Mentorship program aims to give startups strong start

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NORFOLK, VA ( Philip Walzer | The Virginian-Pilot | © August 12, 2012 )

Beau Turner was pitching his mobile app, just out on the market, to the two men in the front row - Mayor Paul Fraim and City Manager Marcus Jones.

"Mayor Fraim could say, 'Let's play a quick five-minute game, Marcus,' Turner suggested to the bemused city officials at a presentation Thursday. 'Let's play at Waterside.'"

The game is "Zombie Tag: Challenge," pitting people against the brain-eating monsters. Apple stores Wednesday began carrying the 99-cent GPS-based app, which allows participants to chase one another on the streets of Norfolk - or anywhere else.

"We get people moving," Turner said, though "some are crawling."

The mock presentation was an exercise at the midway point of Hatch Norfolk. It's a three-month-long mentorship program for five local startups, whose products include a wireless camera for tugboats and a Web-based platform to coordinate a plan for at-home care.

With Hatch Norfolk, "you don't have to do it all by yourself," Sean Evangelista, who helped create PodiumPro, an iPad app for public speakers, said after his presentation. "Nobody's going to hand you anything, but you've got support to help you."

Hatch Norfolk, supported by the city and a group of businesses, is part of a sprouting movement known as "economic gardening," aimed at
nurturing local businesses rather than enticing out-of-town companies.

“I think it's definitely a trend across the country, and the reason is one of necessity, in large part,” said Dana Dickens, CEO and president of the Hampton Roads Partnership, a regional organization that also has worked to boost local companies.

“The big companies are not producing a lot of new jobs in this country,” Dickens said. “If we're going to produce new jobs here, we're going to have to grow our own, is the feeling a lot of people are dealing with.”

If that happens, advocates say, it will be easier to attract and retain even more businesses.

“The idea is to not only help these companies grow in our area,” said Zack Miller, managing director of Hatch Norfolk, “but also to show other companies that are in the area and outside the area that there are opportunities to grow in a great market like here.”

Before Hatch Norfolk, there was Start Norfolk.

That event, sponsored by a coalition of local companies during a weekend in November, teamed budding entrepreneurs with mentors in fields such as technology and design. They crafted business plans, and a $10,000 prize was awarded to the most promising idea.

The buzz was so positive that organizers did it again, with Start Norfolk 2.0 in April. That inspired thoughts of taking it bigger.
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"The idea was, let's have Start Norfolk over a summer," Miller said, "and get more people and be able to really foster them for an expanded period of time."

Hatch Norfolk stretches 11 weeks. All five participants are from Hampton Roads.

Their backgrounds and experience levels vary sharply, from military - Evangelista said he spent 18 years as a Navy SEAL - to med school. Daniel Parker, a founder of OurCareDirect, is a third-year student at Eastern Virginia Medical School.

They have received guidance from mentors, a range of contacts ("We have opened up our Rolodexes," Miller said) and $10,000 each. The city also has donated round-the-clock office space on Granby Street, where the pitches took place.

That's been a huge asset for the five-member team behind VinylMint, a musical Web application that the blog TechCrunch has described as "a jammin’ new way for pro musicians to collaborate."

"We're spending a lot more time together," CEO Byron Morgan said, sometimes meeting at 10 at night at the office.

And now VinylMint doesn't have just a "cool product," said Jeremy Johnson, chief of product design. It has a sharp business plan.

Dickens, of the Hampton Roads Partnership, said he's cheering them on.
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"If there was a Hatch Norfolk on every corner, I'd be thrilled to death," he said.

Hatch Norfolk poses no competitive threat, Dickens said. It helps small startups, whereas Hampton Roads Partnership assists "the second-stage company, with 10, 12, maybe 50 employees and high growth potential but not the resources to do the research and technical work to figure out how to make that next step."

Last fall, the partnership offered a program providing about 35 hours of guidance to executives of five local companies. One, SimIS Inc. of Portsmouth, was a modeling and simulation business looking to reduce its reliance on the military.

Johnny Garcia, president and CEO of SimIS, said he benefited from the "tons of reports" and contacts the program provided. Since then, he said, SimIS has branched into medical and manufacturing modeling and simulation, working with institutions including Duke University and the University of Virginia.

Its workforce grew to 40 from 11 a year ago. Garcia expects SimIS to more than double its revenue of $2 million last year.

"I wouldn't be where I am without that program, he said. "It opened up avenues that opened up doors for me."

The Hampton Roads Partnership's next goal, Dickens said, is to engage 50 local companies in economic gardening, with funding from local economic development agencies. "If you get 10 or 12 or 20 that have the kind of results that SimIS has had, wow, what a home run," he said.
Another local player in the economic-gardening movement is Innovation Research Park @ ODU, a public-private partnership that hosted Start Norfolk. Tom Osha, its president and CEO, said economic gardening has added relevance locally: "We need to focus on growing the companies we have, particularly if we want to reduce our reliance on the military as the sole economic driver."

Darryl Gosnell, president and CEO of the Hampton Roads Economic Development Alliance, described his job as "marketing the region to attract new companies to locate in the area." Efforts such as Hatch Norfolk could help, he said.

"Yes, it's a positive thing, and it makes the area more marketable. Young entrepreneurs and young, creative professional people are attracted to areas of the country that have established a supportive environment for hatching new ideas."

The Hatch participants dreamed - and talked - big during the presentations.

Most predicted hefty financial returns. Christopher Machut, chief technology officer of GM Engineering Services LLC, creator of the TugCam, said it could bring in $50 million in revenue within five years.

Fraim called the projects "extremely impressive." Sean Mallon, senior investment director for the Center for Innovative Technology, a private group in Herndon that offers grants to businesses, said, "What's most exciting is their progress."

But he added: "At the end of the day, you need customers to be a viable company. I look for evidence of client interest."
Mallon wasn't giving away money, but the speakers acted as though he were, outlining ambitious requests for investors.

Turner, the zombie gamesman, said his company needed $150,000. "I'm happy to take checks," he said. "We can work out agreements before you go."

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