



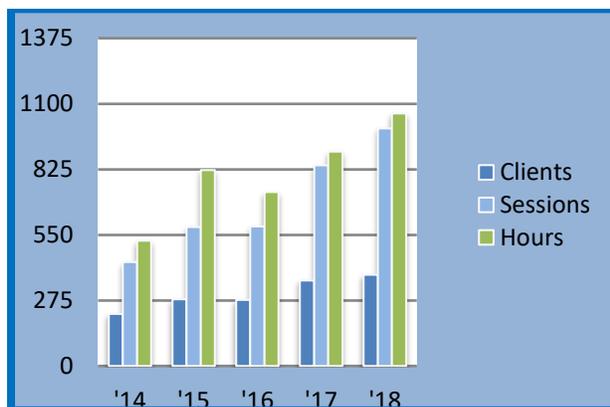
Southwest Michigan Prosperity Committee Microgrant Application

Please accept this proposal in response to the Southwest Michigan Prosperity Initiative (SWMPI) Region 8, 2019 request for applications for microgrants to help drive forward the goals for prosperity in the region. The seven counties in southwest Michigan (Branch, Berrien, Calhoun, Cass, Kalamazoo, St. Joseph, Van Buren) that form region 8 are all in close proximity to Western Michigan University (WMU) and our SCORE Kalamazoo/Southwest Michigan partner. This proposed microgrant supports the educational goals of SWMPI, in providing critical training for adults to advance careers and success.

Funding of this proposal will provide greater accessibility and opportunities to participate in an educational training program important to people who are trying to start a company in Southwest Michigan. Small companies account for the majority of new jobs created in the US and entrepreneurs face many obstacles in starting up a company.

Partners in the Proposal

- Western Michigan University is part of the state of Michigan University system with over 24,000 full-time students. The Office of Technology and Innovation Advancement (TIA) provides critical expertise in customer discovery, education and support for entrepreneurship at WMU.
- The Southwest Michigan SCORE chapter (<https://swmi.score.org/>) provides business mentorship, education, and resources across Berrien, Branch, Calhoun, Cass, Kalamazoo, St. Joseph, and Van Buren counties, with offices in Kalamazoo, Battle Creek and Benton Harbor. Mentorship is always given at no charge to help local entrepreneurs start a new business or grow their existing one. Our local chapter comprises over 40 volunteers that provided service to about 400 unique businesses in FY 2018. Over 1500 clients and over 4000 hours of mentorship have been provided to the Southwest Michigan community over the last 5 years (see chart below).



SCORE is a uniquely American organization that synthesizes two historic national ideals: entrepreneurial spirit and volunteerism. Since 1964, SCORE, nationally, has provided expert volunteer mentoring to more than 11 million entrepreneurs and small business owners. As the nation's largest network of volunteer business mentors, SCORE is committed to helping any person

succeed in their small business endeavor. SCORE volunteers donate over 1 million hours of their time each year to support their communities.

Organizational Description

The Technology Innovation and Advancement (TIA) Office in the Office of the Vice President for Research at WMU has been conducting Introduction to Customer Discovery (ICD) Programs 2 to 3 times per year since 2016 and has trained 71 teams in customer discovery. The ICD program is an introductory training course for the National Science Foundation (NSF) I-Corps program that supports technology-based, company startup teams in a 7 week intensive course determining: customer needs and wants, the supply chain ecosystem, pricing, and product fit, all to layout a path to successful launch of the startup's product or service. WMU's ICD program focuses on teaching entrepreneurs techniques for unbiased interviews with potential customers about their needs and wants and requires completion of 30 customer interviews. Completion of the ICD program also permits startups that are based on University-owned technologies to participate in the national I-Corps program. . NSF provides selected teams \$50,000 for expenses for completing the I-Corps program of 100 face-to-face customer interviews. We have demonstrated the quality of the WMU ICD, with seven WMU technology teams that have completed our ICD program being chosen for and completing the national I-Corps program. WMU, in partnership with Michigan Tech University's NSF ICD grant, reimburses \$2,000 to each student team that completes the course for travel for face to face interviews with customers and for continued development of the startup, whether the student teams are tech-based or not.

The ICD program that WMU's TIA conducts on campus is a four-week program that starts with a half day of training on how to identify and conduct customer interviews and how to create a value proposition for the startup's product. Each team then contacts potential customers and conducts interviews for 4 weeks to begin to understand the fit of their product vision with the customers' needs. All teams are required to conduct 30 face-to-face interviews with customers, consult with their mentor and report progress and outcomes from interviews on-line in a weekly webinar. At the end of the four weeks, the teams meet and give presentations on the feedback from their interviews and how their value proposition has changed based on the customer feedback.

We quickly realized that the principles of the ICD program can benefit any startup in learning about their customers' needs and expanded the program in 2017 to include non-technology oriented student startups. In 2018, we opened the program up to tech and non-tech community startups and have been more aggressively advertising the program within Michigan. Our ICD program, held in February 2019, had 10 teams participate, with six university teams and four teams from the community. Two of the community teams were from Southwest Michigan and the other two were startups located in Grand Rapids and Ann Arbor.

We are now partnering with SCORE Kalamazoo/Southwest Michigan to set up an ICD program exclusively for community startups. The first step for this process will have 3-4 community startups, with their SCORE mentors participate in the Fall ICD program conducted by TIA and held at the WMU Medical School Innovation Center (WMedIC).

Project Description and Timeline

Our goal is to use the experience with SCORE teams and mentors to expand the community ICD program to be a standalone program within Region 8. We have received a small amount of funding from a local donor to reimburse up to 5 Kalamazoo community teams that complete the ICD program up to \$2,000. The greater goal for this community program will be to expand it to provide support to startups from anywhere in the Southwest Michigan region. After the fall 2019 pilot program with SCORE teams and mentors, the Southwest Michigan ICD program will be launched in 2020, having one to two sessions in the first year managed by SCORE and supported in part by this grant and by WMU. This expansion will require: advance publicity through Southwest Michigan SCORE offices in Kalamazoo, Benton Harbor and Battle Creek and other entrepreneurial support programs throughout the region; partial support of the program manager, who runs the program on a daily basis and works with the teams; support for the Southwest Michigan startups in the program; program costs and training books. We propose lowering the reimbursement for the community startup teams to \$1,500 because they do not have to travel as

extensively as tech-based startups supported by NSF to engage customers. We have found that the reimbursement cannot be dropped completely, especially for community startups, because many community entrepreneurs are working another job while starting their company and will have to take time off from their jobs to attend the Kickoff and Presentation meetings. For startups in the Southwest Michigan region 8, the teams will likely have to drive some distance to attend the Kickoff and Presentation meeting and well as to meet with potential customers. Finally, the reimbursement provides incentive to complete the 30 interviews.

Proposed Budget

- ICD Program Manager: \$2,000 partial support for two programs in year 2020
- Books; "The Startup Owner's Manual" by Steve Blank: \$500
- Startup reimbursement: \$7,500 for 5 teams

Total: \$10,000

Summary

Research by NSF has found that tech-based companies will be five times more likely to be in business after five years, if they have completed the I-Corps program. Knowing what your customer needs/wants is only gained by properly interviewing customers, it cannot be guessed. Our ICD program provides customer discovery training to entrepreneurs, in a manner shown by NSF to be effective. In addition, this proposed program will allow for targeted application of the ICD training program to the diverse needs of community startups. To make this training available to entrepreneurs in all of Southwest Michigan, the ICD will be made available throughout Southwest Michigan in partnership with SCORE and other local and regional resources. WMU's experience in ICD training will help bring this approach to the community to drive prosperity by supporting new businesses starting in our region.