



Building BIG Ideas

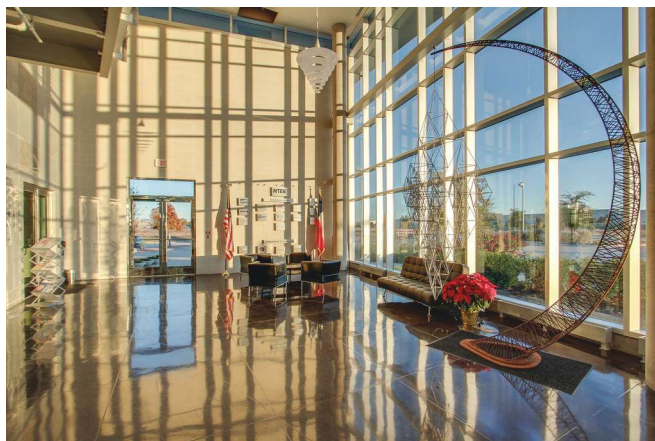
Business incubators foster innovation and entrepreneurship.

by AMY STUMPFL

Texas is known as a manufacturing powerhouse. But beyond building the best products, the Lone Star State is also working to develop the best ideas. Thanks to its comprehensive network of business incubators and unparalleled access to funding and venture capital, Texas is attracting innovation like never before.

The Austin Technology Incubator (ATI) provides a compelling case in point. Established in 1989, ATI is the startup incubator at the University of Texas-Austin.

“We started out as a partnership between the university and the City of Austin, with the idea of



promoting economic development and providing a hands-on learning laboratory for students,” says Bart Bohn, director of ATI’s IT/Wireless Portfolio. “Our focus is on providing resources and guidance, putting companies in touch with investors, mentors and advisors.”

ATI’s current portfolio includes biotechnology and health sciences, clean energy and information technology (IT), as well as university-based research and business. Other programs include a 12-week summer intensive known as Student Entrepreneur Acceleration and Launch (SEAL) and Landing Pad, which is designed to “accelerate the acculturation of outside businesses into the Austin ecosystem.”

“These companies see Austin as a great place to do business, and they consistently cite Texas’ pro-business climate,” Bohn says. “In the last seven years, our companies have

“People really want to see you succeed — that’s just part of the culture, both at NTEC and in Frisco.”

— *Chris Grottenthaler, CEO
True Health Diagnostics*

raised more than \$500 million in investment capital and many have benefited from state programs such as the Texas Emerging Technology Fund.”

The Rice Alliance for Technology and Entrepreneurship also maintains an impressive track record. This nationally recognized program has built its reputation on the commercialization of new technologies, along with entrepreneurship education and

the successful launch of tech-based companies. The Rice Alliance was named the top university business incubator for both 2013 and 2014 by UBI Index, a Swedish research initiative.

“Rice University has a proud history as an entrepreneurial university,” says Mary Lynn Fernau, director of marketing for the Rice Alliance. “We’ve worked hard to build a strong entrepreneurial ecosystem that supports innovation throughout the university and the Greater Houston region.”

The Rice Alliance offers a series of Technology Venture Forums (venture capital conferences focused on the energy, IT and life science sectors), and more recently established the Rice OwlSpark Accelerator, a student-led program that has assisted 17 companies in the last two years.

The Rice Alliance also plays host to the prestigious Rice Business Plan

Comprising 50,000 square feet, NTEC (left and below) was designed to support innovation and collaboration among member companies. Photos courtesy of the North Texas Enterprise Center (NTEC)



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The Austin Technology Incubator

Competition — the world’s largest graduate-level student startup competition, which awarded nearly \$3 million in prizes in 2014 alone.

“We’ve had 479 companies participate since 2001, raising \$1.2 billion in funding,” says Fernau. “Many of these have gone on to launch successful businesses, and 155 are still in business today.”

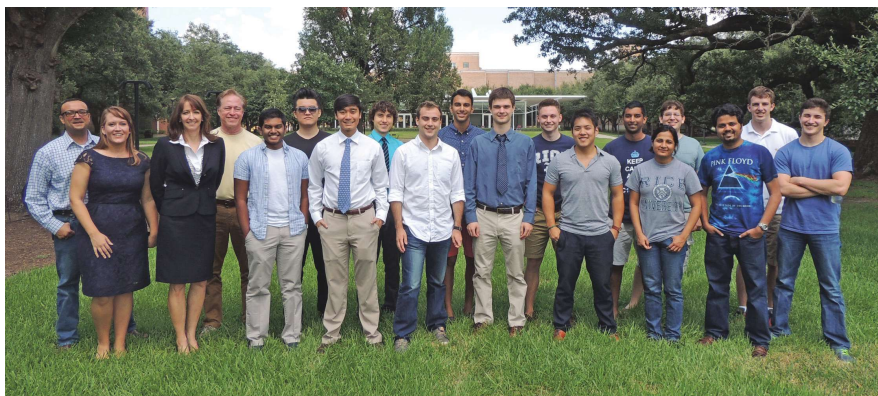
One of those is A-76 Technologies — a corrosion inhibitor and lubricant manufacturer that serves the oil and gas, maritime and transportation industries. Lauren Thompson Miller and Tim Aramil established the company in 2014, while students at Rice University’s Jones Graduate School of Business.

“We took a class called Technology Entrepreneurship, in which we developed a business plan for a series of products invented by Dr. James Tour, a renowned Rice chemistry professor,” explains Miller, who now serves as A-76’s chief executive officer. “We won second place and almost \$600,000 in total prizes. It was an amazing experience, but more importantly, it really positioned us for growth.”

“We’ve received so much support from the Rice Alliance — not only from professors, but also from local investors and business leaders. Houston is a great place to start a business and offers a strong collaborative environment.”

Accelerating Business

Of course, not all incubators rely on university-based technology. Established in 2002 through a partnership between the City of



The Rice OwlSpark Accelerator is a student-led program at The Rice Alliance.

Photo courtesy of the Rice Alliance for Technology and Entrepreneurship

Frisco and the Frisco Economic Development Corp., the North Texas Enterprise Center (NTEC) provides promising startups with a variety of resources, along with business guidance and mentorship.

Comprising 50,000 sq. ft., NTEC is one of the state’s largest business accelerators. Its flexible space was designed to support innovation and collaboration among member companies, and it includes everything from state-of-the-art training and meeting rooms to turnkey offices and laboratory space.

“We’re fortunate to have this high-quality infrastructure,” says John Miller, executive director of NTEC. “But even more crucial is the collaboration and expertise available to these companies. Our goal is to provide flexible support and counsel — whether it’s managing cash flow, understanding markets or anticipating operational needs.”

The approach appears to be working. Under Miller’s leadership, NTEC’s occupancy rate has more than tripled and currently stands at 100 percent. Member

companies represent a diverse mix of technology — including everything from medical devices to e-sports.

Notable success stories include True Health Diagnostics, which provides advanced laboratory services and practice management solutions to help physicians identify, prevent and manage early-stage cardiovascular disease. The company, which started at NTEC in 2014 with two employees, now boasts nearly 70 workers.

“The team and resources at NTEC have played a key role in our growth,” says True Health founder and CEO Chris Grottenthaler. “Administrative issues can really bury a startup, but NTEC has helped us navigate those things so we can focus on building the business.”

“It’s a competitive environment, but everyone is hugely supportive. People really want to see you succeed — that’s just part of the culture, both at NTEC and in Frisco. Maybe it’s a Texas thing, but as a guy from the East Coast I find it quite remarkable.” ★