the project's Mission Achievement and Impact Factors.

² Feld, Brad, *Startup Communities: Building an Entrepreneurial Ecosystem in Your City*, John Wiley & Sons, Inc., 2012, p. 16.

SECTION 5: BUSINESS MODEL AND PLAN

5.1 KEY RESOURCES

Key Resources represent the infrastructure needed to create and deliver the Hub's Value Propositions (i.e., MVP) to the Pearland EDC and its Key Partners. They include physical assets, intellectual resources, human resources, and financial resources. Key Resources also include those provided by Key Partners.

The Key Resources for the launch period are described and prioritized below:

- Hub Staff – One contractor position will be necessary in order to manage the Hub and its events and services and deliver the Hub's Value Propositions. First, a Navigator will be responsible for management of the Hub and its programs. The Pearland EDC would contract with a qualified individual to:
 - Develop, manage and deploy Hub events, programs and services for the direct Beneficiaries;
 - Manage relationships with, and outreach to, Key Partners;
 - Case-manage each of the clients in the Hub's Pro-Active Coaching program;
 - Communicate the Hub's Value Propositions to stakeholders, Ecosystem Partners, and potential clients;
 - Collaborate with academic Key Partners to create student programs to Foster Innovative Thinking and Entrepreneurial Pursuits (which is a Value Proposition); and
 - Serve as the point of contact for the Hub.

Requirements for this contractor include experience in program management and development, working with entrepreneurs and small businesses in primary sectors, and management of partner relationships. It is also highly desirable for the individual to have previously held a management position in an entrepreneurial support program with responsibility for creating and implementing events. The Navigator position would be filled by a full-time contractor retained by the Pearland EDC. Administrative support would be necessary and be provided on a limited basis by a Pearland EDC administrative staff person during the initial launch period. After the launch period or approximately six months, the Hub would secure the Administrative Assistant services through a temporary employment agency or by hiring a part-time employee to handle the administrative responsibilities. Duties would include logistical and administrative support for events and competitions. Descriptions for both positions are provided in Appendix C. Additional back-office support, including budgeting and marketing would be provided by the Pearland EDC during the initial 6 months and then transitioned over to the Navigator and dedicated Hub Administrative Assistant.

- Hub Advisory Board – An Advisory Board must be established specifically for the Hub. As described in the Key Activities, the Advisory Board's role is advising the Navigator and providing input (when requested by the Navigator) on the various aspects of the Hub's Value Propositions and Mission Achievement/Impact Factors. The Hub Advisory Board is not a governing board of directors and does not have either fiduciary or governance responsibility. The Hub Advisory Board members would include the Pearland EDC President, selected Key Partner representatives, experienced entrepreneurs (specifically, founders or early management team members), owners or senior managers of existing small businesses in primary sectors in the City,

professionals with experience in content areas (e.g., marketing, business development, etc.) relevant to the program, an accountant or Chief Financial Officer (CFO), an attorney who works with small business clients, and representatives from angel investment groups or banks that actively lend to small businesses. Intentional efforts should be made to include representatives from communities of color in Pearland. Members would also include significant financial sponsors of the Hub. All members must have the experience and knowledge to provide input in areas identified by the Navigator (e.g., marketing, legal, finance and business financing). Initially, during the approximately 6-month launch period, the Advisory Board would have fewer members (i.e., five or six). After the Hub gets up-and-running, the Advisory Board would gradually grow to a total of about 15 members. Working together, the Pearland EDC and the Navigator would identify potential members and form the Advisory Board. Three-year terms should be established for Hub Advisory Board members with the option to renew determined by the Navigator. The Navigator would manage and oversee the Advisory Board.

- **Coaches – Pro-Active Coaching** is identified as one of the Value Propositions that differentiates the Hub’s offerings from other programs currently available for entrepreneurs and existing small business owners. Coaches would mentor entrepreneurs and existing small business owners (“clients”) in the program by providing one-on-one, tailored advice on business development and other areas of expertise. Their services would be offered pro-bono. (However, some funds are set aside in the budget to purchase the time of subject matter experts who may not be willing to provide assistance on a pro bono basis.) Coaches must possess a range of business and technical expertise that matches the needs of the clients. Expertise may include market research, marketing and sales, finance and financial planning, operations and human resources, etc. They may be experienced entrepreneurs, business owners or managers, or work in other needed fields of expertise. Coaches may reside or work in Pearland or the greater Houston region. Engaging Coaches with diverse backgrounds will be important. Typically, at the start of a program, a small group of coaches (i.e., 5 to 10) are identified and engaged based upon the most pressing needs of the entrepreneurs and small business owners in the community. Then, additional coaches are added over time as client demand increases and new types of business needs are identified.
- **Key Initial Partners – Key Partners** are critical to the delivery of the Value Propositions. The project team recommends starting with an initial group of Key Partners (which include the Pearland Chamber of Commerce, San Jacinto Community College SBDC, the ION, and others) who will provide direct assistance to Hub clients and serve as partners for other aspects of the Hub’s Value Propositions. Section 5.3 contains a more detailed discussion of this Key Resource.
- **Ecosystem Network -** The greater Houston ecosystem is complex, with many organizations playing different roles to assist entrepreneurs and business owners and offering different resources that can benefit the Direct Beneficiaries. The Ecosystem Network extends well beyond the initial Key Partners mentioned above and identified in Section 5.3 and encompasses all organizations and programs that may potentially benefit the Direct Beneficiaries. The extended Ecosystem Network can provide additional technical and business expertise necessary to support the Hub’s clients as well as help the Hub to attain its inclusiveness goal. The Navigator would map the Network, including the identification of the different participating organizations and the roles that each would play within the Hub’s Value Propositions and operational framework. The Navigator would utilize this information to identify opportunities for more long-term partnering opportunities that will provide additional content and activities for Hub clients.

In addition, the Navigator would work closely with the San Jacinto SBDC to understand its resources and determine how to best collaborate with SBDC staff to enhance the services offered to Hub clients. Once identified, the Navigator would facilitate connections between entrepreneurs and small businesses and the assistance providers in the Ecosystem Network as a Hub Key Activity discussed in Section 5.2.

- **Agreements and Policies** – Operating policies and agreements must be established in order to provide clarity and structure to facilitate effective management and operations of the Hub. Some of the agreements and policies govern the overall operation of the Hub, and others are specific to Hub clients, Key Partners, Advisory Board members and Coaches. An initial list of the types of policies and agreements that may be required for general operation during the initial 6 months and those specific to each of the categories are presented below. All policies and agreements should be drafted by the Hub Navigator with the assistance of an attorney to ensure their enforceability, legal responsibility of the Hub, and compliance with Texas law. Agreements and policies must be put in place prior to the opening of the Hub and implementing its Value Propositions. Additional agreements may be identified as the Hub begins implementing its Value Propositions and refines its business model.

Overall Policies and Agreements

- Policies covering access, responsibilities and approvals related to Hub financial information, client information, general data security, etc.
- Policies, procedures and agreements for each component of the Hub's Value Propositions (e.g., policies governing participation in Ideation & Innovation and Business Plan Competitions and the Pro-Active Coaching program).
- Sponsor and donor agreements.
- Service agreements for clients, including scope of services to be provided, terms of service, severability clause, client responsibilities, Hub indemnification language, etc.

Office Policies and Agreements

- Office policies and procedures.
- Confidentiality and Conflict of Interest Agreements for the Navigator and other Hub staff.

Policies, Procedures and Agreements for Client-Related Activities

- Client application(s).
- Client eligibility criteria and screening processes including, but not limited to, policies regarding serving competing clients. (See Application and Selection Process below.)
- Client graduation policies.
- Client agreements for those participating in the Coaching or any other direct assistance program.
- Confidentiality and Conflict of Interest Agreements.

Policies, Procedures and Agreements for Participants in Competitions

- Application and selection processes and criteria for those seeking to compete in an innovation or business plan competition.
- Agreements for the individuals, teams or businesses participating in an innovation or business plan competition.
- Agreements for sponsors, hosts, coaches and judges who are participating in an innovation or business plan competition.
- Confidentiality and Conflict of Interest Agreements.

Policies and Agreements for Partner-Related Activities

- Key Partner agreements with defined roles and responsibilities (e.g., MOUs or more formal legal agreements if funding is involved).

Policies and Agreements for Advisory Board

- Confidentiality and Conflict of Interest Agreements.
- Roles and responsibilities policies, including term of service, time commitment, expected participation.
- Policies regarding participation as a volunteer.

Policies and Agreements for Coaches

- Confidentiality and Conflict of Interest Agreements
 - Service agreements including scope of services to be provided, terms of service, severability clause, client responsibilities, Hub indemnification language, etc.
 - Clear policies regarding whether coaches are strictly pro-bono service providers and the circumstances under which they would receive monetary compensation.
- Application and Selection Process for Pro-Active Coaching Program - Establish a clear application and selection process for the Pro-Active Coaching program and any other direct assistance services that may be developed for entrepreneurs in the future. The process would include clear selection criteria that would vary depending upon whether the individual is someone with a business idea who needs coaching to develop and validate the idea, or an owner of a small business seeking to expand the business with a new market segment or product. For example, an initial set of criteria for someone with a business idea may include a requirement that she or he plans to operate a business in a primary sector in Pearland; has a potentially viable business idea; and commits to working with a coach. Alternatively, the criteria for a small business owner may be somewhat different, such as a requirement that the owner's business operate in Pearland or seeks to locate in Pearland; and wants to introduce innovative business practices to improve competitiveness and expand beyond the Pearland market. The criteria mentioned in

this section would apply to the initial, Pro-Active Coaching program; however, the criteria may change over time as the nature of the programs that provide direct assistance evolve and new programs are added. For example, the criteria in the future may differ depending upon the stage of business, the industry in which the business is operating, the progress made on the business idea to date, the experience and skill set of the entrepreneur or business owner, and the goals of the specific assistance program. Nevertheless, the process for application and selection would be similar: an application would collect the necessary information about the business to determine eligibility; if eligible, the applicant would participate in an interview to gather more information; and a decision whether to accept or reject the applicant would be made and communicated to the applicant. (The Implementation of the Application and Selection Process is described in the Section 5.2: Key Activities.)

- **Tools –** Hub tools are additional resources that will improve Hub operations and the delivery of the Hub Value Propositions. Initially, tools should include the following items with other tools added whenever new needs are identified:
 - Customer relationship management (CRM) software for client management, marketing, etc.
 - Office furniture and equipment (e.g., computer, printer/copier/scanner, phone, etc.).
 - Software subscriptions (e.g., Microsoft Office 365™, Adobe Acrobat DC, etc.).
 - Internet Service Provider for web and email.
 - Website with appropriate features to support Hub activities (e.g., marketing, online application, video clips/blog, etc. (See Marketing and Branding later in this section.)
 - MS Office for Business operating platform.
 - Virtual platforms (e.g., Zoom, Webex, Microsoft Teams, etc.) to support virtual coaching, events and other activities that engage clients as well as broader audiences that will participate in various components of the Hub Value Propositions.
- **Hub Space –** While the Pearland Entrepreneurship Hub would not include a dedicated physical space, an office (up to 150 sq. ft.) would be necessary to house the Hub’s Navigator. In addition, the Hub would require access to a small conference room for the Pro-Active Coaching program and other program/operational meetings once it is acceptable to meet face-to-face. During the Hub’s prelaunch phase, the Navigator should explore and identify available event, workshop, competition, etc. spaces at Key Partners’ and other locations in Pearland with the intent of developing an inventory for future use. The inventory should include the location, square footage, most appropriate uses for each space and available capabilities including Internet, audio visual, etc.
- **Equity and Debt Capital –** Entrepreneurs need capital in the region to start, grow and retain their businesses.
 - **Equity:** Equity capital is available from a number of different Angel Investors and Venture Capital and Private Equity³ firms serving the greater Houston ecosystem. The number of

³ Private equity investors have a history of actively investing in the region, but anecdotal information obtained during the Market Opportunity Assessment indicated that these investments were heavily focused on businesses in the Oil and Gas/Energy sector. Consequently, this source is available but may initially have limited applicability to the Hub’s Value Propositions until the level and sophistication of client deal flow increases over time.

Houston-based investors is increasing but businesses within the region still reach out to Austin, Silicon Valley, Boston and other areas of the U.S. that have significant investment activity in emerging technology sectors (such as Fintech, IoT, etc.) that have a limited, but growing presence in the Houston region. The strong presence of firms investing in the Oil and Gas/Energy sector combined with efforts underway to expand the HX Venture Fund-of-Funds and the continued growth of the Bio-Pharma and Health Tech sectors is increasing the availability and diversity of equity capital that could be available to Hub clients.

- Debt: Debt capital is available from conventional (e.g., banks) and non-conventional (e.g., community-based) lenders. Financing “gaps” or eligibility limitations exist with both sources due to a variety of factors, including underwriting criteria (e.g., minimum loan amounts, years in business, collateral requirements, and use of funds) and program requirements (e.g., business ownership by an individual from a targeted population and job creation for low-to-moderate income individuals). In addition to conventional lenders such as Pearland State Bank, Pearland is served by non-conventional lenders such as the LiftFund, PeopleFund Houston and Business & Community Lenders of Texas.

Initially, Key Partners such as the San Jacinto Community College, Houston Angel Network and HX Venture Fund would provide Hub clients with access to a cross-section of sources of debt capital. In addition to establishing Key Partnerships, the Hub’s Navigator should develop funding matrices for:

- Equity investors serving the region (in collaboration with Houston Exponential) that include details on industry focus, stage of investment, size of investment, etc.
- Debt sources serving the region with details on industry focus, minimum and maximum loan size, collateral requirements, years in business requirements, etc.
- Ideation and Competition Content – Ideation and Innovation Competitions are designed to not only promote the formation of new business ideas, but also to encourage and develop innovative and entrepreneurial thinking. The content for these events must be geared toward Pearland residents, entrepreneurs and small business owners. (The content for students at the post-secondary and secondary level is described in Student Programs below.) In addition, specialized content would be created to serve diverse communities in Pearland and help the Hub to achieve its Mission Achievement/Impact Factor to Create an Inclusive Environment for Entrepreneur & Small Business Owners. The appropriate content and format of these events and activities would be developed as a Key Resource. Key Partners would be engaged. For example, the Hub may sponsor or participate in an Ideation and Innovation Competition or Business Plan Competition hosted by a Key Partner (e.g., Pearland Leadership Foundation, the Rice Business Plan Competition and the UH Wolff Center for Entrepreneurship Business Plan Competition) or engage Key Partners as sponsors or hosts of Ideation and Innovation Competitions held by the Hub in Pearland. The Ideation and Innovation Competitions play an important role in helping to Enhance the Region’s Innovation and Entrepreneurial Culture, as well as contributing to the growth of successful businesses in Pearland.
- Student Programs – Specific program content oriented towards students at the secondary and post-secondary educational levels would be developed in collaboration with academic Key Partners to foster innovative thinking and entrepreneurial pursuits. As mentioned in the Market Assessment report, the market opportunity assessment and business model development for

these programs should be developed as a separate, but complimentary effort, designed to define this component of the Hub's Value Propositions.

- **Inclusivity Resources** – To achieve its Mission Achievement/Impact Factor to Create an Inclusive Environment for Entrepreneurs and Small Business Owners in Pearland, the Hub must develop a set of resources designed to overcome barriers that may exclude individuals from diverse groups from participating in the Hub. For example, translators may be retained to facilitate marketing, outreach and programming where English is not the primary language of students, entrepreneurs and existing small businesses, and contractors would be hired to design programs that meet their needs, as well. The resources may include specific programs directed at engaging and embracing the diversity of Pearland's population (e.g., gender, ethnicity, age, etc.). The Hub may co-host programs operated by Key Partners such as Greater Businesses of Pearland and the Brazoria Hispanic Chamber of Commerce, and/or create new programs that engage the Key Partners.
- **Marketing and Branding Strategy** – The Hub must have an effective marketing strategy geared toward the following audiences: (1) entrepreneurs and small business owners, (2) post-secondary students, (3) secondary students, (4) potential Key Partners and the Ecosystem Network, and (5) communities of color. The goals of the marketing strategy include establishing visibility for the Hub and its events and programs; conducting outreach to the different audiences; and attracting the participation of entrepreneurs, small business owners and students to the various components of the Hub's Value Propositions. The components include messaging and the approaches for delivering the messages.
 - Clear messages must be created that are directed at each of the Hub's five target audiences. For example, one message would educate and inform entrepreneurs and small business owners about the Hub's role and offerings and its role in the greater Houston ecosystem. Another message would be communicated to Key Partners and the Ecosystem Network in order to facilitate linkages between their organizations and the Hub. Other messages to students (e.g., secondary and post-secondary) would be somewhat different as this audience will approach the Hub's Value Propositions from different perspectives, whether purely as an educational experience, a method for testing a potential career path, or as an actual entrepreneurial pursuit to start a business. Messages to engage diverse communities would leverage the Inclusivity Resources.
 - Digital and more traditional approaches for spreading the message would be part of the strategy. Digital would include a website and social media presence. The choice of a social media platform (e.g., LinkedIn, Instagram, Facebook, Snap, TikTok, etc.) may depend upon the specific audience being targeted. In order to establish the identify and brand for the Hub, it would have its own URLs and a stand-alone website. The URLs should be secured early in order to allow the Beneficiaries to find the Hub more easily. Links to Key Partners should be incorporated into the website, and the same should occur on the Key Partners' web sites. Print brochures and materials may be developed, as well, especially for distribution at in-person events. However, it is anticipated that most marketing would occur digitally. One of the ultimate goals for the marketing strategy is building Pearland's brand as an innovation and entrepreneurship center. The brand involves changing perceptions in the region and using the Hub as a center of innovation and entrepreneurship activity over time that validates the brand.

- **Metrics** – Hub performance metrics establish a baseline for tracking and measuring the overall success of the program and its progress toward meeting the goals and objectives identified in Section 3.2 of this report. An initial set of performance measures are outlined in Section 3.2 that address Key Partner engagement, event and program activity measures, relationships with other programs (e.g., incubators, accelerators, maker spaces and innovation labs, etc.) and should be adopted when the Hub is launched. As the Hub matures, the metrics may be adapted to adjust to changing market conditions and enhancements to the Hub's Value Propositions. The Hub's Navigator should develop a tracking system to monitor performance against the established metrics and prepare simple (one-page) summary reports that can be shared with Key Partners, funders and other Indirect Beneficiaries that support the Hub.

5.2 KEY ACTIVITIES

The Key Activities are the most important operational actions to be taken by the Hub and its Key Partners in order to operate the Hub successfully. The Key Activities are required to create and offer the Hub's Value Propositions in a manner to maximize the value to Hub Beneficiaries and the outcomes identified in the Hub's Mission Achievement/Impact Factors.

The Key Activities are listed in priority order below:

- **Hire Hub Contractor** – One of the first priorities will be the recruitment and hiring of the full-time contractor to serve as the Navigator. This individual should be hired at least six months prior to the Hub's launch to oversee the development of the Key Resources identified in Section 5.2 and the Key Activities that follow. The success of the Hub is dependent upon the hiring of a qualified individual with the requisite skills and experience. Entrepreneurial support programs—regardless of the type—do not succeed without qualified and experienced management. Using the job description provided in Appendix C, the Pearland EDC would conduct a search to identify candidates and operate a selection process to screen candidates. For the initial launch period (approximately 6 months), administrative responsibilities would be provided by Pearland EDC staff. Beyond this period, a temporary or part-time employee would be engaged. The responsibilities are provided in Appendix C.
- **Recruit Advisory Board** – Since the Advisory Board is designed to advise and assist the Navigator, the Advisory Board would be created after the Navigator comes on board. The Navigator would work closely with the President of the Pearland EDC to develop a list of potential Advisory Board members. The list may include representatives from the Key Partners identified in Section 5.3. Onboarding of the members involves explaining their roles and responsibilities, including participation in meetings (which may be monthly, at first, and then shift to quarterly), feedback on Hub programs and services, advice on marketing the Hub to Direct Beneficiaries and Key Partners, and input on Hub operations and fundraising. Members must be informed that they are volunteers and therefore not compensated. They must also be informed about the time commitment involved and how they may be requested, from time to time and depending upon their skills and experience, to provide advice to entrepreneurs and small business owners, as well as students, in the program. For the initial 3 to 6 months, it is anticipated that the Advisory Board would meet monthly. Then, the meetings would shift to a quarterly basis. The time commitment for meetings is about 1.5 hours for each meeting, in addition to any time spent

outside of meetings advising the Navigator and/or entrepreneurs in the Hub. Once selected, all Hub Advisory Board agreements should be executed followed by an on-boarding orientation to appraise them of Hub policies and procedures, etc.

- **Recruit Coaches** – An initial group of coaches (that fulfill the role identified in Section 5.1: Key Resources) must be recruited and onboarded into the Hub by the Navigator. Coaches would be recruited among Pearland residents and businesses, as well as throughout the greater Houston ecosystem. Intentional efforts would be made to include coaches from communities of color and would include working with groups such as Greater Businesses of Pearland and the Brazoria County Hispanic Chamber of Commerce to identify qualified coaches. Coaches must have the necessary experience and skills to advise entrepreneurs and small business owners with their priority needs, which include ideation and business concept development, market research, financing, customer acquisition, etc. Coaches with skills that enhance those already offered by the SBDC counselors would also be sought. As the needs of businesses in Pearland change over time, the Navigator must identify and recruit coaches with a different set of skills and experience. Once selected, all Hub Coaches agreements should be executed followed by a brief on-boarding orientation to appraise them of Hub policies and procedures, etc. As described in the Key Resources, Coaches would provide assistance on a pro-bono basis; however, from time to time when particular expertise is required, the Hub may compensate coaches on an hourly basis to work with clients. Coaches, in general, may volunteer between one and three hours per month, but the amount of time would be mutually determined by the Coach and the Navigator.
- **Link with Greater Houston Ecosystem** – Helping Pearland businesses to start and grow begins with establishing linkages with the wide variety of providers and organizations identified in the Ecosystem Network (Section 5.1: Key Resources), and then making effective referrals for entrepreneurs and small business owners in Pearland to the Ecosystem Network. As described in the Market Opportunity Assessment for the Hub, entrepreneurs and small business owners in Pearland often are not aware of the resources that are available through the greater Houston ecosystem and therefore cannot obtain the resources that they need. The Hub seeks to address this issue. The Navigator must conduct outreach to the organizations and service providers in the Ecosystem, gain an understanding of the specific nature of the services that they provide (and how they may benefit entrepreneurs and small business owners in Pearland), and then establish relationships with them. More significant relationships would result in the Key Partnerships described in Section 5.3.
- **Deliver Events and Activities** – The Hub must organize and offer the Ideation and Innovation Competitions and Business Plan Competitions, as well as the Student Programs, to achieve the Hub’s Mission Achievement/Impact Factors. The Navigator would work with appropriate Key Partners to leverage their events (e.g., featured speaker and panel discussion events at The ION, speaker events through the Small Business Institute at San Jacinto Community College, Junior Achievement, etc.) and partner on events such as the Pearland Leadership Foundation’s Business Plan Competition (which is anticipated for later 2021 or early 2022). The Navigator would work closely with the San Jacinto SBDC to determine partnering opportunities for workshops and other events that would provide value to Hub clients. The Hub would always seek to avoid duplication. At the same time, the Navigator would use the Ideation and Innovation Content (developed as a Key Resource) to create and deliver events and activities

through the Hub. Event sponsorships (cash and in-kind) would be obtained in order to cover costs and contribute to the financial sustainability of the Hub. Events are expected to be virtual during the pandemic, and then transition to appropriate formats (both in-person and virtual events) once pandemic restrictions are lifted or the community feels more comfortable meeting in-person. The Hub staff would determine the most appropriate channel(s) for engaging participants. The Market Opportunity Assessment (Table 4.1) estimated the number of Events and Activities as one per quarter and Ideation and Innovation Competitions as once per year. Events require a significant amount of time to organize and prepare, and therefore the number of events held per year is generally small. Also, the evolution of the City's innovation and entrepreneurial culture would occur over a period of years, and therefore the demand for such events is anticipated to gradually increase over time as Hub Value Propositions are implemented and the Hub demonstrates its impact on generating tangible outcomes (e.g., successful businesses).

- Provide Pro-Active Coaching – The coaching program is designed to enhance the programs and services already provided by the Pearland office of the San Jacinto College SBDC and others. Participating businesses in the Pro-Active Coaching program may include non-primary (non-traded) sector businesses seeking to adopt innovative business practices (e.g., social commerce and online stores for retailers) but an emphasis should be placed on those operating or planning to operate in primary sectors (Mission Achievement/Impact Factor). The coaching program pairs a Coach (see 5.1 Key Resources) with an entrepreneur or small business owner in to work one-on-one providing feedback and advice on a regularly defined schedule (e.g., weekly initially, moving to bi-monthly or monthly as the business begins to stabilize and returning to weekly as the business nears graduation from the program). In addition to the advice provided by the Coach, the program would facilitate the connections between the entrepreneur or business and the resources in the Ecosystem Network, including accelerators and incubators, maker spaces and innovation labs, other types of assistance programs and service providers, and debt and equity capital sources. The coaching relationship may last for a few meetings or extend into several months of regular meetings. The Pro-Active Coaching program is selective, meaning entrepreneurs and business owners must apply, meet clearly defined criteria and be selected through a screening process. (See Selection Process below). The screening process helps to ensure that clients entering the program are well-suited to take advantage of the advice and expertise offered by the coaches and other services offered. The Navigator would deploy a case management process, monitoring the progress of the client and the coach, and engaging and monitoring the interaction with Ecosystem Network providers to ensure that the client is receiving the proper assistance. The Navigator may change coaches, involve additional coaches and/or alter Ecosystem Network engagements based on client and provider feedback and the client's progress toward her or his established milestones.
- Implement the Selection Process for Pro-Active Coaching – Applicants for the Pro-Active Coaching program would complete an application which would be reviewed by the Navigator to determine initial eligibility for the program. Once an assessment of eligibility is completed, the Navigator would schedule an interview to obtain more information and gauge the interest of the applicant. The interview may include outside specialists (e.g., relevant industry or subject matter expert), as needed, to better understand the applicant business. With all of the information in-hand, the Navigator (perhaps with the input of the Advisory Board or a subset of the Advisory

Board) would determine whether to accept the business into the Hub. Transparency about the criteria and process as well as a consistent approach to screening applicants, will be essential to building the Hub's reputation within Pearland and the greater Houston ecosystem.

- **Engage Diverse Communities** – To achieve the Mission Achievement/Impact Factor of an Inclusive Environment for Entrepreneurs and Small Business Owners, the Navigator would develop strong working relationships with communities of color in Pearland and organizations such as Greater Businesses of Pearland and the Brazoria County Hispanic Chamber of Commerce. These and other similar organizations may be included in the planning and deployment of events and competitions using the Inclusivity Resources outlined in Section 5.1 in order to engage diverse participants. Also, events held by organizations such as Greater Businesses of Pearland and the Brazoria County Hispanic Chamber of Commerce may provide opportunities for the Hub to sponsor or attend to promote the Hub and its services.
- **Obtain Hub Funding** – Financial support for the startup and then on-going operations of the Hub is a Key Activity that requires the allocation of the resources necessary to support this activity. Most entrepreneurial support programs obtain their initial or “seed” funding from key supporters such as an economic development organization or university to launch the initiative. Seed funding provides support during the early years while the program is developing and deploying its Value Propositions and establishing a track record. At the same time, seed funding would provide Hub staff with the opportunity to develop a financial sustainability strategy and initiate a targeted fund-raising effort involving multiple sponsors/program investors to support on-going program operations. The funding sources would evolve over time, with most sources providing funds for limited period of one, two or three years. Therefore, achieving financial sustainability is a long-term process and requires the constant attention of the Hub Navigator and Advisory Board. In order to increase the opportunity for financial support by corporations, firms and other donors, the recipient should be organized as a non-profit with 501(c)3 tax-exempt status. This particular status, which is granted by the U.S. Internal Revenue Service, enables the organization to receive charitable contributions that are tax-deductible. While the Pearland EDC does not hold this status, the Pearland Leadership Foundation is organized as a 501(c)3 and appears to be a viable partner for the Hub. (The Pearland Leadership Foundation is willing to hold discussions with the Pearland EDC to explore the idea.) Community foundations are another possible partner that can be explored. Partnering with a 501(c)(3) non-profit organization to serve as a fiscal agent that can collect charitable contributions is a faster and less costly approach, one that has been adopted by many entrepreneurial support organizations. This approach is a short-term solution during the launch period, allowing more time to find a more permanent solution for the Hub's legal and organization structure. For the first three years of operation, the Hub's “seed” funding would be provided primarily by the Pearland EDC, with peripheral funding secured from sponsors of specific events and activities (e.g., Ideation and Innovation Competition and the annual Business Plan Competition). Fundraising (which is anticipated to be an ongoing effort) would be the responsibility of the Hub Navigator.
- **Implement Marketing and Brand Strategy** – Deploy the Marketing and Brand Strategy (Key Resources) in order to attract the target audiences identified in the Beneficiaries section of the Mission Model Canvas. The strategy would encourage entrepreneurs and small business owners in Pearland to participate in the Hub with an emphasis on engaging those in primary sectors.

Specific efforts would be made, working with the academic Key Partners, to engage students in the Hub competitions. Implementation efforts would also involve engaging the Hub's Key Partners, which may include recognition on the Hub web site, and sponsoring or co-hosting competitions held by the Key Partner (e.g., Rice Business Plan Competition). The Hub would also conduct outreach deploying the Inclusivity Resources (identified as a Key Resource) to engage participants from Pearland's diverse population as well as those living outside of Pearland but seeking to operate a business within the City. Over time, successful deployment of the Marketing and Brand Strategy would result in a set of engaged Key Partners that provide cross-referrals to the Hub and to the Ecosystem Network; the participation of entrepreneurs and small business owners in Pearland in primary sectors; the start and growth of businesses in Pearland in primary sectors; the involvement of students from UHCL, San Jacinto Community College, and Alvin Community College in the Hub; and a high level of participation by entrepreneurs with diverse backgrounds in the Hub.

- **Report Performance** – Establishing a track record for the Hub and reporting on the achievement of Metrics is important for demonstrating to Pearland residents and businesses, and the greater Houston ecosystem, about the Hub's achievements toward Mission Achievement/Impact Factors. It is essential to the process of building a brand identity for Pearland as an innovative and entrepreneurial place. A strong track record would also help to attract financial supporters, thereby working toward the Hub's financial sustainability. The Hub would create an annual report to share the progress made on the metrics and toward achieving the Mission and Goals (see Section 3). It would include quantitative measures (e.g., number of business starts in traded sectors, number of businesses coached, number of participants in the competitions, etc.) and qualitative reporting such as profiles of successful entrepreneurs and business owners in Pearland that have benefited from the Hub. The report should be digital (and posted on and downloadable from the Hub web site) and promoted widely in Pearland and the greater Houston ecosystem. In the first three years and as a means for building stakeholder support, the report may be published on a semi-annual basis in order to share information about the startup of the Hub and its early successes.

5.3 KEY PARTNERS

Table 5.1: Key Partners Primary Sector Resources and Services

	Business Assistance (one-on-one)	Mentor Program & Network	Structured Incubation & Acceleration Services	Resource Network	Training, Courses & Workshops	Ideation, Innovation & Business Competitions	Student Innovation Programs	Speaker, Panel Discussion, Networking & Other Events	Business Financing - Equity	Business Financing - Debt	Facility – Coworking & Meeting Spaces	Facility – Incubator Space	Facility – Maker Space & Labs	Site Selection & Regulatory Assistance
Pearland EDC & City Government														X
Pearland Chamber of Commerce				L				L						
San Jacinto College SBDC	L			L	X			L						
Pearland Business Associations & Community Organizations														
Greater Businesses of Pearland								L						
Leadership Pearland Foundation						X	L							
Pearland Enterprise								L						
Brazoria County Hispanic Chamber of Commerce				L				L						
Ecosystem Partners – Assistance & Resource Providers														
The ION		F	X	X	F	F	L	X			X			
Houston Exponential				X							X			
Ecosystem Partners – Equity & Debt Providers														
Banks Serving Pearland										L				
Houston Angel Network									L					
Houston Exponential Venture Fund									L					
Post-Secondary Educational Programs & Institutions														
San Jacinto Community College						X	X	L						
Alvin Community College							L							
University of Houston Clear Lake						L	X	L						
Rice Alliance			X			X	X	X						
University of Houston TechBridge						X	X	X						
Secondary Educational Programs & Institutions														

Pearland ISD							L							
Alvin ISD							L							
Junior Achievement							X							

Key:

X = Available/meets needs

L = Limited availability/insufficient to meet all local needs identified during market opportunity assessment

R = Restricted use for a targeted population or groups, or industry/resource only available to specific, targeted populations or industry

F = Future partner (in roughly 2-3 years) in developing and implementing Hub “value offering”

5.4 MISSION BUDGET/COST

5.4.1 Budget Overview

The information provided in this section addresses the operating and capital budgets associated with the Hub business model as outlined below.

- Table 5.2 – Pro Forma Financial Projections: Pre-Hub Launch
- Table 5.3 – Pro Forma Financial Projections: Post Hub Launch
- Table 5.4 – Pro Forma Cash Flow Projections: Pre-Hub Launch
- Table 5.5 – Pro Forma Cash Flow Projections: Post-Hub Launch

As shown in Table 5.2, the budget assumes that the Hub will begin setting up operations and developing components of its Business Model (e.g., Value Propositions – MVP, Key Resources, Key Activities and Key Partnerships) six months prior to the formal Hub launch. During the pre-launch period, the Hub will not be generating revenue and will require startup financing from the Pearland EDC to cover operations.

As shown in Table 5.3, the Hub has limited opportunities for generating revenue over its first five years of operation and will require a subsidy to cover operations. The project team anticipates that this subsidy will continue indefinitely as the Hub's value offerings are service versus facility based and the current position throughout the Houston region is offering services for "free". As the Hub establishes the value of its Pro-Active Coaching services, the project team anticipates that it will be able to charge a nominal fee (i.e., \$150/month) beginning in year four. Although not included as a line item, the project team anticipates that the Hub's events and competitions will be operated on a breakeven basis with sponsorships, etc. covering a portion of the Hub's staff costs for administering these activities.

As shown in Tables 5.4 and 5.5, the project's capital budget is limited to Furniture, Fixtures & Equipment with an estimated total of under \$5,000. Due to the factors outlined above, the Hub will require operating seed capital of approximately \$150,000 to cover the first six months of Hub setup activities. An annual operating subsidy of approximately \$260,000 per year will also be necessary and an additional \$50,000 annually to establish a matching fund that will encourage other sponsors to support the proposed Pearland competitions.

Additional supporting information for the Hub's pro forma financial and cash flow projections is provided in Appendix D.

5.4.2 Hub Funding

The operating subsidy for the first five years of the Hub operations is anticipated to come primarily from the Pearland EDC. During this period, the project team also anticipates that the Pearland EDC will provide seed matching funds for the Hub's Ideation & Innovation and Business Plan competitions in order to encourage private and corporate sponsors to contribute to these activities (see below). An initial annual matching fund of \$50,000 has been included in the pro forma financial projections presented in Table 5.3. As these competitions mature and build a reputation based upon their impacts on local students and entrepreneurs, the required amount of matching funds will likely decline.

However, the project team does not anticipate that this will occur during the first five years of these events.

To maximize funding opportunities, a detailed funding plan should be developed that clearly aligns funder objectives with the Hub's capital and program needs (e.g., business and job creation, innovation and technology commercialization, economic diversification, and inclusivity). A list of potential funding sources is provided below.

- **Private and Corporate Sponsors** – Entrepreneurial support programs such as the Hub can secure sponsors from the private sector that provide annual, or one-time, financial support ranging from \$500 (e.g., small local accounting firm) to \$25,000 or more (e.g., major financial institution or public utility). Based upon the project team's experience, this group is more willing to provide funding for specific events such as the Hub's competitions or support services (e.g., Pro-Active Coaching) for an individual business or a targeted population, versus funding general operating expenses.
- **Private and Corporate Foundations** – Private grant-making foundations often support specific initiatives such as the Hub's proposed youth entrepreneurship and inclusivity initiatives. Foundations may have similar interests and should be investigated as part of the development process. Funding often is only for specific programs that align with their foundation's mission and not provided for more than one or two years. As the Hub begins charging for Pro-Active Coaching services in year four, private and corporate foundations may be a source of scholarships for those clients that meet certain eligibility criteria that align with the mission of one or more of these foundations (e.g., targeted population and income eligibility).
- **U.S. Department of Housing and Urban Development Community Development Block Grant Program** – The Community Development Block Grant (CDBG) Program may be used to cover the cost of business assistance services provided to businesses that will create jobs where at least 51% of the jobs are filled by low-to-moderate income individuals and microenterprises where the owner qualifies as an eligible low-to-moderate income individual. It is anticipated that funds would be used to support operations as a microenterprise assistance activity in accordance with 570.482(c). Sources may include CDBG funding through the City of Pearland to support the cost of assistance CDBG eligible microenterprises.
- **U.S. Department of Labor** – The Department of Labor's Self-Employment Assistance (SEA) Program provides support to unemployed workers interested in entrepreneurship by providing training and paying them benefits while they start their business.

Experience has shown that funding sources prefer to participate with others and are very responsive to requests that are designed to leverage their funds. In addition, funding sources are more inclined to contribute to support an incubation services client (i.e., project Beneficiary), a specific program, a piece of equipment, the build out of a facility space (e.g., meeting rooms), etc. rather to support the overall project or its operations. A useful strategy is to demonstrate how the Hub's Value Proposition that they would support will be used to generate measurable outcomes. In addition, tiered level of recognition at events, on the Hub's website and on promotional materials can be used to entice some funding sources. In addition to securing funding, the Hub may offset funding needs by providing value in the form of leveraged services and discounts offered through corporate programs and initiatives as Amazon Launchpad, Facebook Community Boost, Google Ads, Intuit and Microsoft.

Table 5.2: Pro Forma Financial Projections: Pre-Hub Launch*

	Year -1
Revenue	
Hub Services	\$0
Programs & Events	\$0
Total Revenue	\$0
Operating Expenses	
Salaries/Wages	\$76,000
Payroll Taxes & Benefits	\$24,320
Pro-Active Coaching Provider Expense	\$0
Rent	\$8,940
Janitorial Charges	\$0
Utilities	\$0
Insurance	\$1,250
Telephone - (Mobile)	\$1,050
Broadband	\$0
IT Service Contract	\$0
Postage & Freight	\$600
Branding, Marketing & Website	\$15,000
Office Equipment Rental & Maintenance	\$0
Office Supplies	\$200
Software Subscriptions, Misc. Computer Materials	\$600
Staff Travel, Meals & Entertainment	\$2,500
Professional Services (Accounting, Legal, etc.)	\$2,500
Memberships, Data Subscriptions, etc.	\$0
Conferences & Training	\$0
Licenses & Fees	\$0
Property Taxes	\$0
Miscellaneous (5% contingency)	\$7,223
Total Operating Expenses	\$140,183
Net Income	(\$140,183)

* See Appendix D for the support information used to prepare the Pro Forma financial projections.

Table 5.3: Pro Forma Financial Projections: Post-Hub Launch*

	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Hub Services	\$0	\$0	\$0	\$21,600	\$28,800
Programs & Events	\$22,000	\$22,000	\$32,000	\$32,000	\$32,000
Total Revenue	\$22,000	\$22,000	\$32,000	\$53,600	\$60,800
Operating Expenses					
Salaries/Wages	\$139,050	\$142,526	\$146,089	\$149,742	\$153,485
Payroll Taxes & Benefits	\$44,496	\$45,608	\$46,749	\$47,917	\$49,115
Pro-Active Coaching Provider Expense	\$31,500	\$31,500	\$40,500	\$45,000	\$54,000
Rent	\$17,880	\$18,416	\$18,969	\$19,538	\$20,124
Janitorial Charges	\$0	\$0	\$0	\$0	\$0
Utilities	\$0	\$0	\$0	\$0	\$0
Insurance	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814
Telephone - (Mobile)	\$2,100	\$2,163	\$2,228	\$2,295	\$2,364
Broadband	\$0	\$0	\$0	\$0	\$0
IT Service Contract	\$1,188	\$1,224	\$1,260	\$1,298	\$1,337
Postage & Freight	\$600	\$618	\$637	\$656	\$675
Branding, Marketing & Website	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628
Office Equipment Rental & Maintenance	\$0	\$0	\$0	\$0	\$0
Office Supplies	\$60	\$62	\$64	\$66	\$68
Software Subscriptions, Misc. Computer Materials	\$1,000	\$1,030	\$1,061	\$1,093	\$1,126
Staff Travel, Meals & Entertainment	\$5,000	\$5,150	\$5,305	\$5,464	\$5,628
Professional Services (Accounting, Legal, etc.)	\$2,500	\$2,575	\$2,652	\$2,732	\$2,814
Memberships, Data Subscriptions, etc.	\$2,600	\$2,678	\$2,758	\$2,841	\$2,926
Conferences & Training	\$3,500	\$3,605	\$3,713	\$3,825	\$3,939
Licenses & Fees	\$0	\$0	\$0	\$0	\$0
Property Taxes	\$0	\$0	\$0	\$0	\$0
Miscellaneous (5% contingency)	\$12,949	\$13,244	\$13,997	\$14,538	\$15,302
Total Operating Expenses	\$271,923	\$278,125	\$293,938	\$305,193	\$321,344
Net Income	(\$249,923)	(\$256,125)	(\$261,938)	(\$251,593)	(\$260,544)
Other Funding					
Pearland EDC - Hub Event Matching Funds	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000

* See Appendix D for the support information used to prepare the Pro Forma financial projections.

TABLE 5.4: PRO FORMA CASH FLOW PROJECTIONS: PRE-HUB LAUNCH *

	Year -1
Beginning Cash Balance	\$0
Cash Receipts	
Revenue from Operations	\$0
Pearland EDC - Operating Support	\$150,000
Other Startup Funding	
Total Cash Receipts	\$150,000
Cash Disbursement	
Operating Expenses	\$140,183
Cash Disbursement - Capital Costs	
Furniture, Fixture & Equipment	\$4,711
Total Cash Disbursement	\$144,894
Net Change in Cash Position	\$5,106
Ending Cash Balance	\$5,106

* See Appendix D for the support information used to prepare the Pro Forma financial projections.

Table 5.5: Pro Forma Cash Flow Projections: Post-Hub Launch *

	Year 1	Year 2	Year 3	Year 4	Year 5
Beginning Cash Balance	\$5,106	\$15,183	\$19,059	\$17,120	\$25,527
Cash Receipts					
Revenue from Operations	\$22,000	\$22,000	\$32,000	\$53,600	\$60,800
Pearland EDC - Operating Support	\$260,000	\$260,000	\$260,000	\$260,000	\$260,000
Other Startup Funding					
Total Cash Receipts	\$282,000	\$282,000	\$292,000	\$313,600	\$320,800
Cash Disbursement					
Operating Expenses	\$271,923	\$278,125	\$293,938	\$305,193	\$321,344
Cash Disbursement - Capital Costs					
Furniture, Fixture & Equipment					
Total Cash Disbursement	\$271,923	\$278,125	\$293,938	\$305,193	\$321,344
Net Change in Cash Position	\$10,077	\$3,875	-\$1,938	\$8,407	-\$544
Ending Cash Balance	\$15,183	\$19,059	\$17,120	\$25,527	\$24,983

* See Appendix D for the support information used to prepare the Pro Forma financial projections.

APPENDIX A: MISSION MODEL CANVAS

The market assessment and subsequent business model and plan were developed using the Mission Model Canvas (see Figure A.1) and its supporting Lean Startup: Value Proposition Canvas (see Figure A.2) methodologies developed by Strategyzer AG⁴ and Steve Blank.⁵ A brief overview of each of the components of these methodologies is provided below to assist the reader in understanding the content that appears in the plan that follows.⁶

A.1 Mission Model Canvas

- **Beneficiaries** – All the people or organizations for which you are creating value. The Canvas engages Beneficiaries by identifying three key factors that define their respective involvement in the project and ultimately defines the project's Value Proposition (see Value Proposition Canvas discussion below).

For the purposes of this project, Beneficiaries include the ultimate customer (e.g., entrepreneurs, existing small businesses and students). However, others need to be involved before the customer can benefit from the project. Thus, in addition to the direct customer segment, Beneficiaries include the following additional segments that will derive both direct and indirect benefit from the project.

- Stakeholders and Project Partners (e.g., economic development organizations, elected officials, government agencies, academic institutions, school districts, other accelerators/incubators/business assistance organizations, business associations, and innovation spaces such maker spaces, coworking spaces and innovation labs).
- Resource Network Providers (e.g., accountant, attorneys, bankers, investors, and business consultants)
- **Value Proposition** – Defines the project's Minimal Viable Product (MVP). The MVP defines the programs and services that create value to each of the Beneficiaries. In turn, the MVP should assist each Beneficiary to overcome the challenges they face and generate the measurable outcomes they desire. Ultimately, the MVP should enable them to realize what they wanted to achieve through the project (e.g., stimulating innovation, creating jobs, generating wealth, and creating educational and future employment opportunities for students).
- **Deployment** – Details:⁷
 - How the project will deploy its MVP (i.e., programs and services) to obtain the broadest utilization and engagement amongst its Beneficiaries.
 - What constitutes a successful deployment as outlined in the Mission Achievement/Impact Factors (e.g., number of customers, frequency of partner engagements, and economic benefits generated).

⁴ Osterwalder, Alexander and Pigneur, Yves, "Business Model Generation: Handbook For Visionaries, Game Changers, and Challengers", John Wiley & Sons, Inc., 2010.

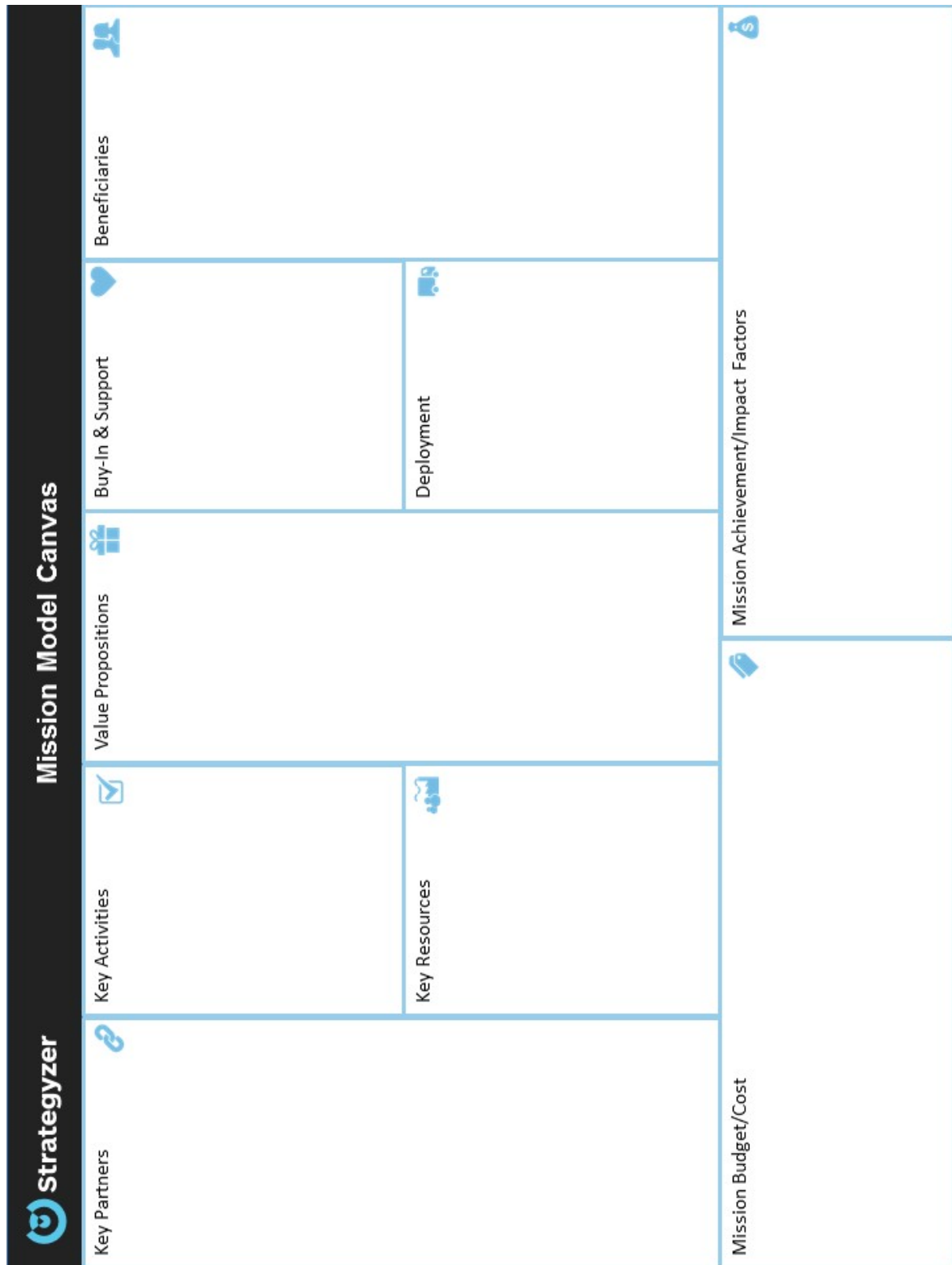
⁵ <https://steveblank.com/2016/02/23/the-mission-model-canvas-an-adapted-business-model-canvas-for-mission-driven-organizations/>

⁶ The descriptions provided were adapted from information published on www.strategyzer.com.

⁷ <https://steveblank.com/2016/02/23/the-mission-model-canvas-an-adapted-business-model-canvas-for-mission-driven-organizations/>

- How the MVP will turn a potential Horizon 2 or 3 innovation into something that gets adopted by an entrepreneur or business currently using a Horizon 1 business model (see Appendix B for a description of Horizon 1, 2 and 3 innovations)?
- **Buy In & Support** – Defines who amongst the Beneficiaries must be engaged at different stages of the project's life span to:
 - Deploy the MVP.
 - Provide long-term support and maintenance of the MVP.
 - Sustain the iterative development of future MVPs in response to changing market conditions.
- **Mission Achievement/Impact Factors** – Establishes the value that the project is creating for the sum total of all Beneficiaries (i.e., the common good). Individual value is evaluated for each segment (on the Value Proposition Canvas), but this may be different from the project's overall Mission Achievement. Mission Achievement addresses the desired outcomes of the overall project rather than individual desires of each individual Beneficiary. Mission Achievement can be both quantitative (e.g., 10 new technology ventures formed within five years) and qualitative (e.g., establish the region as a center of innovation both in terms of new intellectual property as well as the effective use of technology in business).
- **Key Resources** –The infrastructure needed to create, deliver and create value. This may include:
 - Physical assets in the form of building and equipment.
 - Financial resources both for supporting clients and maintaining operations.
 - Intellectual resources in the form of proprietary knowledge, customer databases, resource databases, brand, and partnerships.
 - Human resources representing internal and external staff that are key to the execution of the business model.
- **Key Activities** – The most important actions that an organization must take to operate successfully. This would include activities necessary to deliver the Value Proposition, reach/engage clients, maintain relationships with key stakeholders and resource providers, and generate revenue or secure grants.
- **Key Partnerships** – The organizations and/or individuals who can help leverage the business model since it is unlikely that a single organization will have all of the key resources or perform all of the key activities itself.
- **Mission Budget/Cost** – The financial component of the business model involving:
 - Revenue generated from fees, grants, sponsorships, etc.
 - Program and general operating expenses.

Figure A.1: Mission Model Canvas



Source: Strategyzer® and Steve Blank, <https://steveblank.com/2016/02/23/the-mission-model-canvas-an-adapted-business-model-canvas-for-mission-driven-organizations/>

A.2 VALUE PROPOSITION CANVAS

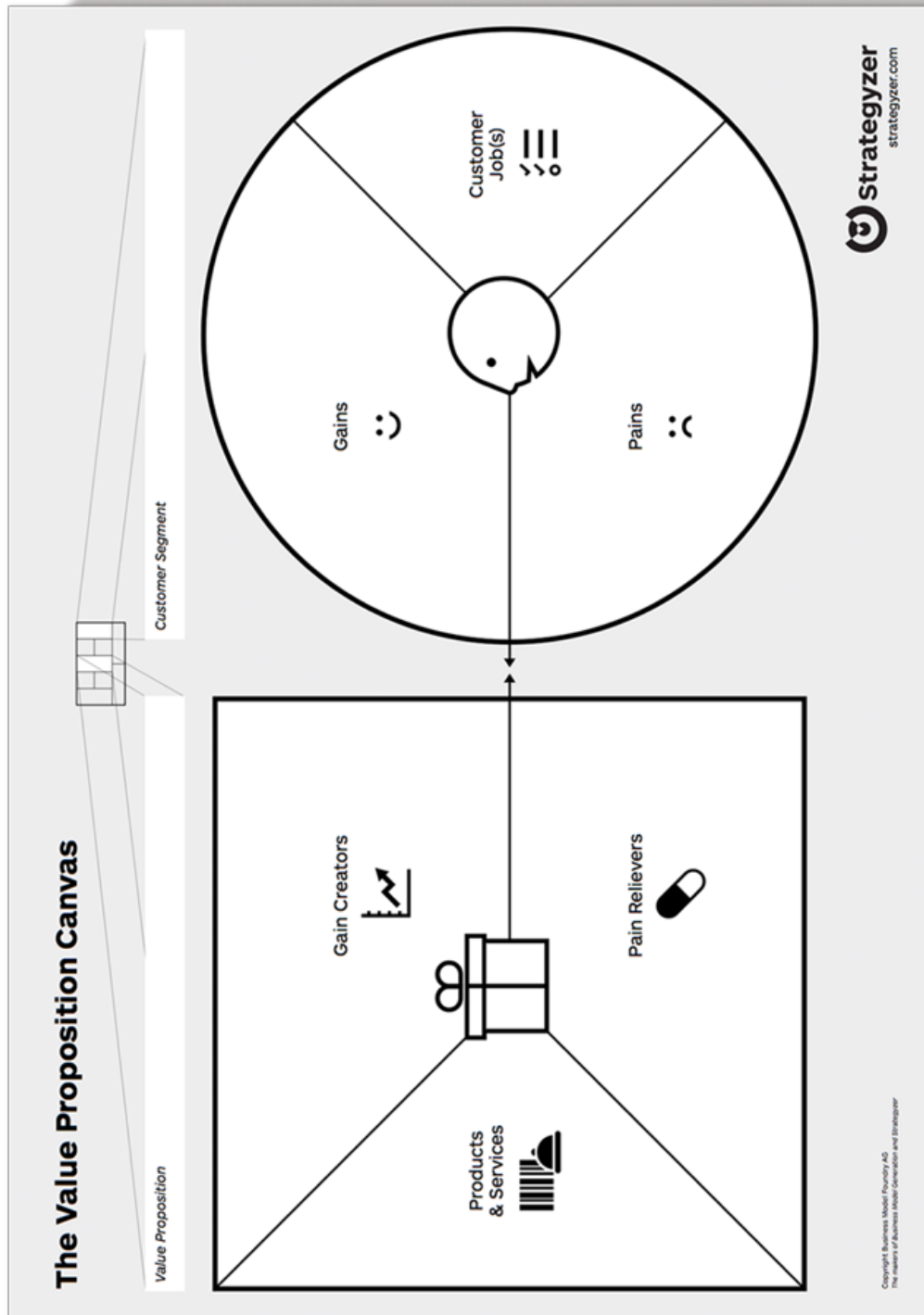
The Value Proposition Canvas (see Figure A.2) serves as the cornerstone for identifying Beneficiary (Customer) needs and designing products and services they want (i.e., products and services they perceive or will gain value from).

- **Beneficiary (Customer) Jobs** – Beneficiaries are those individuals and/or organizations that will benefit from the Mission-driven project as it delivers a MVP that attains or generates the desired Mission Achievement/Impact Factors. Beneficiaries may include:
 - Program customers/users (e.g., clients served by the project).
 - Members of a resources network (e.g., a law firm that may eventually benefit from the project as it builds and graduates successful ventures).
 - Program partners (e.g., an educational institution that increases the benefits to its students using the programs, services, and facilities offered by the project).
 - Government and stakeholders (e.g., a foundation that helps a disadvantaged group move out of poverty using the programs and services offered by the project).

Beneficiary jobs describe what each Beneficiary is trying to get done through the project. This might include tasks they are trying to perform or complete (e.g., create jobs), problems they are trying to solve (e.g., an educational institution preparing students with the skills needed to realize their career goals in a fast-paced technology-focused economy), or needs they are trying to satisfy (e.g., a mechanism to bring together complimentary initiatives focused on supporting the formation and growth of businesses in traded sectors).

- **Beneficiary Pains** – Pains describe anything that frustrates or prevents Beneficiaries from getting their respective jobs done. Pains can also describe potential risks or bad outcomes that could materialize if the job is done badly.
- **Beneficiary Gains** – Gains describe the outcomes and benefits each Beneficiary wants. Gains may be required or expected outcomes and benefits. Gains may also include unexpected positive outcomes and benefits.

Figure A.2: Value Proposition Canvas



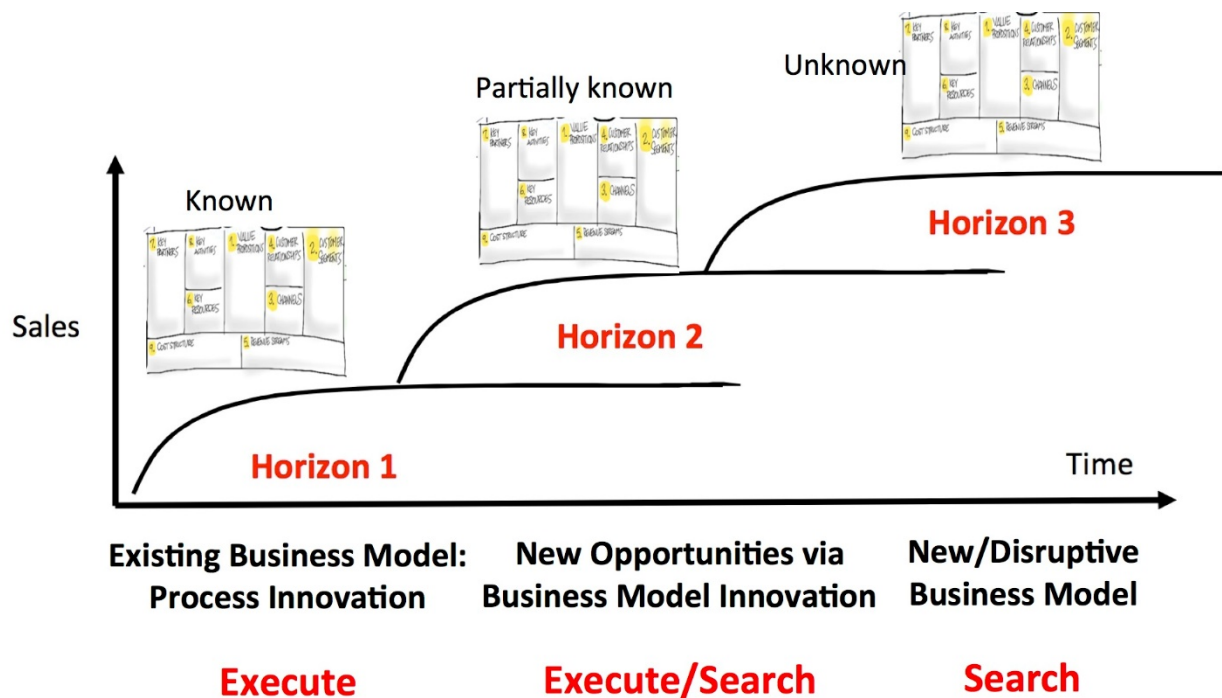
Source: Strategyzer®, www.strategyzer.com

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APPENDIX B: THREE HORIZONS MODEL FOR INNOVATION

Current thinking aggregates companies (and future entrepreneurs) as being in one of three horizons of innovation as outlined below. To “Open Up Transformative Innovation” and truly be disruptive in their respective domains, these participants need to strive to move to a higher level of innovation. Such change is also needed to sustain business operations and remain relevant in a changing and competitive marketplace.⁸

- Horizon 1 Innovation – “Business as usual.”
- Horizon 2 Innovation – “Innovations become more effective than the original system (i.e., business as usual) through the use of technology and innovative business practices.”
- Horizon 3 Innovation – “Radical innovation that introduces a completely new way of doing things.”



(Source: Baghai, Coley, White adapted by Steve Blank)

⁸ Adapted by Claggett Wolfe from an International Futures Forum articles entitled “Three Horizons” (Source: <http://www.internationalfuturesforum.com/three-horizons>) and a post by Steve Blank entitled “Lean Innovation Management – Making Corporate Innovation Work” (Source: <https://steveblank.com/2015/06/26/lean-innovation-management-making-corporate-innovation-work/>)

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APPENDIX C: JOB DESCRIPTIONS

Descriptions are provided for the two contract positions that are necessary to staff the project.

NAVIGATOR

The Navigator would be filled on a contract basis and not be an employee of the Pearland EDC. It will require approximately 40 hours of work per week. The contract would be managed by the Pearland EDC. The contract period is 36 months with annual review.

Position Summary

Under contract with the Pearland EDC, the Navigator manages all aspects of the Hub, which includes the principal responsibilities and tasks below:

Principal Responsibilities and Tasks

- Program Planning and Management
 - Serve as the manager of the Hub and its programs, and assign duties to the Administrative Assistant, as needed.
 - Work with the Pearland EDC President and the Hub Advisory Board on strategic planning for each of the Hub's Value Propositions.
 - Develop an appropriate organization and legal structure, with the advice and assistance of legal counsel, for the Hub that would be instituted after the initial launch period.
 - Gain a clear understanding of the providers in the greater Houston ecosystem that will become members of the Hub's Ecosystem Network and oversee the development of a CRM database and summary matrix worksheet that captures the details of the resources and services offered by the Key Resources of the Mission Model Canvas and their targeted clientele.
 - Create the content and services for each program, including Pro-Active Coaching, and events and competitions working collaboratively with the Hub's Key Partners.
 - Recruit professionals, service providers and experienced businesspeople to participate as Hub coaches and advisors for the Pro-Active Coaching Program.
 - Create an inclusive environment for entrepreneurs and small business owners with programming and outreach conducted for all Hub programs and events.
 - Develop and implement the policies and procedures for operating the Hub to include policies for the selection and graduation of clients in the Pro-Active Coaching Program, and agreements for entrepreneurs and small business owners who will be participating in the Pro-Active Coaching Program.
 - Work closely with the Pearland EDC President to form the Hub Advisory Board and manage the Hub Advisory Board meetings including the development of meeting agendas.
 - Coordinate with the Pearland EDC Director of Marketing to develop a clear and consistent message for each program and event, and convey the message to potential clients, Key Partners, other Beneficiaries and the Pearland community at-large.
 - Develop and manage an annual program budget under the direction of the Pearland EDC President and monitor the Hub's financial performance against budgeted figures.

- Establish metrics for each program and event, and then measure and report progress on a regular basis to the Pearland EDC President and the Hub Advisory Board.
- Provide additional planning and management support, as needed, to effectively implement the Hub’s Value Propositions.
- Key Partner Relationships
 - Recruit and maintain positive and productive relationships with Key Partners and the providers in the Ecosystem Network in greater Houston to help to ensure their engagement and effective implementation of the Hub’s Value Propositions.
 - Identify events and competitions in the greater Houston ecosystem that align with the Hub’s mission in order to co-host and/or sponsor these Key Partner events.
 - Engage Key Partners as co-hosts of Hub innovation and ideation events and competitions.
 - Develop and implement agreements with Key Partners who are co-hosting or sponsoring Hub events.
- Direct Assistance to Businesses
 - Serve as the case manager for Pro-Active Coaching clients to ensure that the Hub’s Value Propositions are implemented effectively, and the right combination of resources are provided at the appropriate time to assist the client.
 - Connect Pearland entrepreneurs and small business owners to resources in the greater Houston ecosystem to ensure that they receive needed assistance.
 - As case manager for Pro-Active Coaching clients, monitor client progress against established milestones.
- Event Management
 - Implement and manage the Ideation and Innovation Competitions and Business Plan Competitions for the Hub.
 - Recruit speakers for the events and competitions.
 - Collaborate with Key Partners on their Business Plan Competitions to ensure visibility and measurable outcomes for Pearland.
 - Coordinate with the EDC Director of Marketing and Administrative Assistant on the implementation of the events and competitions.
 - Recruit and manage volunteers, including UHCL, San Jacinto Community College, Alvin Community College, Pearland ISD and Alvin ISD students, to assist with events and competitions.
 - Secure financial and in-kind sponsorships for events in order to improve Hub financial performance and work towards long term Hub financial sustainability.
- Fundraising
 - Raise the necessary funds to support the implementation of the Hub’s Value Propositions and attain financial sustainability over time.
- Supervision
 - Supervise the Administrative Assistant on work specific to the Hub.

Qualifications

The Hub Navigator must have the appropriate background, experience and skills to:

- Develop and manage events and programs that stimulate ideation and innovation among entrepreneurs and small business owners in Pearland with an emphasis on primary sectors or those seeking to implement innovative business practices to improve market reach beyond Pearland.
- Help to build and grow successful businesses.
- Encourage innovative and entrepreneurial thinking amongst secondary and post-secondary students.
- Connect entrepreneurs and small business owners in Pearland to the greater Houston ecosystem, and
- Enhance Pearland's innovation and entrepreneurial culture.

The following skills and experience are required:

- Project management, budgeting, program planning and development, marketing, relationship building and management, and business development.
- Understanding the needs of entrepreneurs and small business owners in primary sectors or those seeking to implement innovative business practices to improve market reach.
- Skilled at mobilizing partners, service providers and resources in an ecosystem (which may include entrepreneurial support organizations, universities and colleges, economic development organizations, trade associations, and others) to support the formation and growth of successful businesses in primary sectors.

Highly desirable:

- Experience working in an entrepreneurial or small business support programs.
- Good business network and experience in the greater Houston ecosystem.
- Ability to coach entrepreneurs, startups and small businesses in primary sectors or those seeking to implement innovative business practices to improve market reach.
- Ability to work with students and faculty, in secondary and post-secondary educational institutions, and secure their participation in programs and events.
- Fundraising experience with a non-profit.
- Event management.

PROGRAM SUPPORT ADMINISTRATOR

During the initial launch period (approximately 3 to 6 months), administrative support would be provided by staff at the Pearland EDC. Then, it is anticipated that temporary personnel would be retained through an agency or hired as a part-time contractor on a one-third time basis.

Position Summary

Under the general supervision of the Navigator, the Administrative Assistant provides administrative assistance to the Navigator; interfaces with the Hub clients and Key Partners; and provides marketing and event support. The principal responsibilities and tasks for this position are listed below:

Principal Responsibilities and Tasks

- Provides administrative support for the Hub's programs and events, and the Navigator.
- Greets and interacts with clients, visitors, vendors and partners; answers phone for the Hub.
- Assists with implementation of events, including logistics, facility set up, and working with volunteers.
- Provides support for fundraising activities.
- Assists with preparation of materials for Advisory Board meetings, and records meeting minutes.
- Orders and maintains stock of office supplies.
- Assists with the preparation of correspondence, documents, records, reports and proposals, as requested by the Navigator.
- Other responsibilities as delegated by the Navigator to effectively implement the Hub's Value Propositions.

Required Qualifications

- Prior administrative experience in a fast paced, non-structured work environment.
- Strong interpersonal and communication skills.
- Excellent computer skills, including experience with MS Word, MS Excel, MS PowerPoint, CRM and cloud-based software applications.
- Organized and able to work with minimal supervision.
- Excellent at managing multiple duties in an ever-changing work environment.
- Detail-oriented.

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APPENDIX D: BUDGET ASSUMPTIONS

FURNITURE, FIXTURES & EQUIPMENT COSTS

The costs for Furniture, Fixtures & Equipment (FF&E) were developed with information obtained from internet search and include local Pearland sales tax. A summary of the capital costs associated with Hub FF&E are presented in Table E.1.

OPERATING REVENUE AND EXPENSES

The following assumptions are associated with the project's operating budget:

- Utilization/Participation Rates – The annual projected participation rates for the Pro-Active Coaching component of the Hub's Value Offerings are presented in Table E.2. Table E.2 also includes the projected number of events. Within the six months prior to opening, the project team anticipates that the Hub will co-host one networking event but will not generate any revenue from the event.
- Fees and Net Revenue – The anticipated monthly fee for Pro-Active Coaching services is in Table E.3. The project team anticipates that the Hub will be able to charge a nominal fee (i.e., \$150/month per participant) beginning in year four as it differentiates itself from the many "free" services offered to businesses within Pearland and the greater Houston ecosystem. Table E.3 outlines the Net Revenue that the Hub should receive for administering each of the listed events. The Net Revenue would be generated from sponsor/donor contributions for each event and represent a portion of the time Hub staff would commit to administer each event. The budget does not include projected revenue, nor the total costs associated with the Ideation & Innovation Competitions or the Business Plan Competitions as these components of the Hub Value Propositions and their respective budgets will be developed in more detail by the Hub Navigator working with other Key Partners. The project team does anticipate that these events will be operated at a breakeven level which would include the Net Revenue cost discussed above.
- Operating Revenue – The operating revenue generated from fees and Net Revenue proceeds are presented in Table E.4.
- Salaries – Six (6) months prior to opening the facility, the Hub would begin its pre-launch phase by hiring a Navigator and sharing a one-third time Program Support Administrator staff position with the Pearland EDC. Post launch, the Program Support Administrator staff position would be filled by a one-third time contracted individual secured through a temporary agency or as an outside contractor. The figures presented in Table E.5 represent the cost for an outside contractor and are based upon hourly rate information obtained from the Clear Lake office of Robert Half. This position may be filled through a temporary employment agency until a contractor can be found with the additional costs covered by the Contingency allocation in the financial projections. The Hub Navigator will begin building the Hub Value Propositions, building Key Resources, formalizing roles and responsibilities with Key Partners and implementing Key Activities. Operating expenses associated with staffing during this period are presented in Table E.5.
- Rent – The Hub Navigator will operate out of a flexible work location (i.e., initially budgeted for the Regus facility in Pearland). The budgeted rent includes the office, utilities, use of a conference room, a telephone landline, internet and coffee service. Rent was calculated at Full Service with a 3% escalation allowance. Over time the Hub may move from the proposed Executive Suite setting

initially included in the budget. The project team does not anticipate that the annual rent cost will be reduced as some of the expenses currently incorporated into the rent would be added to the budget (e.g., broadband, telephone and utilities). The future budget may be reduced if the Hub is able to secure in-kind space from a Key Partner that would offset the monthly rent expense.

- **Client Services** – The project team has included an expense for securing outside services from domain experts (e.g., attorneys, marketing specialists, technologies, etc.) as part of the Hub’s Pro-Active Coaching offering. These service needs will be identified by the Hub’s Navigator. The budget assumes an average of 15 hours of outside services per Pro-Active Coaching client served at a rate of \$150/hr. The budget assumes that the number of clients served is at the higher range of annual Pro-Active Coaching clients presented in Table 4.1 of the Market Opportunity Assessment. The project team anticipates that by paying a higher hourly rate, the Hub will be in a position to engage a higher level of expertise and therefore differentiate the Hub from other assistance programs currently serving Pearland.
- **Inflation** – All costs were adjusted for inflation as highlighted in Table E.5.
- **Broadband and IT Services** – The cost for broadband was included in Rent but an additional line item was added for IT services (e.g., website maintenance).
- **Other Operating Costs** – Other operating expense figures are based on the project team’s experience with similar projects and a review of information obtained from various software subscription providers (e.g., Microsoft, Adobe, etc.).

TABLE E.1: CAPITAL COSTS – FURNITURE, FIXTURES & EQUIPMENT

	Cost		
Furniture, Fixtures & Equipment	Quantity	Unit Price	Total
Office Furniture (included in rent)	0	\$1,500	\$0
LED Monitor - 27"	2	\$406	\$812
CPU, Monitor & Keyboard	1	\$1,806	\$1,806
Laptop	1	\$1,093	\$1,093
Miscellaneous			\$1,000
Total FF&E			\$4,711

TABLE E.2: ESTIMATED UTILIZATION/PARTICIPATION RATES

	Year 1	Year 2	Year 3	Year 4	Year 5
Pro-Active Coaching Fees - (Monthly) - based on lower utilization projections form Market Assessment	6	6	10	12	16
Pro-Active Coaching Clients Served by Outside Providers	14	14	18	20	24
Programs & Events					
Quarterly Events & Activities	4	4	4	4	4
Ideation & Innovation and Business Plan Competition Combined Event	1	1			
Ideation & Innovation Competition - Standalone Event			1	1	1
Business Plan Competitions - Standalone Event			1	1	1

TABLE E.3: USAGE FEES & NET ACTIVITY REVENUE

	Unit Price
Pro-Active Coaching Fees per Participant - (Monthly)	\$150
Pro-Active Coaching Clients Served by Outside Providers – Hourly Rate	\$150
Pro-Active Coaching Clients Served by Outside Providers – Average Hours per Client	15
Programs & Events (Net Revenue Per Activity)	
Quarterly Events & Activities	\$500
Ideation & Innovation and Business Plan Competition Combined Event	\$20,000
Ideation & Innovation Competition - Standalone Event	\$15,000
Business Plan Competitions - Standalone Event	\$15,000

TABLE E.4: ESTIMATED REVENUE BY USAGE & ACTIVITY

	Year 1	Year 2	Year 3	Year 4	Year 5
Pro-Active Coaching Fees per Participant - (Monthly)	\$0	\$0	\$0	\$21,600	\$28,800
Programs & Events (Net Revenue Per Activity)	\$250	\$250	\$250	\$250	\$250
Quarterly Events & Activities	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Ideation & Innovation and Business Plan Competition Combined Event	\$20,000	\$20,000	\$0	\$0	\$0
Ideation & Innovation Competition - Standalone Event	\$0	\$0	\$15,000	\$15,000	\$15,000
Business Plan Competitions - Standalone Event	\$0	\$0	\$15,000	\$15,000	\$15,000
Total Revenue	\$22,000	\$22,000	\$32,000	\$53,600	\$60,800

TABLE E.5: STAFFING AND OTHER OPERATING ASSUMPTIONS

Labor	Quantity	Individual	Annual
Hub Navigator	1	\$120,000	\$120,000
Program Support Administrator	.33	\$25/Hr.	\$17,333
Total Annual Wages			\$137,333
Startup Administrative Support	.33	\$96,970	\$32,000
Additional Annual Adjustments			
Rate - Payroll Taxes & Benefits	32%		
Avg. Annual Wage/Salary Increase	2.5%		
Operating Expense - Inflation Allowance	3.0%		
Rent Escalations Allowance	3.0%		