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New startup accelerator planned for Syracuse

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SYRACUSE — Syracuse is set to become the site of a new startup accelerator program affiliated with the internationally known Techstars Network.

The original TechStars program began in Boulder, Colo. in 2007 and has since expanded to Boston and two sites in New York City. Of 104 companies that have completed the program, 90 are still active and eight have been acquired. The businesses now employ more than 570 people and have secured more than \$84 million in follow-on funding.

Firms leaving the program average \$1 million in outside venture capital raised, according to TechStars.

The Techstars Network includes more than 30 affiliated accelerators around the world. Syracuse will become the latest member of the network when the StartFast Venture Accelerator launches here in May 2012.

The local program will follow the established TechStars model.

Organizers will choose 10 companies from a pool of what they expect will be hundreds of applicants. The three-month program will focus on helping the startups develop and validate a prototype product and secure enough funding for them to move forward with their work.

The focus will be on software and Internet firms and those developing mobile apps. They could come from anywhere, says Chuck Stormon, one of StartFast's managing directors.

"If they happen to be in Slovenia and they want to come

to Syracuse for the summer and they're one of the 10 best out of the hundreds of applicants, then we want them here," he says. "It's critical we get the best of the best."

The TechStars connection will help draw truly world-class startups to the local program, Stormon says. And that will in turn draw world-class mentors and venture capitalists to the region as well.

Organizers plan to connect all of those individuals with the entrepreneurial communities and companies already working in the area. They expect lots of co-programming and joint events involving the Tech Garden in downtown Syracuse and local universities.

Stormon and Nasir Ali, StartFast's other managing director, along with more local mentors, will provide the 10 businesses with regular coaching and advice.

"It's probably a given that they are all tech superstars in some way," Ali says.

But if this is a first venture for the founders, they'll probably need help with some of the basics of startup launch.

The accelerator itself will be housed in Hanover Square or Armory Square. The program will focus on showing off Syracuse's best, Stormon says.

About 70 mentors have already committed to helping with the program, says Ali, who is also CEO of Upstate Venture Connect (UVC), a founding sponsor of the program. UVC is a nonprofit group aimed at building entrepreneurial activity in upstate New York.

Many of the mentors committed to StartFast have local ties, but have gone on to become major players in investment circles and the startup



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Nasir Ali, managing director of StartFast. Syracuse is set to become the site of a new startup accelerator program affiliated with the internationally known Techstars Network.

world, Ali says. Bringing them and others back to the region will create visibility and buzz, he notes.

And while the participant companies could come from anywhere, the goal is for at least 30 percent to remain in Syracuse. In Boulder, about half the companies remain there after completing TechStars, Ali says.

The program will provide a way for entrepreneurs and experienced businesspeople outside the tech world to help with the growth of emerging companies. Those individuals sometimes have a hard time seeing how they can contribute in industries different from their own, but often have valuable lessons to share with founders of new

ventures, says Martin Babinec, UVC founder and chairman.

"It's a way to help get them engaged," he says. "Some of that is through the investing side. Some of that is through the mentoring side."

Ali and Stormon are in the midst of raising \$2 million from private investors to fund StartFast for four years. The Seed Capital Fund of CNY (SCF) is providing 40 percent of that total, says Ali, also SCF executive director.

The rest will come from mainly individual investors. Stormon says about 80 percent of the money has been committed. The goal is to finalize all funding by the end of the year. So far, investors in the Syracuse, Rochester, Ithaca,

and New York City areas are on board.

Each of the 10 companies receives \$18,000 in seed funding as part of the program. StartFast's investors get a 6 percent stake in exchange.

The companies also get access to a number of in-kind contributions from national sponsors like Google and Rackspace through the Techstars Network.

The program will end with a demo day attended by hundreds of venture capitalists

from around the country, Stormon says. Companies will have the chance to raise more funds there.

The mentors they work with throughout the program also often come on board as investors.

"They get to know the company intimately," Stormon says. "They get to know the founders and actually see them execute. Often, the mentors will up the ante."

Stormon and Ali have committed to

working with the participant companies for 10 years to ensure a payoff for StartFast investors. The program could continue after the first four years with another round of funding.

It could also lead to other accelerators focused on different markets like optics in Rochester or materials in Ithaca, Ali says.

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