Incubation Nation

Where Great Ideas Born

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

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Seattle

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

Boulder

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

San Diego

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

Fargo, North Dakota

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

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

Phoenix

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

Corvallis, Oregon

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

Salt Lake City

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

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Madison, Wisconsin

The University of Wisconsin licensed its first technology in 1927. Today, the Wisconsin Alumni Research Foundation, the university's tech transfer program, has 55 active spinoff companies in its portfolio. Who gets in: Faculty and student researchers seeking to commercialize their ideas and inventions. Breakout company: TomoTherapy, which manufactures a system that combines CT imaging with radiation therapy, went public in 2007.

Rochester, New York

This fall, the Rochester Institute of Technology opens Entrepreneur Hall, an undergrad dormitory in which residents develop their own business plans and get free access to the school's incubator. Who gets in: Undergrads with promising ideas. Breakout company: A team from a proto-class of 30 is developing a tool that lets groups of software writers keep track of changes in their code.

Birmingham, Alabama

Welcome to the Innovation Depot, a 140,000-square-foot facility housed in a former Sears store. A partnership with the local University of Alabama campus, the depot is one of the largest incubators in the Southeast. Who gets in: Start-ups in biotech, IT. and engineering. Breakout company: Motus Motorcycles released a prototype for the world's first direct-injected, liquid-cooled V-4 motorcycle engine last year.

Detroit

The 12-block stretch known as TechTown is opening its second incubator-Tech-Two-in a 100,000-square-foot former Cadillac dealership. (The first, TechOne, is in an old Chevy factory.) Launched with help from Wayne State University, the incubators offer space, wet and dry labs, and mentoring. Who gets in: Innovative start-ups, mostly in tech. Breakout company: Clean Emission Fluids, which has created a computer-driven fuel pump that dispenses the appropriate mix of biofuels to maximize a vehicle's efficiency.

Suffolk, Virginia

Originally conceived as a research center for the U.S. military, the Virginia Modeling, Analysis, and Simulation Center now offers space and assistance with business plans and government grant applications to entrepreneurs. Who gets in: Start-ups in defense, homeland security, and health care. Breakout company: Portsmouth, Virginia-based Mymic is developing a game-based therapy tool for brain-injury patients.

Ridgeland, Mississippi

The Mississippi Technology Alliance helps local entrepreneurs find capital. The alliance's angel network assists about 125 companies each year; it also has funded 21 of them. Who gets in: Promising tech start-ups. Breakout company: Bomgar, which makes a remote-access device for IT professionals, landed on the Inc. 500 in 2008 and 2009.

At the Capital Factory, 20 seasoned entrepreneurs invest \$5,000 each in five promising start-ups (last year, 300 applied). Then, for 10 weeks, the fledgling ventures get free office space, legal advice, and help from 20 vets. Who gets in: Seed-stage companies, mostly in tech. Breakout company: SpareFoot, an online auction service for storage space. Revenue has been doubling monthly since September.

Cleveland

The public-private partnership JumpStart provides entrepreneurs with mentors and seed funding. Since 2004, 47 companies have attracted \$202 million in financing. Who gets in: New ventures with the potential to hit \$30 million in five years; JumpStart also targets minority entrepreneurs. Breakout company: Synapse Biomedical makes a device that allows spinal cord patients to breathe without ventilator assistance. The device, which was used by Christopher Reeve in clinical trials. gained FDA approval in 2008.

Atlanta

The Georgia Research Alliance, a consortium of six universities, fosters collaboration across different campuses and helps commercialize the results. It has generated more than 150 companies. Who gets in: Advanced computing, multimedia, biotech, and alternative-energy startups. Breakout company: In March, GeoVax Labs got the nod from the FDA to test its HIV vaccine in human clinical trials.

New Orleans

Each year, The Idea Village picks as many as 25 promising start-ups for its nine-month Entrepreneur Challenge, in which founders get coaching and weekly workshops. Selected start-ups also get the chance to work one on nine with a team of M.B.A. students. Who gets in: Local startups with the potential to grow to more than \$10 million in revenue. Breakout company: NakedPizza, a franchiser of healthy pizza delivery stores; Mark Cuban is an investor.

2 madison BIRMINGHAM Ridgeland Oklahoma City A public-private partnership, i2E, or Innovation to Enterprise, works with local angel and venture investors to fund start-ups at various stages of development. Who gets in: Software, life-sciences, and advanced materials/energy ventures. Breakout company: In March, SouthWest NanoTechnologies, which makes

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carbon nanotubes, announced plans for an IPO.



Kansas City, Kansas Each year, Pipeline pairs about 10 entrepreneurs

with local and national

experts. Every few

months, newbies and

three-day seminars.

entrepreneurs with

scalable ventures.

Breakout company:

Mentor Mollie Carter.

president of Sunflower

Bank in Salina, Kansas,

mercialize a stereoscopic

measuring tool used for

collision repair. Srack's

company, Matrix Elec-

tronic Measuring, has

raised \$3.7 million.

helped Jan Srack com-

alums attend intensive

Who gets in: Aggressive