



# SONOMA MOUNTAIN BUSINESS CLUSTER

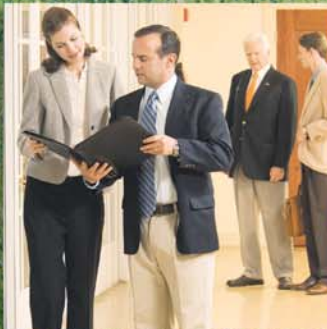


*Sonoma  
Mountain  
Business Cluster*

■ ■ ■  
*The  
North Bay's  
First Incubator*



*A nonprofit  
organization with a  
mission of creating  
high-value jobs  
and accelerating  
the success of  
technology  
start-ups.*



*North Bay*  
**Business Journal**

NORTH SAN FRANCISCO BAY AREA, SONOMA, NAPA AND MARIN COUNTIES

ADVERTISING SUPPLEMENT - AUGUST 24, 2009



## SONOMA MOUNTAIN BUSINESS CLUSTER

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427 Mendocino Ave., Santa Rosa, CA 95401  
707-521-5270 • Fax 707-521-5269  
www.NorthBayBusinessJournal.com



### MESSAGE FROM THE EXECUTIVE DIRECTOR

# SMBC – the North Bay's Job Engine

Are you concerned as you see California's unemployment rate creep ever higher? Do you worry about the faltering economy? When will the recession end? When will things start to improve? How can we bounce back?

There are so many questions. The problems are large and daunting. But the "experts" seem unable to agree on the solutions. There is, however, one fundamental thing upon which everyone agrees. **Job creation is vital, if we are going to turn this economy around.**

This is why we see much talk and commotion around investment in so-called "shovel ready" infrastructure projects. And make no mistake, it is important for us to reinvest in our country's aging infrastructure. What if I told you that there is a better way to create jobs? A much better way that creates up to 20 times more jobs per dollar invested.

The successful model for economic development to which I am referring is called **Business Incubation**, and these results came from a recent study released by the Department of Commerce.

Why am I telling you this? Well, the good news is that the North Bay now has a business incubator – the Sonoma Mountain Business Cluster (SMBC). We are a 501(c)(3) nonprofit organization, and our mission is to create high-value jobs in the North Bay by enabling and accelerating the success of technology startups. In short, we are the North Bay's engine for job creation.

As a business incubator, we nurture fledgling startups and emerging growth companies for a two- to three-year period, after which they can stand successfully on their own and graduate out into the community. During their stay in the incubator, we provide two vital things to our resident client companies: 1) "plug-and-play" office space, and 2) business support services. The office suites that we lease to our clients at affordable rates include furniture and the necessities for business including phone, fax and broadband Internet access. This allows the entrepreneurs to focus on their business from day one, rather than on the distracting and time-consuming task of building infrastructure.

It is the business support services, however, that really distinguish a business incubator. We provide individual coaching and mentoring, education, access to capital and networking opportunities with other entrepreneurs and the investment community. Additionally, the supportive environment of being with other entrepreneurs re-

moves the isolation that many entrepreneurs experience as they start their companies.

There are significant benefits that flow from a business incubator for both entrepreneurs and the community. Entrepreneurs are three times more likely to succeed in an incubator, with more than 80% of businesses graduating from an incubator program still successfully in business five years later. Additionally, these successful businesses build the regional talent pool and economy, with more than 80% of business locating within five miles of the incubator facility after graduation.

SMBC is located in Rohnert Park within Sonoma Mountain Village (on what was the old Agilent site). It has been very rewarding to witness the exciting growth of the incubator since first opening to clients in July of 2007. SMBC has grown to have more than 20 companies located in the incubator, and the excitement and energy continues to build as we head toward our capacity of approximately 30 companies. We look forward to delivering on our target of creating more than 2,000 jobs over the next 10 years and attracting millions of investment dollars to our community.

Many people in our community still do not know us, but perhaps we are no longer the best-kept secret in the North Bay, as people start to recognize the importance of our mission.

In 2008 we were fortunate to receive the North Bay Leadership Council's Award for Innovation and Entrepreneurial Spirit – a great honor for such a young organization.

Thanks to our sponsors whose support allows us to continue our valuable work. Thanks also to the many volunteers who contribute so much – including our Board of Directors, mentors, marketing committee and so many others.

As I look forward to 2009 and beyond, I am very conscious of the fact that it is through creating jobs that we

will be able to turn the economy around from recession into growth. We will bounce back! And we will do it through the time-honored American ways of innovation, entrepreneurship, determination and hard work. We at SMBC embrace the vital role we can play as a catalyst for the innovation and entrepreneurship that will drive our North Bay regional economy.

– **Michael Newell**  
Executive Director,  
Sonoma Mountain  
Business Cluster



# Sonoma Mountain Business Cluster: Providing Startups Shelter through the Storm

In an economy where the majority of fledgling startups are encountering rough waters, the Sonoma County Business Cluster (SMBC) is offering a supportive environment and a range of tools that help entrepreneurs increase their chances of successfully launching their businesses.

Beyond the immediate benefit to the burgeoning companies, this business incubation process has the potential to stimulate commerce and create new jobs in a time when unemployment is at a record high. The Business Cluster hopes to generate 50 to 100 jobs per year for the local region and help reinvigorate Sonoma County's technology industry, making it a recognized center for sustainable resources and socially relevant technologies by attracting startups in these fields.

Dinah Adkins, president and CEO of the National Business Incubation Association, a 1,900-member organization representing incubation programs in 59 countries said, "Business incubators are critical components of the nation's entrepreneurial support infrastructure and the only public works projects that were designed entirely as job generators. It is vitally important that the nation leverage its existing investments in incubators to generate new jobs and innovations and to help individuals facing layoffs to start their own firms."

"Business incubators have been around for 50 years, but their role in helping foster the successful development of innovative and sustainable companies has perhaps never been as relevant as it is now, given the nation's financial picture," said Michael Newell, executive director of the regional Business Cluster. He points out that national statistics indicate 80% of firms graduating from business incubation programs are still successful five years later.

Each startup at the Sonoma Mountain Business Cluster remains under its umbrella for two or three years, where the startup's founder and management team can take advantage of plug-and-play office space, training in business essentials, mentoring by business professionals who are experts in their fields and introductions to potential funders, while they concentrate on building their businesses.

## *A wealth of resources*

The Sonoma Mountain Business Cluster currently houses more than 20 firms and their management teams and has a maximum capacity of 30 to 35 firms. Each incubator client has round-the-clock access to the plug-and-play offices, conference/meeting rooms, a kitchen/break room, lounge area, a phone system with voicemail and high-speed Internet access.

The Business Cluster also maintains a shared reception area, as well as a business center with a copier, fax, printer, scanner and mail delivery. Parking around the building is free and plentiful, and handicapped access is provided.

Less tangible, but equally important, are the mentoring and educational services SMBC offers. Firms can work one-on-one with advisors and technical experts in their field, as well as attend free business development courses and educational/networking events. The Business Cluster also offers mentoring services to non-resident companies under the Cluster's "affiliate" program. The affiliated companies pay a fee for the mentoring services, which are free to resident incubator clients.

Incubator clients may also receive low-cost legal and ac-



*Michael Newell, Ivo Austin and Kari Zimmerman*

counting services and introductions to powerful players in the tech industry. A firm belonging to the Business Cluster will have the opportunity to network with potential funding and investment sources, an invaluable resource for any emerging business. The Business Cluster has strong ties to regionally focused investor groups such as the North Bay Chapter of the Keiretsu Forum and the North Bay Angels, as well as "micro-lenders" such as SAFE-BIDCO.

## *A sustainable future*

The incubator's focus on creating jobs and businesses within the green- and clean-tech sectors is a reflection of the larger context in which it is located – Sonoma Mountain Village, a sustainable mixed-use community developed by Codding Enterprises and endorsed by One Planet Communities (a governing body that endorses, measures and provides global networking for communities that meet 10 rigorous principles of sustainability).

Sonoma Mountain Village resides on a parcel purchased by Codding Enterprises in 2005 that previously served as a business campus for Agilent Technologies. In keeping with its mission to create a sustainable and eco-conscious environment within Sonoma Mountain Village, Codding Enterprises is "recycling" the commercial building on the site as it attracts companies wanting to lease space there. Codding Enterprises also operates using alternative energy sources, including a \$7.5 million solar power array that generates 1.14 megawatts of electricity for its commercial tenants. A mixed-use community, it is capable of supporting manufacturing, commercial and a variety of other usages, including residential development. Codding Enterprises plans to eventually build 1,892 homes on the site, so employees of businesses located in the Village can walk to work.

A natural part of Sonoma Mountain Village's evolution was establishment of a Business Cluster to help grow businesses that might, after incubation, choose to permanently locate at SMV.

Many of SMBC's tenants are businesses dedicated to offering green- or clean-tech services or products. For example, one of SMBC's tenants, Empower Energy Solutions, is a firm that provides residential and commercial energy solutions.

Another resident is Neolins ESL Inc., a company that creates online software to teach English as a second language. Their program uses state-of-the-art language training technologies and interactive, web-based, multi-media tutorials.

One of the incubator's newest additions is the U.S. Green Building Council - Redwood Empire Chapter, a nonprofit organization that promotes and provides training in Leadership in Energy and Environmental Design (LEED) and green building practices. Its 200 members include architects, contractors, developers, manufacturers of green building materials and others interested and involved in constructing environmentally sustainable buildings.

SMBC's diverse team of startups also includes a social media site, law offices and other green technology companies. An online marketplace and networking site, College Postings, allows students to buy and sell textbooks, find housing and more. A green manufacturer, AspenAir Inside, which creates energy-efficient air purifications systems, also recently opted to open a North Bay office at the Business Cluster because the founder felt the mentoring and contacts available there could help him further his company's latest technology development.

## *The team*

The Business Cluster's staff includes Executive Director Michael Newell, Business Development Manager Ivo Austin and Office Manager Kari Zimmerman.

Dr. Newell was previously a business development manager at JDS Uniphase. As executive director, his goal is to lead the Business Cluster in fulfilling its goal of creating 2,000 jobs (directly and indirectly) in 10 years, with the potential to generate \$350 million in additional payroll for the region.

Business Development Manager Mr. Austin, an attorney who joined the staff at the SMBC earlier this year, is responsible for attracting businesses to the incubator and forming relationships with potential donors and other supporters who share the SMBC's vision of eco-conscious economic development in the region. One of Mr. Austin's first projects has been creation of a comprehensive, year-long curriculum of "Business Essentials" classes covering "nuts and bolts" topics for startups, from accounting to human resources. He is also focusing on bringing in nationally known speakers for the

*See Startups page 5*

## Want to know more about SMBC?

### Come to our open house September 1

Join us for a celebration of

Sonoma Mountain Business Cluster's second anniversary as we open our doors for a public open house on Tuesday, September 1, from 5:30 to 7 p.m.

Get a tour of the Business Cluster's spacious and well-equipped facility at Sonoma Mountain Village, talk with representatives from some of the Business Cluster's innovative startup companies and enjoy some wine and hors d'oeuvres.

Please go to our website to reserve your spot at this event:  
<http://sonomamountainbusinesscluster.com/>.

BY CHERI LIEURANCE

# SMBC Provides Variety of Services for Entrepreneurs

Whether you're an entrepreneur still refining your business plan or a CEO of a startup seeking funding for your company's growth, Sonoma Mountain Business Cluster (SMBC) has resources and services to meet your needs.

Among the services offered by the Business Cluster are plug-and-play office space at affordable rates, mentoring by business experts with experience in startups themselves, access to low-cost service providers, educational opportunities and introduction to potential funders.

## Connecting with funders

Funding can be crucial for startups ready to start production, add to their workforce or expand their marketing efforts. The Business Cluster, with its strong linkages to local funding sources, from angel investors to microlenders, can play matchmaker on behalf of new companies needing an infusion of cash to keep growing.

The Business Cluster recently brought together startup companies and potential investors at its first-ever North Bay Investor Summit, held in June at Sonoma Mountain Village. Members of the Keiretsu Forum and North Bay Angeles, two regional investor groups, gathered to hear presentations from 10 promising early-stage companies.

PNN (Personal News Network), a former tenant of the Business Cluster, was invited to present at the Summit. Based on PNN President Leigh Behrens' presentation and the solidity of PNN's performance so far, the company has had contacts from potential investors interested in becoming associated with the social networking company, which bills itself as "the global water cooler for women." "Some of them already knew about PNN, and the others learned about us from the Summit," said Ms. Behrens.

## Mentoring, networking and education

Another valuable service offered to incubator clients is mentoring by members of the Business Cluster's Mentor Board. The Mentor Board consists of business professionals with executive-level expertise in a range of areas, from human resources to product development, who often have had experience in starting their own companies. They offer decades of experience gained in a variety of industries, from high-tech to finance to law.

Each incubator client, after an initial presentation to the Mentor Board, is matched with a mentor whose expertise seems to best fit the needs of the fledgling company. The mentor then becomes a trusted confidante and advisor over an extended period of time, helping the entrepreneur overcome obstacles and accelerate the company's progress. The mentor also provides access to his or her extensive network of other influential business leaders and industry experts, which can include potential funders.

Said Kent Argue, CEO of MosaicAssist, an incubator client that has developed a Web-enabled software system for assisted-living facilities: "A startup that collaborates with good advisors tends to develop business in more appropriate ways, one week, one month, one quarter at a time."

For Neil Hancock, co-founder of and partner in Azonde Corp. — a company that manufactures rugged wireless sensors for measuring water height, water temperature and air temperature in waterways — the mentors have helped provide feedback on potential markets. "As an entrepreneur, I have a core technology and core set of skills. In meetings with the Mentor Board, I've presented where I think the market I am

## Sonoma Mountain Business Cluster Entrepreneurs



Leigh Behrens, Leo Stearns and Warren Hernand



Neil Hancock, Peter Viviani, Michael Deignan and Kent Argue

aiming at is, and the board, using its pooled experience, has been able to give me some confidence in the methods I'm using to tackle my market niche."

Peter Viviani and Michael Deignan, founders of Barspace Inc., a social networking site for bar and restaurant owners and their patrons, have made good use of the mentoring services from the outset of their association with the Business Cluster. Said Mr. Viviani, "After we presented our business to the Mentor Board and said we needed financial and organizational help, we were matched with Paul Roberti, a former CFO." Mr. Deignan noted, "Robert has really helped us get our financial forecast in order."

Warren Hernand, founder and CEO of CaseHomePage, a legal-document management service that located its headquarters at the Business Cluster in 2008, has been receiving mentoring assistance on market expansion for his company's service. Said Mr. Hernand, "We have a really solid business in California, but we've not found a way to expand outside the confines of the state. I felt we were kind of stuck in our marketing, and we needed help, so the Business Cluster connected me up with some really good people, including Mike Adler, Jack Lance and Shawn Jackson. Now, we've been able to establish a partnership with a firm in Texas, and that has allowed us to start marketing there."

Mentors can also help companies prepare for the daunting process of approaching potential funders. Leo Stearns, CEO and president of Displ'aire Inc., a company that makes flexible LED display screens for smaller-scale entertainment venues, values the insights mentors have offered on how to connect with investors. "Mentoring for us now is more about how to develop relationships, as opposed to learning about the more technical details of running a business. The conversations we're having with mentors are helpful in learning about the culture of angel investors so we can more effectively target them with pitches," said Mr. Stearns.

## Location, location, location

Entrepreneurs, early in the startup stage, often work out of their homes, sometimes in isolation. Mr. Stearns, CEO of Displ'aire, found working out of his home counter-productive, so he decided to lease office space in the Business Cluster. "Having an office to go to gets you into a routine and a structure. Interaction and structure were really what we

needed to get focused," he said.

The founders of Barspace agree that an office away from home can help stoke the creative fires. "The Business Cluster is a good work environment," said Mr. Viviani. "We get more stuff done here than we would at home. We share an office with another business, College Postings, which is also just launching. We bounce ideas off each other, and even have a friendly competition going." As Mr. Viviani and Mr. Deignan began meeting with clients, they also found a professional office environment helped build their credibility.

Mr. Viviani pointed out, "Having a place like (the Business Cluster) to meet at is great for creating a good first impression. Not only does it look great; it shows we were smart enough to make the choice of coming here. And when we go on our sales visits, we tell our venues that we rent an office at SMBC. It sounds more legit than just a couple of guys trying to put web cams in bars."

Mr. Argue, of MosaicAssist, feels the affordability and scalability of office space at the Business Cluster works well for entrepreneurs whose need for space often starts small but grows over time. "As a startup you want to manage resources very well; you don't want to have excess space but still want access to additional space for certain situations. We have people who work remotely, but we want to get together periodically for meetings or social events."

Working with a plug-and-play business environment also works well for Mr. Stearns, of Displ'aire, who would rather spend his time building his business than worrying about maintaining physical infrastructure. "The facilities here are really beneficial because you don't have to worry about them. It's all there, someone else takes care of it and it's not my problem."

Also attracting tenants to the Business Cluster is the cachet of being associated with Sonoma Mountain Village, a mixed-use community devoted to health and sustainability that serves as home for the Business Cluster. It's what helped convince Mike Gunion (CEO) to open a North Bay office for his company AspenAir Inside at the Business Cluster.

"We decided to establish a North Bay office at the Business Cluster after seeing the progress the Cluster has made in attracting complementary types of businesses to ours, with the same kind of values associated with health and sustainability," he said. AspenAir Inside produces high-efficiency air filtration systems that use up to 97% less energy through the HVAC system. The company focuses on making its product and production processes "green" and was recently awarded the prestigious Dealer Design Award for the second year in a row for its air filters.

## An entrepreneurial environment

Finally, there are the advantages of working within an environment where innovation, hard work and information-sharing are the norm and fellow incubator clients applaud each other's success. Said Mr. Argue of MosaicAssist, "When you're a young business, it helps to be around other people with an entrepreneurial mindset, who have a similar interest in having helpful and synergistic conversations."

Even companies at a later stage of development can benefit, said Ms. Behrens. "Shortly after PNN launched, the founder, Lauren Elliott, decided to locate here because it had an innovative mission to help entrepreneurs turn ideas into successful businesses," she said. "Now that we're moving into a growth mode, we're grateful to have had this supportive place where we would create momentum."

# Business Cluster Entrepreneurs

## AspenAir Inside, [www.aspenairinside.com](http://www.aspenairinside.com)

AspenAir Inside produces a patented air-cleaning system that fits into all existing HVAC systems and can remove 99 percent of the airborne particulates without producing harmful ozone or running up a home's energy bill.

## Azonde Corporation, [www.Azonde.com](http://www.Azonde.com)

Azonde Corporation manufactures a family of fully integrated solar-powered wireless water monitor systems that can transmit measurements in real time via the Web.

## Barspace.tv, [www.barspace.tv](http://www.barspace.tv)

Barspace.tv is a social networking website that gives venues such as bars and clubs a way to allow users to view a live video feed of the venue, a calendar of events, drink specials, maps and much more information.

## California Business Development, [www.californiabusinessdevelopment.net](http://www.californiabusinessdevelopment.net)

The CBD is an association of business professionals who provide a systemic and strategic approach to enhancing and improving business revenue and net profits for its clients.

## CaseHomePage, [www.casehomepage.com](http://www.casehomepage.com)

CaseHomePage is a web-based, password-protected legal-document management service that streamlines the case management process, reduces costs and promotes effective use of attorney time.

## Codding Steel Frame Solutions, [www.CoddingSFS.com](http://www.CoddingSFS.com)

CSFS provides cold-formed steel frame solutions for commercial and residential projects as a cost-effective, high-quality alternative to wood framing.

## College Postings, [www.collegepostings.com](http://www.collegepostings.com)

College Postings is an online marketplace for college students that empowers them to buy or sell textbooks, find housing or jobs and more.

## Displ'aire", [www.displaire.com](http://www.displaire.com)

Displ'aire produces flexible cost-effective LED display screens for smaller-scale entertainment venues, such as fairs, high school sports events and concerts, and display advertisers.

## Empower Energy Solutions, [www.empoweredbysolar.com](http://www.empoweredbysolar.com)

Empower Energy Solutions is a premier retailer of renewable energy and energy-savings products and offers design and installation of certified renewable energy products.

## GarageCity.com, [www.garagecity.com](http://www.garagecity.com)

GarageCity offers social networking for auto enthusiasts, allowing members to find events and clubs in their city, upload photos of their "rides," read blogs and participate in forums.

## Idea-New Concepts, [www.ideanewconcepts.com](http://www.ideanewconcepts.com)

Idea-New Concepts provides green/eco-friendly customizable shopping bags, totes, litter bags, shoe bags, laundry bags, jewelry bags and more.

## Law Offices of Shawn Jackson, [www.californiabusinessdevelopment.net](http://www.californiabusinessdevelopment.net)

Shawn Jackson provides legal services in the area of business development, including formation and organization of business entities, legal review and compliance and business operations.

## MosaicAssist, [www.mosaicassist.com](http://www.mosaicassist.com)

MosaicAssist provides state-of-the-art operational software for assisted living communities to ensure care quality and business excellence.

## Neolins ES, [www.neolins.com](http://www.neolins.com)

Neolins ESL creates online software to teach English as a second language using state-of-the-art language training technologies and interactive, web-based, multi-media tutorials.

## Trust One Building Maintenance and GutterBusters, [www.TrustOneCorp.com](http://www.TrustOneCorp.com)

Trust One provides commercial and residential cleaning and maintenance on a regular schedule, day or night, and also handles one-time projects, such as cleaning of carpets, gutters or a job site.

## U.S. Green Building Council - Redwood Empire Chapter, [www.usgbc-rec.org](http://www.usgbc-rec.org)

The U.S.GBC Redwood Empire Chapter promotes the design, construction and operation of buildings in Marin, Sonoma, Napa, Mendocino, Lake, Humboldt and Del Norte counties that are environmentally responsible, profitable and healthy places to live, work and learn.

## West Coast Solar Electric, [www.westcoastsolarelectric.com](http://www.westcoastsolarelectric.com)

West Coast Solar Electric designs and installs on/off-grid commercial and residential solar power systems, including solar thermal pool heating systems.

## Startups *continued from page 3*

SMBC's monthly "Distinguished Speaker Series."

Said Mr. Austin, "The guests brought in for the Distinguished Speaker Series are authors, professors, theorists – people considered experts in their fields – who are addressing issues related to our core mission of social responsibility and technological sustainability." Among the more recent speakers in the series were sustainable business experts Ann Hancock and Susan Briski, founders of the Climate Protection Campaign and Sustainable Progress Consulting, respectively. Their presentation, entitled "Sonoma County Leadership on Climate Protection and the Opportunities for Business," described ways small businesses could become involved in local climate protection projects.

Also providing oversight for the Sonoma Mountain Business Cluster is a volunteer Board of Directors that includes business executives, technology experts, investors, a CPA, an attorney and a university provost. Two of the newest additions to the board are Mark Nelson, founder of a specialty staffing firm, and Simon Inman, a corporate lawyer with experience in venture capital.

"Startup businesses need all the help they can find," said Mr. Inman. "The SMBC offerings are extremely valuable, and making sure the Business Cluster's services continue to be available should be an important objective of the North Bay business community as a whole."

Mark Nelson, who has served as a trusted advisor for companies like Google, Bank of the West and Cisco Systems, said, "Sonoma Mountain Business Cluster offers services that are absolutely critical for job and economic development in the North Bay. Serving on the board gives me a chance to utilize my background in business development and workforce management while contributing to the Business Cluster's mission."

SMBC also maintains a close relationship with its Rohnert Park neighbor, Sonoma State University (SSU). SSU educators are involved with SMBC as mentors, advisors and board members. SSU students also work as interns at SMBC to assist in incubator administration and to assist incubator clients where needed.

"The Sonoma Mountain Business Cluster is an important partner for Sonoma State University's School of Business and Economics," said Bill Silver, dean of business and economics at SSU. "Together the Sonoma Mountain Business Cluster and SSU's School of Business and Economics are working to create and grow the next generation of businesses for the North Bay."

Concluded Dr. Newell, "The partnerships that the Business Cluster has built and is building are crucial for helping businesses find all the resources they need for a startup process that is challenging, even in the best of economic times. The types of services and support these partnerships can provide are even more crucial now."

### BOARD OF DIRECTORS

NAME	COMPANY
Brad Baker	Codding Enterprises
David P. Dillwood	Dillwood Burkel & Sully LLP
Eduardo Ochoa	Sonoma State University
Eric McHenry	City of Santa Rosa
Jack Lance	Jack Lance Associates
Joseph Zils	Atlantic Pacific Bank
Lindsay Austin	Pavilion Integration Corp.
Mark Nelson	Nelson Family of Companies
Michael Newell	Sonoma Mountain Business Cluster
Michael Sullivan	Wells Fargo Bank
Simon Inman	Carle Mackie Power & Ross LLP

BY CHERI LIEURANCE

# Mentoring Helps Emerging Companies Succeed

If you're a new entrepreneur trying to get a startup up and running, acquiring the skills and contacts needed to ensure your startup's survival can be daunting. How valuable would a mentor, with prior experience in startups and business management, be? How about an entire group of mentors who would like nothing better than to see your company succeed?

Realizing the significance of such a resource for cash-challenged, time-constrained entrepreneurs, the Sonoma Mountain Business Cluster (SMBC) has taken great care to assemble a highly qualified, well-connected Board of Mentors to serve as advisors to its on-site incubator clients (as one of the standard services offered during incubation) and to other "affiliated" companies not located at the incubator (for a fee).

"The members of the Mentor Board are prestigious, well-respected professionals willing to apply their real-life experience in launching successful ventures to mentoring of incubator clients," said Brenda Gilchrist, co-chair of the Mentor Board.

"The board includes executives and business owners from a variety of industries and backgrounds, including finance, marketing and high-tech, who have walked in the same shoes as the entrepreneurs in the sense they've developed companies, from early stage through growth to maturity," said Ms. Gilchrist.

Entrepreneurs, in bringing their product or service to market, suddenly find they've got to become knowledgeable in areas that may be beyond their original area of expertise, from sales to hiring of employees. It's easy to become overwhelmed, without the support of someone who can help fill in the entrepreneur's gaps in knowledge or refer the entrepreneur to someone else who can. "If you're an entrepreneur, every day something new and different ends up on your plate and you think, 'wouldn't it be great if I had someone to talk to about that?'" said Jack Lance, the other co-chair of the Mentor Board.

Ms. Gilchrist added: "The wealth of information offered by the mentors provides incubator clients immediate access to a deep network. If you were trying to do this on your own and you didn't have access to mentors and their networks, you'd be making a lot of phone calls and doing a lot of research just to find someone to help you with a particular



*The Mentor Board*

need, and you'd be paying top dollar for their expertise."

Ms. Gilchrist, who has been a corporate HR director and vice president, is a principal in The HR Matrix, an HR and organizational development consulting company.

Said Ms. Gilchrist, "I have a passion for the startup environment because I have worked as an HR director for a VC-backed startup that was pre-IPO but eventually ended up getting acquired. Having the experience of working within a dynamic startup on the road to success gives me an appreciation for what the incubator client is trying to accomplish."

Mr. Lance has been a "serial entrepreneur," with a background in resort management, travel industry marketing and consulting. He said, "I retired several years ago, but I'm involved in boards, advisory boards and different companies I've invested in. I have been an angel investor for about 10 years, so most of my mentoring experience revolves around working with companies where I have investments, as well as through my membership in the Keiretsu Forum."

It turns out that the benefits derived from the mentoring process are mutual. "The feedback I'm getting from mentors is that they are really enjoying being able to provide this service," said Ms. Gilchrist. "It has to be coming from the heart because they are all volunteers. It's exciting for them to see incubator clients gradually building traction in the market and creating successfully operating companies in the North Bay."

The mentoring process begins with an incubator client submitting his business plan to the board for consideration. "If he's done enough of his homework," said Ms. Gilchrist, "he'll be invited to present his business concepts to the entire board. There is some up-front due diligence that has to be done – the incubator client needs to have created at least a semblance of a business plan."

"Incubator clients have access to a tool called incuTrack, an online database that allows storage and tracking of all of his incubator information, including a business plan, funding sources, milestones and accomplishments, and other helpful information." Continued Ms. Gilchrist, "At the

initial meeting with the incubator client, the Mentor Board members will often see some 'low-hanging fruit' that has perhaps been invisible to the entrepreneur and make suggestions on market segments, product applications and business structure he can capitalize upon immediately." After the entrepreneur's presentation, the board discusses who would be the best match – based on the mentor's background and the entrepreneur's type of business – for one-on-one mentoring.

Over a period of months, the mentor will help the client set goals, stay on track with his business development timeline, gain greater insight into his potential markets, develop more detailed financial projections and connect with investors interested in his industry sector.

Many of the Business Cluster clients are early-stage companies whose founders may be new to the areas of business development and operations, human resource management, marketing and production processes. Another type of client drawn to the Business Cluster and the mentoring process is an existing, successful company seeking to expand its market share or to promote a new application of its core technology.

This type of later-stage client is exemplified by CaseHomePage, a legal-document management service that located its headquarters

at the Business Cluster in 2008. In trying to expand the market for  
*See Mentor page 7*

## BOARD OF MENTORS

Brenda Gilchrist, SPHR (co-chair)  
Jack Lance (co-chair)

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Denise Beeson  
Paul Bozzo  
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BY IVO AUSTIN, SMBC BUSINESS DEVELOPMENT MANAGER

# SMBC Educational Programs Feature High-Profile Speakers, Essential Business Topics

The Sonoma Mountain Business Cluster (SMBC) operates two educational programs that have proven of great interest to both the incubator's clients and to the broader professional community. These are the Distinguished Speaker Series and the Business Essentials Series. These educational programs help to fulfill the two overlapping missions of the SMBC: to turn aspiring entrepreneurs into confident business leaders and to promote sustainability and the use of technology to help address social and environmental issues.

The Distinguished Speaker Series allows the SMBC to bring in guests with a high profile and extensive experience in a particular field that relates to these core missions. Speakers participating in the Distinguished Speaker Series have a track record of accomplishment in their field and a good sense of trends any aspiring entrepreneur or other interested community member would want to know about. Speakers and topics are chosen based on their appeal to the high-tech business community, as well as the broader community of people interested in sustainability and socially relevant technologies.

The first half of 2009 has seen an exciting lineup of speakers grace the SMBC, a lineup that illustrates the scope of the program. Will Sarni, CEO of Domani Inc., kicked off the season in February with a talk entitled, "Sustainability as a Driver for Innovation." This was followed by noted manufacturing efficiency expert and author Dr. Robert W. "Doc" Hall speaking on the topic of "Compression" – the need to refine our industrial efficiencies to reduce energy and materials requirements. In May, the SMBC hosted Michael Leifer, CEO of Guerilla PR, a cultural anthropologist and social media pioneer, with a well-attended talk on social media marketing strategies. Audience response has been increasingly enthusiastic as the program has grown. Nearly 75 people created a standing-room-only situation at our facility to hear Michael Leifer. The question and answer session extended the event to nearly two hours.

Following a June hiatus that allowed SMBC staff to focus on hosting the North Bay Investor Summit, the Distinguished Speaker Series returned with a series of complementary speakers addressing the intersection of environmental and energy policy. The first, in July, was Ann Hancock of the Climate Protection Campaign, joined by Susan Briski, who addressed the public and private initiatives for emissions reductions going on in Sonoma County and how businesses could be a part of combating climate change. The second speaker, for the month of August, was Julie Blunden, an expert in renewable energy generation and policy and currently a vice president with SunPower Corp.

On September 10, the SMBC will host an investor panel featuring representatives of VC and angel investment firms or groups to discuss the present state of investment activity in various sectors and provide guidance to entrepreneurs seeking funding. The panel will be moderated by Steve Weiss of the North Bay Angels. On October 15, the SMBC will feature John Webley, serial entrepreneur and CEO of PAX Streamline to discuss strategies for green-tech entrepreneurs.

The SMBC's second educational program, the Business Essentials Series, has a narrower focus. Business Essentials specifically targets founders and managers of startup businesses. The idea is to provide them with hands-on, ready-to use information that any manager of a small, growth-oriented company needs to know. It is particularly important to put this information in front of entrepreneurs who may not have managed a business before because, in the words of SMBC Execu-

tive Director Michael Newell, "they often simply don't know what they don't know." The staff and mentors of the SMBC therefore select appropriate course topics and recruit instructors whose experience best suits them to deliver information tailored to the technology startup audience. The instructors are professionals who have been in the trenches for years and know exactly what it takes to manage a business successfully.

The Business Essentials Series is built around a group of core subject areas: accounting, legal issues, human resources, sales and marketing, management and finance. The schedule of courses rotates so that each of these areas is addressed throughout the year, and topics will typically recur within 12 to 18 months. Recent topics have included: "Equity Compensation," presented by Simon Inman of Carle, Mackie, Power & Ross LLP; "Hiring Your First employees – Steps to Ensure You Are in Compliance," presented by Brenda Gilchrist of The HR Matrix; and "Five Essential New Rules to Acquire Startup Capital in Today's Economy," presented by Paul Bozzo of the 10X Consulting Group. Presentations planned for the upcoming month

## *Mentor* continued from page 6

its service beyond California to other states, CEO Warren Hernand looked to Mr. Lance and other mentors for assistance.

"CaseHomePage was one of the early adaptors into the mentoring program," said Mr. Lance. "I am the lead mentor for the company, but Warren also received the tremendous benefit of Shawn Jackson's and Mike Adler's help, two other members of the Mentor Board. "Warren received mentoring as he worked through his questions and strategies for growing his business. The ideas and experience Shawn brought to the table were just wonderful. What he did for Warren was so well thought-out, researched and backgrounded."

Continued Mr. Lance, "Warren, to his credit, is a real self starter. When he got the ideas, he ran with them. He's now developed a strategic partnership with a firm in Texas that we found, and they are helping him develop the Texas market. Once Warren and the partner firm have succeeded with their efforts in Texas and validated their concept, they have plans to take it to Washington, D.C."

Mike Gunion, CEO of AspenAir Inside, a company based in Martinez that produces high-efficiency air filtration systems for residential and commercial buildings, decided to open a North Bay office at the Business Cluster in part because he felt the mentoring and contacts available there could help him further his company's latest technology development.

"Our legacy business has been around since 1981," said Mr. Gunion. "However, we started a new venture in November of 2006 where we've taken our newly patented 'disruptive' technology, refined it and productized it for the HVAC industry. We're now producing and selling award-winning, ultra high-efficiency, low-energy consumption air filtration systems.

"When our new venture was first funded back in early 2007 by the North Bay Angels, I met with Brad Baker, CEO of Coddling Enterprises, and started to learn more about the Business Cluster and their goals, which included bringing in

### Upcoming Educational Programs at the SMBC

- Business Essentials Series: Small Business Lender Panel – Tuesday, September 8, 2009, 12-1:30 p.m.
- Distinguished Speaker Series: Angel/VC Investor Panel (Steve Weiss, Moderator) – Thursday, September 10, 2009
- Business Essentials Series: Richard O'Hare – Patent Issues and Strategies – Tuesday, September 22, 2009
- Distinguished Speaker Series: John Webley (CEO, Pax Streamline) – Thursday, October 15, 2009

include a small business lender panel convened by Scott Huberts of SAFE-BIDCO (September 8), and a discussion of patent strategy and legal issues by Richard O'Hare of Beyers Costin P.C. (September 22).

A great deal of the value of bringing in seasoned professionals to discuss business topics is not just in the presentation itself but in the opportunity the audience has to direct their questions at the speaker. As a result, a significant portion of every event is dedicated to questions and answers, and this process in effect serves as an adjunct to the business mentoring component of SMBC's incubation program – except that it is available to all members of the public, not just those in the program.

Distinguished Speaker and Business Essentials programs are generally offered at lunch time. Please see the sidebar for a schedule of upcoming events, or sign up for our mailing list by sending a request to [KariZ@somobc.org](mailto:KariZ@somobc.org) or going to the SMBC website at [www.somobc.org](http://www.somobc.org). Fees are \$25 for the Distinguished Speaker Series (light lunch included) and \$20 for the Business Essentials Series (brown bag lunch). All events are free to SMBC clients and sponsors.

strong business leaders and building a mentoring program. So now that our company has a fully developed product set and has launched sales and distribution, it seemed like a perfect time to take advantage of lessons learned from mentors. In addition, our target market is the population that appreciates health and sustainability – both strong values in the local community and at the Business Cluster."

Over the course of the mentoring process, incubator clients work closely with one lead mentor, but the entrepreneur can take advantage of the expertise of any of the mentors or their contacts. "The company's assigned mentor is the liaison between the client and the Mentor Board, but the mentor can actually pull from any of us on the board for our expertise or additional contacts to help support the one-on-one mentoring being done," said Ms. Gilchrist.

Through members of the Mentor Board, clients have access to a whole host of other trusted advisors and service providers, often at preferred rates, and connections to potential investors, such as the North Bay Angels and Keiretsu Forum. In fact, the Mentor Board now asks board members to provide monthly updates on their client's progress so others can offer suggestions for additional resources from which clients can draw. "Our goal is to link incubator clients to a vast network of resources, including other industry experts, who can help position them within their industry sector," said Mr. Lance.

The mentors are already contributing to the viability of the mentored companies and look forward to helping the incubator clients achieve long-term success, according to Mr. Lance. "The track record of success we create through the mentoring process will be a very important tool for attracting more clients to the incubator. We're seeing increasing interest by some very promising companies, and we're very optimistic about the future of the Business Cluster and the companies who choose to become clients here," he said.

BY CHERI LIEURANCE

# Sonoma Mountain Village: the Perfect Setting for Sonoma Mountain Business Cluster

A company emerging from the incubation process at Sonoma Mountain Business Cluster will undoubtedly find its operational needs have changed, as it gets ready to bring its product or service to market. A developing company may need more space to accommodate its expanding workforce, manufacturing processes or data storage requirements.

Fortunately, an incubator client poised for graduation and looking for a place to establish its headquarters may find everything it needs to thrive and grow just beyond the doors of the Business Cluster – at Sonoma Mountain Village (SMV), the mixed-use community that serves as the home for the Business Cluster.

While the Business Cluster offers office areas, support services, educational programs and mentoring assistance ideal for small startups, SMV offers a larger-scale environment suitable for later-stage companies, with commercial buildings ready for build-out, a highly developed communications infrastructure and ambitious plans for a full-scale residential community and accompanying amenities.

Sonoma Mountain Village is located off Petaluma Hill Road, about a mile south of Sonoma State University, on a large campus formerly occupied by Agilent Technologies. Agilent sold the campus to Coddling Enterprises in March 2005 after moving most of its manufacturing activity off shore. Agilent left behind a business campus capable of supporting manufacturing, commercial and a variety of other usages on a sprawling 200-acre parcel of prime Sonoma County real estate.

After purchasing the property, Coddling Enterprises became intrigued by its potential to host an innovative type of sustainable community based on a “five-minute lifestyle” where people could live, work and play all in close proximity.

“When this facility became available, we started to think about all the things you could do with it,” said Brad Baker, CEO and president of Coddling Enterprises. “We looked at its proximity to rail and to the university, the surrounding residential area, its existing infrastructure and the lack of commercial development on the east side of Rohnert Park. All of this went into shaping the vision. So we decided to pull all these things together and create a mixed-used community. It seemed like the right place at the right time.”

What also became evident was the opportunity to demonstrate the viability of a community dedicated to achieving a minimal carbon footprint, through use of alternative energy sources, conservation and a pedestrian-centric, “new urban” design.

“As we were planning the design, I was working on some

alternative energy projects and I thought it would be interesting to combine green technology with the real estate side of our business. It grew from there,” recalled Mr. Baker.

Sonoma Mountain Village sought to validate its approach to green living by seeking an endorsement from One Planet Communities, a governing body that endorses, measures and provides global networking for communities that meet 10 rigorous principles of sustainability. The 10 principles call for eco-consciousness related to waste production, energy consumption, production processes, sustainable water and food, wildlife habitats, equity and fair trade, local cultural heritage and the health and wellbeing of residents.

“The One Planet Program is something Geof Syphers (chief sustainability officer at Coddling Enterprises) introduced us to. He was considering how we could go beyond LEED standards,” explained Mr. Baker. LEED, or Leadership in Energy and Environmental Design, is a set of green building standards developed by the U.S. Green Building Council. “We really liked the whole One Planet Program because it’s in line with what we are trying to achieve.”

With the intent to build a community offering availability of jobs within walking distance came the need to attract businesses to the Village. “It’s hard to have a mixed-use community if you don’t have the job component as part of the mix,” said Mr. Baker. So far, approximately 30 businesses have opted to locate there, among them AT&T, Comcast, Red Condor and Coddling Steel Frame Solutions. Mr. Baker pointed out,

“We have about 600 people working out here, employed in different businesses, and we’re continuously looking for new businesses. We would love to be 100 percent leased out.”

One way to fill out the space is to attract businesses relocating from other areas or seeking new quarters within the same region. Another avenue is to “grow” businesses on site via an incubator. “We started to think about the types of jobs we wanted to create that are valued-added, higher-paying jobs typically associated with innovation and growth,” said Mr. Baker.

Business incubators are programs designed to accelerate the successful development of entrepreneurial companies – often high-tech startups – by providing business resources, support services and office space. When a feasibility study showed that no business incubators existed in the North Bay area, another opportunity cropped up.

“There is a strong entrepreneurial spirit in Sonoma County and a history of innovators, from Luther Burbank to Charles Schulz to Don Green and John Webley. At the same time, there is a lot of displaced labor in the local market due to the various corporate downsizing and the recession,” explained Mr. Baker. “There were a lot of components in place. So we thought we would spearhead the efforts to get an incubator formed and operating, and I think it’s got a bright future.”

The Business Cluster’s future may be even brighter now, two years after its formation, because of the Obama administration’s emphasis upon green, high-value jobs as the way forward out of the nation’s economic slump. “Just from the feasibility standpoint, having a business incubator has made sense for a long time,” said Mr. Baker. “But I think the pieces are more aligned than they have ever been. If you read the rhetoric coming out of Washington, it’s all about job creation, specifically green-collar jobs, and about ROI – return on investment. I don’t think there is a better vehicle than a business incubator to perform the function of job creation with a high ROI.” It is anticipated that of the 4,400 jobs Sonoma Mountain Village seeks to eventually create, 1,000 will come from business incubator graduates.

Business incubators have an impressive success rate in helping foster successful businesses – those able to move beyond the startup stage to become a profitable company. “One of the biggest advantages for a client of an incubator is access to a network of other people in similar situations, sharing ideas, contacts, technology and access to service providers, such as bankers, accountants, angel investors and other fu-

See *Village* page 9



Schematic and rendering of Sonoma Mountain Village  
Inset: Brad Baker

Go to  
[www.somoliving.com](http://www.somoliving.com)



## Village *continued from page 8*

ture capital funding sources," said Mr. Baker.

Of course, it is Coddling Enterprises' hope that once incubator clients are ready to move on, they'll seek space within Sonoma Mountain Village. What does SMV offer to tenant companies? Infrastructure, experience in energy conservation and amenities. "We have tremendous infrastructure, including an 18-megawatt substation with 3,500 tons of cooling capacity. Computers take lots and lots of energy to run, but also a lot of energy to cool. That type of infrastructure is very expensive to duplicate and replace, and there are probably only a handful of buildings in the county that have that type of capability. We also have a lot of fiber-optic capacity here too, with multiple feeds."

Also present are four large configurable buildings that can be converted into manufacturing facilities, warehouses (the entire site has a light industrial zoning), retail stores or office space. For those needing large-scale shipping capabilities, freight rail service is expected in 2010.

As it has focused on sustainability, Sonoma Mountain Village has introduced alternative energy sources, such as a \$7.5 million solar power array that generates 1.14 megawatts of electricity for commercial tenants. SMV has also actively sought opportunities to conserve energy.

"When we bought this facility, it was almost shut down, and the utility bills were over \$150,000 a month for gas and electricity. Yet, we've been able to reduce that dramatically," said Mr. Baker. "Now that we are 60 percent leased, our utility bills are \$35,000 to \$40,000 a month. Part of the savings has come from installation of the solar array, but much of it has also resulted from implementing energy-saving practices or devices – replacing lights, pumps, fans – and turning fans and pumps off. For example, putting a \$100 timer on our cooling tower saved us \$10,000 a month."

This conservation expertise is something Sonoma Mountain Village is eager to share with tenants, as part of its eco-friendly orientation. "What we have found is that with companies like Comcast, we've been able to help them 'green their business up.' We built their facility to LEED standards, and that was something completely new for Comcast. Yet it's now something they are rolling out to other parts of their company. We were able to help them make their company more environmentally friendly."

While commercial development is already occurring at Sonoma Mountain Village, residential development will proceed more slowly, due to the drop in housing starts in the county. The plan is to ultimately build 1,892 homes, from 600-square-foot condominiums to 3,500-square-foot single-family homes all conveniently located with five minutes of shops, services and recreational facilities.

Mr. Baker feels that the amenities already present – and those envisioned for the future – are what helped attract AT&T to the site. "AT&T felt that a location in Sonoma Mountain Village would be viewed as a real benefit for their employees," said Mr. Baker. "It's a beautiful location, it has a story that seems to resonate with people, and it has a lot of nice amenities, whether you're looking for a café, playing fields or a place to walk or ride your bike. A lot of people want to be here for what it already is and ultimately is going to be."

With a strong commitment to sustainability, a core of commercial tenants and a Business Cluster filling up with entrepreneurial companies eager to bring exciting new technologies and products to life, Sonoma Mountain Village is a dynamic and promising community. There is definitely a "cool factor" that generates excitement as word spreads of what it has to offer. "We've heard a lot of positive comments, and for a developer, that's very unusual. People literally come from around the world to see what we are doing and hear our story."



## SONOMA MOUNTAIN BUSINESS CLUSTER

We wish to thank the leaders in the North Bay who support the Sonoma Mountain Business Cluster with their generous contributions. These are the premier organizations, corporations, foundations and individuals who have enabled the SMBC to serve early-stage companies, to help them build and grow successful businesses, create jobs, develop technologies that improve our lives and build our community. The SMBC is the first and only non-profit organization that is devoted to creating high paying green and white collar jobs and is rapidly becoming the hub for entrepreneurial activity in the North Bay.

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Coddling Enterprises – \$548,000  
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BY ROBERT EYLER, PH.D.

# The High Value of High-Tech and Green Jobs

In the coming decade, we are likely to see technological advances of the last twenty years pave the way for the creation of "green-tech" or "energy-tech" industries that will make possible such innovations as expansion of hybrid or electric vehicle technology, new solar panels the size of a satellite dish on a home or new water conservation devices to reduce water and sewer use. While these eco-conscious, new products and services hold out the exciting possibility of reducing the nation's carbon footprint, this "green boom" also has important implications for the local economy.

Technological booms traditionally yield well-paying professional jobs, tax revenue and the need for support services. As tech companies mature beyond the startup phase, they recruit a skilled workforce and establish business relationships with other local companies that can supply needed products and services. Firms that service the tech companies and their employees join in on the job boom, creating a relatively high multiplier effect.

The table on this page provides an overview of the multiplier effects from one new job in several industries.

Entrepreneurism is important for any local economy. Particularly in the green- and clean-technology space, new companies are likely to rise from both the ashes of the current recession, while labor and capital costs remain relatively low, and from the wake of job losses at existing companies struggling to survive in a challenging economy.

Helping "jump start" the green-tech revolution will be billions in federal stimulus funds. But while the stimulus money may help create jobs initially, it will eventually go away. So while this will help nurture entrepreneurship, it will not provide sustainability. As a result, local economies cannot rely solely on government funding to support the long-term development of tech companies. Fortunately, here in the North Bay, local governments, educational institutions, economic development agencies and community-minded businesses are working together to provide a welcoming, inclusive environment for budding firms and an infrastructure that will sustain growth and maturation of valuable industries capable of producing a



Robert Eycler

ripple effect on the regional economy.

Job attraction in high technology has been a major focus of economic development efforts in the North Bay counties during the last three decades. Local economic development agencies and groups understand the value of high-tech and green-tech jobs in their economies and recognize the risks of losing these firms without local support.

Two local organizations helping to create a business-friendly environment are the Sonoma Mountain Business Cluster and the Santa Rosa Manufacturing

Group (Santa Rosa MFG).

The Sonoma Mountain Business Cluster (SMBC) focuses on startup firms. Where Santa Rosa MFG represents primarily second-stage firms, with 10 to 49 employees and the prospect of relatively rapid revenue growth, SMBC represents new firms that need basic office space

and connections to capital and may have as few as two employees. Over the next 10 years, SMBC aims to incubate startups that will eventually create a total of up to 1,000 jobs for the region, with support from the private sector. The Business Cluster also hopes to stimulate creation of another 1,000 jobs within other companies that will provide services and support to the incubated companies and their employees.

Because SMBC plans to produce jobs that will require a highly educated workforce, it has closely aligned itself with Sonoma State University (SSU) in the area of program and curriculum development so SSU graduates will have the requisite skills and knowledge base to work for high-tech industries or become entrepreneurs themselves. As SSU's engineering students generate new ideas and as SSU's business graduates think about new products, SMBC provides a way to begin the process of bringing those ideas, goods and services to the marketplace.

Santa Rosa MFG is a relatively new group formed to foster growth and cooperation among an array of largely locally owned and operated small and medium-sized manufacturers. This independent group, launched with the help of the Santa Rosa Chamber of Commerce, has embarked on a campaign over three years to create 2,000 new jobs and \$300 million in new revenue. In the green-tech space, as entrepreneurial and innovative firms rise up, they need to network with firms capable of providing manufacturing support and expertise. Like any other clustering effort, Santa Rosa MFG connects these firms to each other and provides advocacy support for them and assistance in finding financing.

In the North Bay, we are fortunate to have so many organizations focused on creating jobs, particularly in a sector that recognizes the importance of social and environmental responsibility, along with economic sustainability. As these new green- and clean-tech technologies emerge, there will be many resources available to ensure viable businesses will be the end result of the entrepreneurial process because of a regional recognition of the value these new companies create.

## MULTIPLIER EFFECTS FROM GREEN TECH AND OTHER INDUSTRIES, SONOMA COUNTY

Industry	From One Job Created in the Industry		
	Total Jobs Created	Total Business Revenue Created	Total State and Local Taxes Created
Green/Clean Tech	1.6	\$157,000	\$7,570
Manufacturing	1.9	\$160,000	\$9,000
Medical Professional	1.6	\$200,500	\$10,390
Hotel Worker	1.4	\$145,000	\$13,400
Retail	1.2	\$84,000	\$9,980

Source: North Bay Leadership Council

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BY DEBORAH TAYLOR-FRENCH

# Keiretsu Forum, SAFE-BIDCO and the North Bay Angels Help Fund Startup Businesses

Given the challenge of today's economy, entrepreneurs in the North Bay are fortunate to have access to two very active local investment groups – the Keiretsu Forum and North Bay Angels – and an organization that specializes in a type of lending particularly suited to small startups – SAFE-BIDCO.

While these organizations are all vitally interested in helping promising businesses thrive, they have certain signature requirements they are looking for. A startup should have a well-crafted business plan and a strong management team. Depending on the maturity of the company, a strong advisory board or board of directors can also be an advantage.

As the amount to be invested or loaned increases, the requirements startups must meet become more rigorous and the process of convincing funders to loosen their purse strings, more exacting. Fortunately, the Sonoma Mountain Business Cluster (SMBC) stands ready to help entrepreneurs refine their business model, polish their "pitch" and develop relationships with investors or lenders most suited to their financial needs.

Here is how the North Bay Angels, Keiretsu Forum, SAFE-BIDCO and SMBC work together to help startups receive funding to fuel their growth.

## Keiretsu Forum

Keiretsu Forum, one of the world's largest investor networks, is comprised of serious angel investors, venture capitalists, corporate and institutional investors and serial entrepreneurs prepared to provide early-stage capital in the range of \$250,000 to \$2 million to promising young businesses.

"It's risky to be an angel investor, and it's risky to be an entrepreneur," said Jack Lance, an active member of Keiretsu Forum's North Bay chapter and co-chair of the Mentor Board at SMBC. From his point of view as an investor, Mr. Lance wants to see evidence that a market exists for a business' product or service before he makes a financial commitment.

"A startup seeking equity investors needs a sound business model, as demonstrated by a business plan. Ten years ago, before the dot com crash, it was possible to fund an *idea*, but that is no longer the case. It helps if the entrepreneurs have proven their business models and have a track record with existing customers that demonstrates the company can scale its market and financial growth," he pointed out.

"Part of the work of Keiretsu Forum is to create a foundation and a framework to help startups succeed," stated Mr. Lance. "Companies interested in making a presentation to the Keiretsu Forum are asked to fill out an extensive questionnaire that is basically a formatted presentation of their business plan," he said. "Using this process, a business can tell potential investors, 'Here is what we do. Here is the pain we solve in the market place. Here is our management team and their experience,' and so forth."

After receiving the application, a Keiretsu Forum screening committee, made up of members who have experience relevant to the applying company, sets up a conference call with the entrepreneur. Based on the application process and conference call, a few select businesses are invited to make a presentation to a larger screening committee made up of approximately 30 members, which scores the applicants' businesses and decides whether or not the businesses are ready to present their pitch at a general meeting of the Keiretsu Forum membership.

"Sonoma Mountain Business Cluster's Mentor Board has adopted a 10-slide presentation format inspired by Keiretsu's



Jack Lance, Dave Hehman and Scott Huberts

process to help those in the incubator achieve clarity of purpose and to aid them in communicating their vision and strategy," Mr. Lance explained. "For the most part, the business incubator clients we are privileged to work with really appreciate it. They've got great ideas. And those who complete the incubator process are statistically more successful," he said.

## SAFE-BIDCO (State Assistance Fund for Enterprise Business and Industrial Development Corporation)

SAFE-BIDCO is a nonprofit, non-deposit lender operating several state and federal loan and guarantee programs that can assist all types of small businesses at almost every stage of their development.

"We are a startup specialist," said Scott Huberts, business development officer at SAFE-BIDCO. "We have a regional microloan program for the North Coast, from north of San Francisco to the Oregon border, that is really designed to help fund businesses that can't get traditional financing."

A former mortgage banker who has worked within all 50 states, Mr. Huberts started with SAFE-BIDCO in February of 2006. "To qualify for a loan through SAFE-BIDCO, a business must have a plan in place with a three-year projection. These loans can finance hiring, pay up to a six-month lease or purchase inventory for a business just getting started, wanting to grow or intending to change direction. We can also help an entrepreneur buy an existing business."

Among the instruments SAFE-BIDCO handles are Small Business Administration (SBA) loans. SBA loans guaranteed by SAFE-BIDCO average approximately \$200,000 but can range in amount from a minimum of \$5,000 to a maximum of \$750,000 per client. "These loans are not for research and development," added Mr. Huberts. "And they never provide 100% of the needed financing."

In picking a venture to finance, SAFE-BIDCO looks for businesses that are known and products that will sell well in the region where the startup is located. After listening to what an entrepreneur is developing, he asks questions such as, "What do you want to do with your product?" and "Who's your competition?" In evaluating potential clients, he looks for credit, character, collateral and cash flow as part of the criteria for funding.

Mr. Huberts has a "close-to-the-road" perspective on the tools new businesses need to establish credibility, such as marketing skills and bookkeeping, and appreciates the value the SMBC offers to incubator clients in this regard. "I like the format of Sonoma Mountain Business Cluster because they provide the skills startups need. And I'm impressed with the level of business instructors. Usually, you'd have to pay a lot of money to get this level of business essentials."

Once Mr. Huberts has made his assessment, the application information is sent to an underwriter who makes the final decision. "We have a very good track record of funding businesses that can't get funding elsewhere," he said. SAFE-BIDCO has funded a range of business types, from logging and candy stores to e-commerce.

## North Bay Angels

The North Bay Angels (NBA) is a group of North Bay executives and professionals interested in making early-stage investment capital in the range of \$250,000 to \$1 million available to entrepreneurial companies in the North Bay so they can eventually become large, successful enterprises and employers.

"Entrepreneurs can do a lot to validate their opportunity before raising any money," said David Hehman, chairman of the North Bay Angels. "The more the entrepreneur can do to prove there is a real business opportunity, the easier the funding process goes," he said.

"Investors would like to see proof of industry knowledge, active marketing, sales and traction before they are willing to risk funds," said Mr. Hehman. Startups must be able to present credible numbers that measure the degree to which progress can be expected to be made and spell out in dollars what a business will be worth when it is finally sold or goes public.

Clients of the Business Cluster receive assistance in developing this type of expertise through the mentoring process. "The SMBC offers entrepreneurs access to seasoned mentors who can significantly improve their odds of getting funded and the success of their ventures," said Mr. Hehman. Business Cluster clients also receive, once they are ready to seek funding, the opportunity to present their plans to multiple potential investors through events such as the North Bay Investor Summit, held in June. "The SMBC helped to efficiently connect entrepreneurs and investors at this event. It was great to hear 10 presentations in a half-day, and the entrepreneurs appreciated gaining access to a large group of qualified investors," said Mr. Hehman.

"With North Bay Angels, it's helpful to find a member within our organization who will sponsor and champion you," he said. "Businesses that have champions already within the organization get the most traction and participation by NBA members," Mr. Hehman pointed out.

"Many angel investors want to be part of a startup's action and excitement. Ideally, they understand the industry that the entrepreneur is starting a business in and can help that person think about the opportunity and how to go after it," explained Mr. Hehman. "It is crucial that an investor and the businessperson both share the same timeline, goal and definition of success. The best angel investor for a business is one who has done it before, has time to help and has a great network of other professionals to connect the business with."

It's also obvious, based on funding criteria cited by Mr. Hehman, Mr. Lance and Mr. Huberts, that no entrepreneur will receive a second look from the North Bay Angels, Keiretsu Forum or SAFE-BIDCO without having done his or her "homework." But it's also obvious, if you listen to the passion and enthusiasm they express for the work they do, they're eager to help entrepreneurs find resources, develop solid business cases and, ultimately, to build successful and sustainable companies. That's one reason they appreciate and work closely with organizations such as the Sonoma Mountain Business Cluster that share their mission to help startups on the path to success.

BY IVO AUSTIN, SMBC BUSINESS DEVELOPMENT MANAGER

# Investing in Your Community's Economic Future: Sponsoring SMBC

The state of the U.S. economy continues to dominate the news and our national consciousness, as we wonder: How do we fix it? How do we create new jobs when so many are being lost? What will lead us out of the recession?

The recent drop in business activity and employment has placed tremendous strain on individuals, business owners and communities. It's easy to feel overwhelmed – but there are positive steps you can take on a local level that will tap into some of the national initiatives for economic recovery, including creation of “green jobs” and support for the survival and growth of small businesses. One of these steps is to support the Sonoma Mountain Business Cluster, the only technology business incubator in the North Bay.

“If you are looking around today and thinking, ‘Where can I make an investment for the greatest possible good?’ you should consider an organization whose aim is to create benefits that will flow back to the community for years to come,” said SMBC Executive Director Michael Newell. “As our incubator businesses create jobs, they will generate the wealth and employment opportunities that will allow so many of the people who are presently suffering to provide for themselves.”

Every dollar invested in the SMBC goes directly toward one of the most efficient and effective means of job creation ever devised: the technology business incubator. When a business incubator becomes a part of the community's economic development strategy, the chances for success of high-risk startups increase dramatically – with the education, mentoring and access to capital that the incubator provides, the average success rate for startup companies increases from 20% to 30% to as much as 80%. Furthermore, with its focus on efficiency and sustainability, the SMBC will lead the way in providing a foundation for the growth of a new, greener way of doing business.

A 501(c)(3) nonprofit, the SMBC allows its partners to make tax-deductible contributions that go directly toward job creation by increasing the prospects for success of the high-growth, technology-oriented companies that are the incubator's clients.

The SMBC only exists today as a result of the generous support it has received from its partners. The SMBC's long-term funding strategy is to place revenue derived from equity shares in its successful graduates into an endowment to sup-



Scott Mindemann

port the charitable and educational purposes of the incubator. Obviously, this strategy requires some years to generate a return, but when it does, not only will more funds be available to continue business incubation activities, but the increased wealth generation and employment flowing from the businesses the SMBC has graduated will also benefit all segments of the community. Until then, however, the SMBC will continue to depend on support from the community of businesses and individuals who can appreciate the importance of job creation to the region and the long-term investments needed to get there.

The programs and facilities the SMBC is able to offer to its tenants and incubees are the result of many individual contributions. There are, however, a few major sponsors whose vision and generosity enabled the founding of the SMBC and continue to support its operations. The SMBC would not be here today without Sonoma Mountain Village, which has and continues to make possible the incubator's use of its facilities on the former Agilent campus. In addition, Coddling Enterprises and Ken Martin, co-owners of Sonoma Mountain Village, provided many of the funds necessary for the build-out of the SMBC facility and continue to support the incubator. “We recognized early on the potential that the Business Cluster had to revitalize this campus and make it a center of job creation for the entire region, so we had no hesitation in offering our support,” said Coddling CEO Brad Baker. “This is money well spent that will benefit the entire North Bay community for years to come.”

Another organization that recognized SMBC's potential early on and provided a tremendous amount of financial support to get the project off the ground is the City of Rohnert Park. “The City's goal has been to revitalize this area,” said Jake Mackenzie, Rohnert Park City Council member. “The SMBC project was particularly exciting for us because, as the incubator clients grow and hopefully remain local, it promises to bring back those jobs. Not only that, but in conjunction with Sonoma Mountain Village, the incubator and its graduates will form an essential part of a low-impact,

live-work community that we would like to see grow up here.”

In addition to Coddling Enterprises and Rohnert Park, the SMBC has received generous cash contributions from Pacific Gas & Electric, Citibank and Anderson Zeigler Disharoon Gallagher & Gray, among others.

SMBC also receives a great deal of its support from members of the business community in the form of in-kind contributions. Vista Broadband Networks, Inc., Northern California's largest provider of business-caliber Internet service, known for its privately built and operated infrastructure, has long been a sponsor of SMBC. Vista provides a full package of services to both SMBC and all of its tenants, including Internet access service, remote telecommuting, web presence and other valuable options. According to Scott Mindemann, chairman, co-founder and CEO of Vista Broadband, “Our long-standing relationship with the Sonoma Mountain Business Cluster is important to us because we believe in the entrepreneurial spirit that powers this community. We are very excited to be offering our Vista HD service that contributes both our ultrafast fiber-optic and our nimble microwave infrastructures to the success of these new businesses.”

Another major SMBC sponsor is Dillwood Burkel & Sully, a premier CPA firm based in Santa Rosa. DBS has handled all of SMBC's bookkeeping and accounting services since 2006, resulting in an aggregate contribution of more than \$60,000 to the incubator. Other noteworthy contributors include Nelson Staffing, which provides a part-time receptionist for the front desk, and Discovery Office Systems, which is providing the use of a photocopy machine shared by SMBC and many of the tenants.

All of these contributions are tremendously important to making sure that SMBC can succeed in its mission to create jobs and promote sustainability and the socially relevant use of technology. In addition to the knowledge that they are making a direct impact on addressing our economic challenges, sponsors are recognized through various benefits, such as access to incubation clients, listing on the web site, access to SMBC-sponsored lectures and educational programs and more. If you are interested in joining us as a sponsor, please contact Ivo Austin at [ivoa@somobc.org](mailto:ivoa@somobc.org) or Michael Newell at [michaeln@somobc.org](mailto:michaeln@somobc.org).

## STATEMENTS OF SUPPORT FROM SPONSORS AND PARTNERS

“The Business Cluster epitomizes the spirit of entrepreneurship and innovation that is so pervasive in the North Bay. Entrepreneurs like those incubated in the Business Cluster bring life-improving products and services to people at the same time they create jobs. And jobs ultimately provide the most sustainable answer to building a strong and thriving community.”

– Brad Bollinger, Editor-in-Chief, North Bay Business Journal

“The Sonoma Mountain Business Cluster is an important partner for Sonoma State University's School of Business and Economics. We have a collaborative relationship where we are able to reinforce each other's activities and goals. Our applied education focus helps students nurture entrepreneurial business and technology ideas that may make them candidates for eventually joining the Sonoma Mountain Business Cluster. Together the Sonoma Mountain Business Cluster and SSU's School of Business and Economics are working to create and grow the next generation of businesses for the North Bay.”

– Dr. Bill Silver, Dean, School of Business and Economics at Sonoma State University

“The economic future of Sonoma County depends on startup companies, especially those focusing on green technology. With local companies downsizing, there is a talented group of scientists and engineers with innovative ideas that need incubating. This is why the Business Cluster is worthy of support.”

– Connie Coddling, Vice-President, Coddling Enterprises

“The City of Rohnert Park has invested redevelopment agency monies to help get the incubator started, and this to me is a true public-private partnership that provides mutual benefits for everyone involved, from the entrepreneurs, to Sonoma Mountain Village, to the local community. I'm delighted that a number of these businesses have started up in the incubator and that the prospects for further growth are in place right here in Rohnert Park, as the economy recovers. We need to embrace a process that supports the development of businesses oriented toward green technology and environmental sustainability.”

– Jake Mackenzie, City Councilmember, City of Rohnert Park

“At SSU, we work closely with the Business Cluster for several important reasons. Through the Cluster, our students gain a way to connect with the ‘real world’ of business, and in return, the Cluster is able to tap into the talents of our students and faculty. Business incubators also have a track record of being a very cost-effective way to help generate well-paid local jobs, the types of opportunities graduating students will be seeking.”

– Dr. Eduardo Ochoa, Provost and Vice President for Academic Affairs, Sonoma State University

“At this time of economic challenge, we need strong resources, such as the Sonoma Mountain Business Cluster, to help foster the growth of companies ready to meet the challenges of today's marketplace. Business incubators can promote the type of entrepreneurship and innovation that will help lead us back to local and national economic vitality.”

– Ben Stone, Executive Director, Sonoma County Economic Development Board

BY GARY QUACKENBUSH

# Keys to Regional Economic Development: Innovation, Collaboration and Education

Long before the current economic slump, astute market watchers were saying that local government, business and labor groups in the North Bay should work closer together to plan regional development and cope with job matching and education concerns to effectively address common issues that transcend county lines.

Today, “collaboration” and “innovation” are the most talked-about topics on conference agendas and among leadership groups striving to improve the quality of business and community life throughout Sonoma, Marin and Napa counties and beyond.

**DR. ROBERT EYLER**

*Sonoma State University Center for  
Regional Economic Analysis*

Creating a regional economy that can serve as a job magnet to attract, educate and retain workers is a top priority for Robert Eyley, Ph.D., chair of the Economics Department at Sonoma State University and director of the Center for Regional Economic Analysis. He believes that the Sonoma Mountain Business Cluster is a microcosm of job development that can lead to lasting economic growth.

“The Business Cluster focuses on innovation and serves as a catalyst to assist entrepreneurs in bringing their products and services to market. It is much more than just a short-term endeavor to pull us out of the recession. The cluster can be instrumental in setting the stage for tomorrow’s prosperity,” Dr. Eyley said. “Since the dot.com crash, there has not been a major round of innovation on the supply side. The steep decline we are experiencing is due to a lack of an innovative, entrepreneurial mechanism to stimulate and nurture economic development.”

According to Dr. Eyley, new ideas are needed because a number of older business models are simply not working anymore. For example, large-scale manufacturing has gone the way of the dinosaur in the North Bay. “Big manufacturers are not coming back. They are being replaced by small to mid-size firms that are not only viable, but already serve as the primary sources of approximately 95 percent of current regional jobs in manufacturing. Over time, a growing number of these new employers will owe their continued existence to the mentoring they received through the Business Cluster and allied organizations dedicated to enhancing business activity and driving progress.”

While the wine industry remains a strong anchor business in the North Bay, Dr. Eyley sees the emergence of new technology buds – startups with only four or five employees – along an “Innovation Corridor” extending from Windsor in the north to American Canyon in the east and Sausalito in the south, where new enterprises can not only incubate but become second-stage businesses that gain market traction, increase their payrolls and thrive.



*Rob Eyley, Cynthia Murray and Ben Stone*

“A major challenge involves finding better ways to encourage emerging firms to stay in our area for 10 to 15 years or more and expand from a base of four to 40 or even 400 employees. I view the Business Cluster as a vehicle for both job and wealth generation. My sincere hope is that this new breed of entrepreneurs does not give in to the temptation to sell or offer their ideas to larger corporations and move on,” Dr. Eyley said. “The North Bay is a great place to live and work and we need them here.”

**BEN STONE**

*Sonoma County Economic Development Board*

Taking the pulse of economic development in Sonoma County is all in a day’s work for Ben Stone, executive director of the Economic Development Board. “We’re seeing a number of new business manifestations, especially among green and biotech firms, that continue to fill in the gaps left by the shakeout of Telecom Valley companies that started to leave our area almost a decade ago,” he said.

Mr. Stone sees organizations such as the Sonoma Mountain Business Cluster as key catalysts for change by serving as incubators for new technologies in the North Bay. “Incubators play a critical role in helping to both get new firms up and running, as well as in redirecting education, training and related skill-set matching processes to better address future employment needs.”

“The effectiveness of the Business Cluster and other organizations focusing on business development is enhanced when collaboration occurs,” continued Mr. Stone. “At the Economic Development Board, we’re excited to see a group of hybrid private/public partnerships coming together through a melding of common interests and as various industrial disciplines evolve,” he said.

Evidence of private/public synergy can be seen in the development of the SMART rail system, the rebirth of the Charles M. Schulz Sonoma County Airport, the expansion of Highway 101 and the formation of the Sonoma State School of Science and Technology, to mention a few business and government collaborative ventures.

In addition, Santa Rosa Junior College was instrumental in bringing together public and private funding for Shone Farm as a learning center and to promote agriculture in the region. SRJC has dramatically expanded its technician and certificate programs to augment two-year associate degree programs for its 36,000-student annual enrollment base on both the Santa Rosa and Petaluma campuses.

“Knowledge workers are the key to our recovery. But rather than import such workers from other locations or countries, we must find ways to persuade our own high school students to take more math, science and computer courses to prepare them for jobs in technology categories. We need to find ways to develop a culture that thinks math and science are cool,” Mr. Stone said.

He sees several positive growth sectors within our local economy, including business services, accounting and financial services, as well as health care. Some banks are doing relatively well, and some new branches are being opened. While there has been a temporary decline in the retail, real estate and construction sectors, remodeling projects are on the increase, along with the growth of non-traditional companies that can form the basis for the new economy.

These new ventures also include the medical equipment and device niche markets, along with alternative energy system suppliers. They also include an expanding creative business category, evidenced by the emergence of new recording studios, independent filmmakers, digital media enterprises and computerized graphic design mini-companies. This recombination trend through the convergence of arts and technology is just one example of how knowledge workers are finding new jobs following the mass exodus experienced in the mid-to-late 1990s.

“Self development is not for everyone. Many new firms want to be part of a supportive, mentoring environment with access to a network of resources such as angel financing. The North Bay Angels, for example, are unsung heroes who have made a significant difference by fostering growth through the provision of more than \$22 million in funding over the past decade to emerging enterprises,” he said.

**CYNTHIA MURRAY**

*The North Bay Leadership Council and the Sonoma  
County Innovation Council*

“When we take a close look at our local economy and try to understand what is needed to stimulate business development, the solution to many problems appears to be linked to improving education and to closing the achievement gap in our schools and among the workforce at large,” said Cynthia Murray, CEO of the North Bay

*See Economic Development page 14*



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– KEITH WOODS  
Chief Executive Officer  
North Coast Builders Exchange

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Economic Development *continued from page 13*

Leadership Council and co-chair of the Sonoma County Innovation Council. “We must find integrated solutions to cope with integrated problems. This involves retooling displaced workers and retraining those with outdated skills so they can be competitive.”

She believes that the Sonoma Mountain Business Cluster is one of several early warning systems that can provide a heads-up view of the changing jobs landscape so necessary adjustments can be made within the education and job training sectors.

Ms. Murray said the process must begin by looking at common issues on a regional basis, not one school district at a time. She cited the fact that there are 40 school districts in Sonoma County that could be consolidated to streamline efficiency, reduce redundancies and modify the entire continuum of education. This would facilitate a better match of skill sets to the jobs being generated in the North Bay by enabling curriculum changes to be implemented faster.

“On average, it takes about six years to develop and introduce new curriculum in our schools. And, as we learned with the Tech Academy at the post-secondary level, by the time telecom-related programs were in place, many of those jobs needed different skill sets or no longer existed. Employment markets can change rapidly, requiring different job skills. In today’s economy, we can no longer afford to wait more than half a decade to update work-related training and put early education prerequisites in place.”

With education budgets being slashed at state and local levels, public/private partnerships are essential. Firms such as Agilent Technologies have stepped up to the plate by providing funds for special science and technology coursework at Sonoma State University. The California Automobile Association has also been instrumental in establishing a program at Santa Rosa Junior College that trains students to convert gasoline-fueled vehicles to electric power.

“We are in a crisis. There is an urgent need to blend engineering and biotech education into the regular curriculum if we truly want the future workforce to have employment-ready skills. Another aspect of the problem is that while some schools have great job-related programs, this information often does not get disseminated to other schools that need it. Here, again, we have to learn to think outside of the school budget box and tap resources in the business sector to help develop and promote turnkey educational packages targeting the world of work.”

Ms. Murray believes that a regional group, consisting of leaders from education, business and the nonprofit sectors, can fully address these issues. Organizations such as the North Bay Leadership Council and its proposed North Bay Education/Jobs Partnership, California Businesses for Education Excellence, the Sonoma County Innovation Action Council, the Santa Rosa Chamber of Commerce and the Workforce Investment Boards are leading the way by conducting studies and establishing specific planning goals that will lead to concrete programs and pilot projects designed to cope with the education-to-workforce gap.

“All of this is a work in progress. Meanwhile, there is an urgent need for more business incubators like the Sonoma Mountain Business Cluster – perhaps two or more in each county – that can be networked together. These clusters are huge job generators, assisting startups as they move from entrepreneurial stages to second-phase companies and on to profitability,” Ms. Murray said.



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BY CHERI LIEURANCE

# Two Events Aimed at Getting Entrepreneurs and Funders together

Entrepreneurship is a process usually initiated on the strength of the entrepreneur's own energy, enthusiasm and personal financial resources. But there comes a time, when the product or service developed by the entrepreneur is gaining traction in the marketplace, that "bootstrapping" may not be enough. Equity investment might be the next step required for the company's evolution.

Successful relationships with equity investors don't happen overnight. Courting of investors requires substantial preparation and legwork by the entrepreneur, aided and abetted by some matchmaking from other interested parties.

The Sonoma Mountain Business Cluster, City of Santa Rosa, Santa Rosa Chamber of Commerce, North Bay Angels and Keiretsu Forum recently collaborated to help accelerate the process of getting entrepreneurs and investors together, by staging two related events: the Sixth North Bay Growth & Innovation Forum (NBGIF) and the North Bay Investor Summit (NBIS). Both events were aimed at stimulating and supporting new business growth by giving entrepreneurs an opportunity to showcase their businesses.

Sponsors for the NBGIF, held in May at the Hyatt Vineyard Creek Hotel, were the City of Santa Rosa, Santa Chamber of Commerce and North Bay Angels. It was followed a month later by the North Bay Investor Summit at Sonoma Mountain Village in Rohnert Park, which was sponsored by the Sonoma Mountain Business Cluster in conjunction with Keiretsu Forum and North Bay Angels.

The Sixth North Bay Growth & Innovation Forum convened aspiring entrepreneurs for the purposes of networking, education and bringing to light those with the most promising business models. It was open to the public and featured presentations by companies seeking funding, roundtable discussions on topics ranging from Internet marketing to alternative financing and talks by experts in business development and investing.

Aethos Technologies, producer of a print shop management software, was named "Best of Show" at the NBGIF and moved on to present at the North Bay Investor Summit, where the audience was composed primarily of "accredited" investors, including members from North Bay Angels and Keiretsu Forum.

Also presenting at the Investor Summit were a current Business Cluster client (Displ'aire, maker of a flexible LED display screen for smaller-scale entertainment venues) and a former client (PNN, a social media network for women), along with seven other "portfolio companies" from the North Bay Angels and Keiretsu Forum.



*Bill Vick, Michael Newell, Jack Lance and Steve Weiss at the recent North Bay Investor Summit*

In addition to the presentations by companies looking for investors, activities at the Investor Summit included a keynote speech by Adeo Ressi, an internationally known entrepreneur, environmentalist and founding member of TheFunded.com, who spoke on "Reinventing the Funding Eco-System."

How are the events related? Explained Nancy Manchester, economic development specialist for the City of Santa Rosa: "The Investor Summit gives participants in the Growth & Innovation Forum an opportunity to take the skills they've learned through their experience in our program and move closer to getting funding. The Summit and the Forum series are naturally symbiotic, enhancing opportunities for business growth throughout the region."

Michael Newell, executive director of the Business Cluster added: "Each event represents a different step along the continuum of an entrepreneur's readiness to engage with investors who have the level of resources and expertise to make serious investments in a company's future."

"Entrepreneurs invited to participate in the North Bay Growth & Innovation Forum have already spent a significant amount of time thinking through their business ideas, business structure and potential market. But they might not have all the pieces in place yet that equity investors want to see before offering financial support."

"The North Bay Investor Summit offers companies that have been through an extensive vetting process, done extensive market research and testing, prepared an attractive financial profile and have launched – at least on a limited scale – their product or service, to formally connect with a wider network of investors. Companies presenting at the Investor Summit are typically in their seed or A rounds of financing and are looking to secure funding in the range of \$250,000 to \$1.5 million."

"At this level, investors want to see strong evidence from companies that they are making a wise investment choice because of the risks involved, and that evidence comes after a lengthy and rigorous process that is supported and enhanced by organizations such as the sponsors of these two events," said Dr. Newell.

The Business Cluster offers entrepreneurs who become clients of its business incubation program an extensive array of services, from mentoring by prestigious business leaders to plug-and-play office space that can expand as the business grows. "Affiliation with the Business Cluster helps walk startups and growing companies through the educational and outreach process needed to secure the company's growth – and make it more attractive to funders, if that is the one of the goals," said Dr. Newell.

## SEVENTH GROWTH & INNOVATION FORUM SLATED FOR OCTOBER 14

The Seventh North Bay Growth & Innovation Forum will be held Wednesday, October 14, from 12:30 to 7:30 p.m. at the Hyatt Vineyard Creek Hotel in Santa Rosa. The Forum will feature at least five high-quality presentations from startup and/or second-stage companies from the North Bay and greater Bay Area, along with poster presentations from at least 10 companies looking for advice, strategic partners or other resources. Please contact Nancy Manchester, economic development specialist for the City of Santa Rosa, at [nmanchester@srcity.org](mailto:nmanchester@srcity.org) or 707-543-4339 for more information about applying to present.

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