



ANNUAL REPORT

Reporting period: July 1, 2015 – June 30, 2016

Pursuant to the AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CAL POLY CORPORATION FOR PROVISION OF ECONOMIC DEVELOPMENT SERVICES (the "Agreement"), an agreement between the County of San Luis Obispo and Cal Poly Corporation dated September 15, 2015, following is an annual report for the period July 1, 2015 to June 30, 2016, regarding the activities of the Cal Poly Center for Innovation and Entrepreneurship ("CIE") at the SLO HotHouse now located at 872 Higuera Street in San Luis Obispo.

The Agreement states the financial support of San Luis Obispo County will pay for costs supporting the expansion of the SLO HotHouse Incubator Program, its economic development activities, and its job creation priorities.

I. SLO HotHouse Incubator Program

1. Startups Incubating in the SLO HotHouse:

As of June 30, 2016, there are seven companies in the Incubator Program, including: App Scrolls, Brandplug, Bottlefly, Calivore Spirits Co., Flume, Higea Inc., and Reduce. Reuse. Grow.

- **App Scrolls** (4 jobs): this company increases engagement and revenue from VIP players of top mobile games. They do this by connecting players, nurturing influences, and educating users on the best game tactics and building unique web tools to improve their game experience.
- **Brandplug** (4 jobs): this company is software to help marketers buy high quality, high return-on-investment promotion from social media celebrities.
- **Bottlefly** (8 jobs): this company uses flavor chemistry and data science to help retailers increase wine sales, margins, and reach their target demographic.
- **Calivore Spirits Co.** (3 jobs): this company distills artisan spirits with the sunny and earthy flavors of the Golden State. Their good libations bring you the experience of the California lifestyle and adventure.
- **Flume** (4 jobs): this company is putting your household water usage in the palm of your hand with their innovative IoT sensor. You can protect your home from water damage, conserve our most valuable resource, and avoid costly water bills with Flume's technology.
- **Higea Inc.** (5 jobs): this company uses proprietary nanotechnology to remediate oil spills in the most environmentally conscious and efficient way possible.
- **Reduce. Reuse. Grow.** (1 job): this company aims to replace unsustainable packaging products with smarter eco-friendly solutions while restoring the local community's native landscape.

2. Community Startups Applications:

We launched the Community Startup Application process on November 22, 2015, opening up the Incubator Program to local startups. We reviewed 12 completed applications, and interviewed three companies in-person. We will be accepting two community companies into the program beginning on July 1st: Kidlicks, which manufactures organic edible nail polish; and Bishop Peak Technologies, a software company that relays data to mass transit providers, as well as a mobile app for the ridership.

3. Company Graduations:

Attachment 2

In addition to the three companies that graduated from the Incubator Program in December 2015 (as highlighted in our December 31, 2015 Progress Report, attached for reference as Exhibit A), four companies graduated from the SLO HotHouse in March 2016 (three from our Incubator Program, as well as our Entrepreneur in Residence company):

- **Moja Gear** (3 jobs): this company is a community-driven content creator for climbers in the outdoors. The founders have raised over \$100,000 to create a virtual platform and central hub for all things related to climbing: content, gear, community happenings, educational materials, and more. One cofounder continues to live on the road, traveling to different outdoor sponsored climbing events, and the other remains based in San Luis Obispo.
- **Boost Acquisition** (3 jobs): this company offers a unique subscription-based platform to reach an audience of auto consumers responsible for selling nearly 12 million vehicles each year. The cofounders have raised \$500,000 to support their venture, and now have their own office in downtown San Luis Obispo.
- **MegaMatter, Inc.** (3 jobs): MegaMatter, Inc. is a nationally-recognized, award-winning green chemistry startup that created a revolutionary new additive for the polymers industry. They have raised over \$150,000 to date, and during this reporting period they opened up their own warehouse in San Luis Obispo.
- **Internet Marketing Factors (IMF)** (3 jobs): Internet Marketing Factors, previously known as Q-Aces, was started by the SLO HotHouse Entrepreneur in Residence, Dan Weeks. IMF is an internet marketing information company that brings transparency and accountability to solo and small law firms. IMF uses web-based software to take data from across the country to show lawyers the efficiency and effectiveness of their current and past search traffic efforts compared to other law firms in the same practice area and in similar-sized metro areas. IMF has raised \$1.5 million, through a mix of angel investments, seed financing, and debt equity financing. In late 2015, IMF expanded into their own office in downtown San Luis Obispo, where they continue to succeed in their search engine optimization-based efforts.

II. Economic Development Activities

1. The Cal Poly CIE Small Business Development Center ("SBDC"):

i. Scorecard:

During the twelve month period between July 1, 2015, and June 30, 2016, the SBDC counseled 150 clients, totaling 1,544 hours of counseling.

<i>We obtained the following 2015-16 results:</i>	<i>7/1 to 6/30</i>
Business Starts	12
Job Created	42
Total Capital (Loans & Equity)	\$4,222,445

ii. Training Activities:

▪ Coffee & Conversation

We hold "Coffee & Conversation" at 8:30 a.m. on the second Wednesday of every month at the SLO HotHouse. This program is designed to give incubating startups and local business owners the opportunity to explore the latest in business trends and ideas by listening to an expert speaker and engaging in lively discussions. Through these discussions, this forum creates an opportunity for peer-to-peer networking between community members and local entrepreneurs.

For each event we invite a different facilitator to select a topic and focus conversation on a business subject applicable to our local entrepreneurial community. Our goal is to challenge attendees to find out if just "one hour can change the way you do business."

Results:

- 11 Sessions held during the report period.
- 124 attendees for the programs listed below, with an average of 11 attendees per session.

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In addition to the sessions covered in Exhibit A (Progress Report), from January 1, 2016 to June 30, 2016, we explored the following topics:

- January 13, 2016: "Grow Your Business from the Ground Up," facilitated by Jen Melton.
- February 10, 2016: "Does Your Business Model Make Sense?" facilitated by Susan Conner-Steeb.
- March 9, 2016: "Unintended Consequences of Ambiguous Agreements," facilitated by Adi Ringer.
- April 13, 2016: "Best Practices for Crowdfunding," facilitated by Dick McPherson.
- May 11, 2016: "Creating Websites that Work for People," facilitated by Charmaine Farber.
- June 8, 2016: "Launching your Startup and Surviving through the Mayhem," facilitated by Stephen Leonard.

▪ Workshops

In addition to the workshops listed in Exhibit A (Progress Report), from January 1, 2016 to June 30, 2016, the SBDC offered the following workshops and training events:

- Financial Fitness Workshop: January 28
- Food Business Workshop: February 18 (free and open to the community).
- Sales Boot Camp (one of four sessions: April 13, April 20, April 27, May 4).
- Quickbooks Training: May 24
- Put Your Business on the Map with Google and Yelp: April 21. Held at the Five Cities Chamber of Commerce in Arroyo Grande; free and open to the community.
- Business Model Canvas Workshop (one of three sessions: June 8, July 13, August 17).

We organize regular Peer-to-Peer Roundtable Trainings specific to Incubating companies, including:

- Operational Plan Workshop – January 22
- Recap on Operational Plan Workshop – May 6

▪ Open Office Hours

This program supports every company we work with: Accelerator Companies, Incubating Companies, Cal Poly CIE SBDC Clients and Coworkers.

Through our Open Office Hours program, from January to June 2016, we offered over 70 hours of counseling services from our expert advisors. Specialty Advisors staff an office at the SLO HotHouse at certain hours of the week and are available for drop-in counseling and advice. Any Company or Coworker, affiliated with our programs, can consult with these experts - without having to make an appointment - to ask a question relevant to the Advisor's area of expertise. We also initiated a secondary Open Office Hours program at the Paso Robles Chamber of Commerce to serve North San Luis Obispo County, with two sessions per month, open to all clients and community members. The Advisors participating in the program have the expertise to assist clients in the following areas: accounting, sales training, market research, intellectual property, bank loans, customer development, insurance and legal.

Our experts include:

- Caliber Accounting – Accounting
- Glen Burdette – Accounting
- Carmel & Naccasha - Law
- Mark Andino – 1st Capital Bank
- Jennie Enholm – Accounting
- Charles Intrieri – Supply chain and logistics
- Dave Schlossberg – Marketing, manufacturing, and e-Commerce

2. Entrepreneurship Forums

Entrepreneurship forums are dynamic evening events held at the Cal Poly Performing Arts Center, focusing on innovative topics, including networking and a panel discussion.

In addition to the forum outlined in Exhibit A (Progress Report), the Cal Poly CIE held two forums during the January to June 2016 reporting period, including: Crossing the Chasm (64 attendees) and Social Entrepreneurship (125 attendees). Half of the participants are typically from the community and the other half split between Cal Poly students, faculty, and staff.

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3. Coworking

The Coworking Program allows local entrepreneurs to work on their business from the SLO HotHouse as Coworking Members. The coworking membership recently increased in response to our new remodel and expansion. Undesignated coworking space costs \$175/month, designated coworking space costs \$250/month, and personal lockers cost \$15/month. Monthly Coworking memberships provide access to desk space, WiFi, conference rooms, networking, business development training and workshop events. A day pass for Coworking costs \$25/day, with no access to conference rooms.

During the reporting period, the SLO HotHouse averaged 15 members on a monthly basis. Coworkers form a dynamic group of entrepreneurs, makers and thinkers within one of only two coworking spaces in San Luis Obispo County. By December 2016, the SLO HotHouse is expecting to triple its coworking membership.

III. Community Outreach

1. Providing Services County-Wide

The SBDC is a member of the following Chambers of Commerce: Paso Robles, San Luis Obispo, and Arroyo Grande.

In addition to regular participation at Chamber events, the Center Director has met one-on-one with Ermina Karim, President of SLO Chamber of Commerce, to discuss support and collaboration between organizations; and participated in the Women in Business Paso Robles Chamber events, to engage guests as SBDC clients.

The Center Director has met with the Morro Bay City Manager, and Morro Bay City Council Members, as well as the Arroyo Grande City Manager and the President of the Paso Robles Chamber of Commerce, to discuss providing SBDC services to startups and small businesses located in South County, on the Coast and in North County.

During this reporting period, the SBDC initiated an Open Office Hours program at the Paso Robles Chamber of Commerce to serve North San Luis Obispo County, with two sessions per month, open to all clients and community members. In addition, the SBDC has begun to hold workshops in other areas of the county, with the "Put Your Business on the Map with Google and Yelp Workshop" at the Five Cities Chamber of Commerce in Arroyo Grande in April, and plans to replicate this workshop in August 2016, in Templeton through a partnership with the Templeton Chamber of Commerce.

2. Sixth Annual TechPitch

A detailed account of the Fifth Annual TechPitch conducted on October 21, 2015, at the Alex Madonna Expo Center, is provided in Exhibit A (Progress Report).

The Cal Poly CIE is currently collaborating with Softec, the Economic Vitality Corporation, SLO Seed Ventures, and local business leaders to coordinate the Sixth Annual TechPitch event in spring 2017.

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IV. Success Stories

The following examples showcase some current success stories at the SLO HotHouse.

Calivore Spirits Co.

Cal Poly graduates Aaron Bergh and Raleigh NeJame have a passion for the finer things in life, which led them to create the Calivore Spirits Co., where the duo work at crafting rum and gin to accompany the California lifestyle. What makes this business unique is that most spirits are not originally created in California, but Bergh and NeJame are changing that. The gin is created with local distilled wine and fused with Californian herbs, while the rum is distilled in Central Coast wine barrels, and both use U.S. grown sugarcane.

Calivore Spirits Co. began a little over a year ago: Bergh competed in the Cal Poly Innovation Quest "Business Plan Competition" and participated in the Cal Poly CIE Summer Accelerator Program at the SLO HotHouse. At this time, they became SBDC clients. Both Bergh and NeJame gained experience in pitching their product, learning about supply chain management, preparing financial projections, and building their sales pipeline through their attendance at SBDC workshops and with the assistance of the SBDC Consultants. In March 2016, the company raised \$100,000 through debt equity financing, which allowed them to bring their idea to fruition. Their rum and gin is currently in production at a distillery in San Diego, and will be initially sold in San Luis Obispo and Ventura counties by the end of the summer.

Bishop Peak Technology, Inc.

Bishop Peak Technology creates intelligent transportation systems for mass transit. The company was founded five years ago out of a Cal Poly class project to develop a mobile application for tracking public buses in the city of San Luis Obispo. Bishop Peak Technology now serves transit agencies and municipal governments across the country, including San Luis Obispo. They established themselves as a progressive leader for intelligent transportation systems and have created some of the most innovative technologies in the mass transit industry.

In working with the SBDC, Bishop Peak Technology was able to refine their business model and investor pitch, and this year was accepted into the SLO HotHouse Community Incubator Program. The company's growth pattern in these last few years has been very impressive. The company has grown from the three initial founders to a total of 14 local employees, and raised \$100,000 in debt equity funding in 2015. Since 2013, their sales have more than doubled, from about \$45,000 in 2013 to \$111,000 in 2015. They moved from a net loss of almost \$16,000 in 2013 to a profit of about \$4,000 in 2015. They began in 2013 with just one client, then grew to four clients in 2014, and tripled again in 2015 to 12 clients.

Bishop Peak Technology has received local awards for technology, including 1st place at the 3rd Annual Central Coast TechPitch and Regional Winner at the Global 1776 Challenge Cup competition in Washington D.C. This SBDC client has grown rapidly and is creating local economic impact.

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EXHIBIT A
Progress Report



PROGRESS REPORT

Reporting period: July 1, 2015, to December 31, 2015

Pursuant to the AGREEMENT BETWEEN THE COUNTY OF SAN LUIS OBISPO AND THE CAL POLY CORPORATION FOR PROVISION OF ECONOMIC DEVELOPMENT SERVICES (the "Agreement"), an agreement between the County of San Luis Obispo and Cal Poly Corporation dated September 15, 2015, following is a progress report for the period July 1, 2015, to December 31, 2015, regarding the activities of the Cal Poly Center for Innovation and Entrepreneurship ("CIE") at the SLO HotHouse located at 955 Morro Street and 872 Higuera, San Luis Obispo.

The Agreement states the financial support of San Luis Obispo County will pay for costs supporting the expansion of SLO HotHouse Incubator Program, its economic development activities and its job creation priorities.

V. SLO HotHouse Incubator Program

1. Startups Incubating in the SLO HotHouse:

As of July 1, 2015, there were 10 companies in the Incubator Program, including: MegaMatter, HomeSlice, Inpress Technologies, Z Living Systems, Boost Acquisition, Bottlefly, Moja Outdoors, Superior Solutions Manufacturing, The Cardboard Guys and Upward Automation (see Exhibit A - Scope of Services, for a more detailed information description of each company).

On September 15, 2015, we accepted 6 new companies into the program:

- **Appscrolls:** building and maintaining supportive online communities for mobile game developers in order to increase loyalty and drive revenue by educating, entertaining, and connecting their players.
- **Brandplug:** building an e-platform and software to facilitate connecting marketers with influencers, people with large followings on social media, and seamlessly pay these influencers to promote products or services on their local social media accounts.
- **Flume:** developing a non-invasive water meter attachment that relays real-time water usage information to the homeowner via mobile and web applications.
- **Higea Technologies:** uses patent pending magnetic nanotechnology to clean up oil spills in a faster, cheaper, and more environmentally way.
- **Reduce Reuse Grow:** aims to replace unsustainable packaging products with smarter eco-friendly solutions while restoring the local community's native landscapes.
- **Wild Coast Spirits:** crafts unused fruit into artisan spirits that capture the taste of a California orchard in every bottle.

These six companies currently account for 19 new jobs created.

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2. Community Startups Applications:

We launched the Community Startup Application process on November 22, 2015, opening up the Incubator Program to local startups. We reviewed 12 completed applications, and interviewed three companies in-person: Kidlicks (manufactures organic edible nail polish), Bishop Peak Technologies (software providing data to mass transit providers, as well as a mobile app providing data to the ridership), and DCR Design (a mobile app designed for pedestrians).

Accepting these three companies in the Incubator Program, would allow us to support the creation of an additional 7 jobs. Our review and selection process will be completed the first week of January 2016.

3. Company Graduations:

In December, three companies graduated from the Incubator Program:

- **Inpress Technologies** (3 jobs): this company has created a medical device which solves post partum hemorrhaging, they are raising a \$4M round of financing to complete their path to market, and are currently seeking office space in downtown San Luis Obispo.
- **Superior Solutions Manufacturing** (3 jobs): this company manufactures a removable liftgate for pickup trucks; with an office and machine shop and warehouse in Atascadero, they are manufacturing their product in San Luis Obispo County.
- **Z Living Systems** (2 jobs): this company provides living walls, they are working on their third major installation in downtown Los Angeles, they are maintaining their office in San Luis Obispo via coworking at the SLO HotHouse.

VI. Economic Development Activities

4. The Cal Poly CIE Small Business Development Center ("SBDC"):

iii. Scorecard:

During the six month period between July 1, 2015, and December 31, 2015, the SBDC counseled 99 clients, 18 of which were new clients, totaling 700 hours of counseling.

We obtained the following 2015 results:

	<u>7/1 to 12/31</u>	<u>1/1 to 12/31</u>
Business starts	8	17
Jobs created	27	55
Total Capital (Loans & Equity)	\$2,514,250	\$3,568,349

As a result of the SLO County Grant we are anticipating increasing our numbers for the July 1, 2015, to June 30, 2016, as compared to the 1/1/15 to 12/31/15 numbers.

The programs of the SLO HotHouse, including the Incubator Program and the SBDC, has had a direct impact on the creation of 27 new jobs during this reporting period.

iv. Training Activities:

▪ Coffee & Conversation

We hold "Coffee & Conversation" at 8:00 a.m. on the second Wednesday of every month at the SLO HotHouse (with weekly sessions during the month of July). This program is designed to give incubating startups and local business owners the opportunity to explore the latest in business trends and ideas by listening to an expert speaker and engaging in lively discussions. Through these discussions, this forum creates an opportunity for peer-to-peer networking between community members and local entrepreneurs.

Attachment 2

For each event we invite a different facilitator to select a topic and focus conversation on a business subject applicable to our local community. Our goal is to challenge attendees to find out if just "one hour can change the way you do business."

Results:

- 8 Sessions held during the report period.
- 98 attendees for the programs listed below, with an average of 12 attendees per session.

From July 1, 2015, to December 31, 2015, we explored the following topics:

- July 1, 2015: "Marketing and Communications," facilitated by Al Lipper.
- July 8, 2015: "Founder Issues," facilitated by Lori Jordan.
- July 15, 2015: "Investor Presentations," facilitated by Rick Sample.
- July 28, 2015: "Hardware Product Development," facilitated by Tom Katona.
- August 12, 2015: "Leadership and Communication," facilitated by Ronda Beaman.
- September 2, 2015: "B Corporation," facilitated by Caroline Duell.
- October 10, 2015: "Accessing Cal Poly Talent Pool," facilitated by Danielle Epstein.
- November 11, 2015: "The Supply Chain," facilitated by Chuck Intriery.

▪ Workshops

From July 1, 2015, to December 31, 2015, we offered the following workshops and training events:

- The Business Model Canvas (one of three sessions: June 4, August 6, and September 17)
- Wordpress – September 3 (Nick Andre)
- International Trade – September 22 (Federal Agency Representatives)
- Search Engine Optimization – November 5 (Dan Weeks)

We organize regular Peer-to-Peer Roundtable Trainings specific to Incubating companies:

- Convertible Notes and Valuations – September 11 (Donica Forensich)
- Entrepreneurial Finance – November 24 (Jon York)
- Equity Financing Deals – December 3 (Andrew Zeif)
- Worktraits – December 9 (Michael Gunther)

▪ Open Office Hours

This program supports every company we work with: Accelerator Companies, Incubating Companies, Cal Poly CIE SBDC Clients and Coworkers.

Through our Open Office Hours program, from July 2015, to December 2015, we offered over 50 hours of counseling services from our expert advisors. Specialty Advisors staff an office at the SLO HotHouse at certain hours of the week and are available for drop-in counseling and advice. Any Company or Coworker, affiliated with our programs, can consult with these experts - without having to make an appointment - to ask a question relevant to the Advisor's area of expertise. The Advisors participating in the program have the expertise to assist clients in the following areas: accounting, sales training, market research, intellectual property, bank loans, customer development, insurance and legal.

Our experts include:

- Caliber Accounting - Accounting
- Carmel & Naccasha - Law
- Jonas Bailey - Law
- Peggy Carlaw – Sales
- Christie Garcia – Leadership & Sales Training
- Mark Andino – 1st Capital Bank
- Sabrina Harper – Wells Fargo Bank
- Michael Browne – Effective Writing to Sell Your Ideas/Products

5. Entrepreneurship Forums

Attachment 2

Entrepreneurship forums are dynamic evening events held at the Cal Poly Performing Arts Center, focusing on innovative topics, including networking and a panel discussion.

The Cal Poly CIE held one forum during the reporting period with approximately 175 attendees (half of the participants are from the community and the other half split between students, faculty and Cal Poly staff).

Our first Entrepreneurship Forum of the 2015-16 Academic Year, was held on November 3, 2015: "The Art of the Pitch." Our next Entrepreneurship Forum is set for February 1, 2016, covering the topic of "Social Entrepreneurship."

6. Coworking

The Coworking Program allows local entrepreneurs to work on their business from the SLO HotHouse as Coworking Members, the membership is \$150/month. Coworking memberships provide access to desk space, WiFi, conference rooms, networking, business development training and workshop events.

The SLO HotHouse began offering coworking in May 2013, and during the reporting period averaged 10 members on a monthly basis. Coworkers form a dynamic group of entrepreneurs, makers and thinkers within one of only two coworking spaces in San Luis Obispo County.

VII. Community Outreach

3. Providing Services County-Wide

The SBDC Center is a member of the following Chambers of Commerce: Paso Robles, San Luis Obispo, and Arroyo Grande.

In addition to regular participation at Chamber events, the Center Director has met one-on-one with Ermina Karim, President of SLO Chamber of Commerce, to discuss support and collaboration between organizations; and participated in the Women in Business Paso Robles Chamber events, to engage guests as SBDC clients.

The Center Director has met with the Morro Bay City Manager, and Morro Bay City Council Members, as well as the Arroyo Grande City Manager and the President of the Paso Robles Chamber of Commerce, to discuss providing SBDC services to startups and small businesses located in South County, on the Coast and in North County.

4. Fifth Annual TechPitch

The Fifth Annual TechPitch was conducted on October 21, 2015, at the Alex Madonna Expo Center. The event was a collaboration with the Economic Vitality Corporation (EVC), Softec and the Cal Poly CIE SBDC. We vetted 17 pitches and provided intensive pitch training to the top 6 contenders. Experienced angel and venture capital investors were recruited from throughout the state to serve on the judging panel. Approximately 300 people were in attendance at the event, which included 6 finalist pitches and an educational keynote address.

The Keynote speaker for the event was Lynda Weinman, Founder and former CEO of Lynda.com purchased by LinkedIn in April 2015, for \$1.5 billion.

Stephen Nellis, Senior Editor at Pacific Coast Business Times said "Techpitch has become a must-attend Tri-Counties event that draws hundreds of business, technology and civic leaders."

"Access to capital for startup businesses remains a challenge, and this event is helping entrepreneurs make investor contacts and gain constructive advice," said Micheal Manchak, President and CEO of the San Luis Obispo Economic Vitality Corporation.

This year, our six company finalists included: Bottlefly, Flume, Ground Level Data, Higea Technologies, N8SteinCo and Welkio. The winner, Higea Technologies, won \$5,000 and a seat to pitch to the Tech Coast Angels group in Santa Barbara.

Each of the six finalists were also awarded a free provisional patent application or a free trademark application, as well as an hour of free IP advice from SoCal IP, Law Group.

Attachment 2

VIII. Success Stories

The following success stories were featured in our 2015 Cal Poly CIE SBDC Accreditation Review:

Boost Acquisition, Inc.

Founded by Joshua Hirahara and Scott Santore in 2014, Boost Acquisition, Inc. provides software as a service for car dealerships to help them find used car inventory more efficiently. In 2014, Scott Santore worked briefly for a car dealership. There, he learned that “[i]n today’s market, dealers are facing compressed profit margins and increased competition for used vehicles.” So, he came up with the idea for a software that would help dealerships overcome their vehicle-sourcing difficulties.

Back then, Scott and Josh were students at Cal Poly majoring in Industrial Technology. They started Boost at The Hatchery, a program by the Cal Poly Center for Innovation & Entrepreneurship (CIE) that gives student-run startups access to mentorship and workshops to help establish their idea. Their involvement with The Hatchery eventually led them to the Cal Poly CIE SLO HotHouse Accelerator program. After participating in the summer 2014 Accelerator program, they secured a spot in the SLO HotHouse Incubator program, as one of nine CIE Incubating companies.

Once in the 2-year Incubator program, they became a client of the Cal Poly SBDC. Through SBDC consulting, they finalized the incorporation of their C Corporation; they reviewed and revised their business plan, and refined their investor pitch deck. In April 2015, they were able to enter an IP development agreement with software developer TeqSpring, in the form of a \$200K convertible note. “We raised \$200k on a convertible note and the SBDC helped us through the entire process by helping us refine our pitch, making sure our legal docs were in order, and connecting us with investors,” said Josh Hirahara.

Boost has now launched with two dealerships, one in the Bay Area and one in Los Angeles; in July 2015, they also hired 3 interns to work in marketing and sales. More recently, through SBDC counseling, the company has been focusing on their sales process. Working with SBDC Expert Sales Consultant, Kurt Friednman, they have improved their sales strategy, the company has been doing more demos with car dealerships, as well as building relationships with potential strategic partners. Boost is currently negotiating a partnership agreement with a major online car dealership.

Q-Aces, LLC

Founded by Dan Weeks, Q-Aces, LLC is an internet marketing benchmarking service specializing in the area of Search Engine Optimization (SEO). The success of Q-Aces is marked by the \$1.1M in approved private non-institution angel investments that were raised over a period of 18 months.

Dan is currently the Entrepreneur in Residence (EIR) at the Cal Poly CIE SLO HotHouse. With 25 years of work experience at Hewlett-Packard and 5 engineering patents, he guides entrepreneurs at the SLO HotHouse, helping them with all aspects of business development. Since 2013, Dan has also been facilitating SEO workshops for Cal Poly SBDC Clients.

As EIR of SLO HotHouse, Dan was introduced to SBDC services and became an SBDC Client in January 2014. Working closely with SBDC Expert Consultant Kurt Friedman, Dan developed a sales strategy for Q-Aces. Kurt assisted Dan in the overhaul of the company’s sales and marketing messaging to make it more accurate, coherent, and appealing. Through a series of approximately ten weekly meetings, investor and customer feedback were analyzed to discover gaps in the Q-Aces communication strategy. Scripts were also written for short and informative videos that Dan then used to effectively communicate to investors the unique competitive advantage of Q-Aces.

Dan’s counseling sessions with Kurt were instrumental in establishing the foundation that enabled Q-Aces to raise angel funding. To date, Dan has successfully raised \$1.1M for Q-Aces. “With the first rounds of investment now completely subscribed, I look forward to working with Dan again as he designs the Q-Aces customer experience,” said Kurt. The first commercial product for Q-Aces is LawyerMarketingScore.com which is currently in private beta.

Attachment 2

In the SBDC Satisfaction Survey in July 2015, the Cal Poly SBDC received a grade of 10 from Dan Weeks in all scaled responses. "SBDC services were exceptionally helpful to me in meeting my business goals," said Dan.

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