



# ANNUAL REPORT 2015

## Mission



The Santa Fe Business Incubator helps local entrepreneurs launch and grow successful businesses. These emerging companies create new jobs, increase our tax base and diversify our economy, enhancing the quality of life for all in our community.

## Message from the Chair

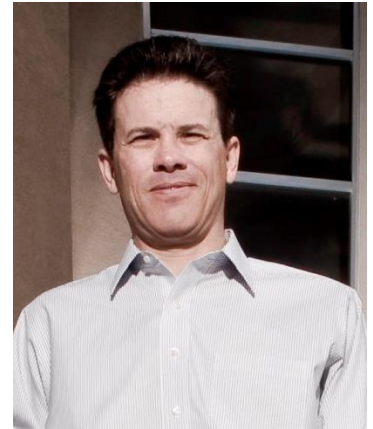
As newly elected chair of the Santa Fe Business Incubator it is my pleasure to serve this dynamic organization. We continue to work hard on filling the dreams of the SFBI's strategic plan vision to "Be the entrepreneurial and start-up hub in the community."

As a past client & graduate of the program, I pleased that the Incubator continues to attract new client companies and develop the client pipeline through our many community program events. During the past year, we had nearly a full house of clients that provided increased client participation and growing revenues from all sources while keeping good management of expenses.

The Santa Fe Business Incubator is blest with a talented staff and a dedicated Board of Directors, but SFBI also knows that without its supporters who provide funding and in-kind services, SFBI would not be able to fulfill its mission to enable clients to start and grow businesses. It is grateful for the opportunity to work together with our new and long-time funders to implement the shared vision and programs that enable our clients to succeed and provide economic growth for our community.

As you read this annual report, I hope you feel the pride that I do in seeing that your contribution to the Santa Fe Business Incubator continues to support the mission of this fine organization. Thank you for your generous support of Santa Fe Business Incubator. Together, we can make SFBI's future a bright one.

## David Franklin, Chair



## Message from the President

All successful companies can attribute success to being true to their mission. Along the way, the success of SFBI has consistently translated into fulfillment of our mission to help entrepreneurial businesses prosper. As we look back on our history and consider our future, I can't help but be amazed at the vision, commitment and foresight of the many people who have helped to build SFBI with their talents, passion, and financial support. These people have helped to build an organization that has the right services and the right resources to meet the challenges of today and tomorrow.



From our beginnings as just an empty field, we have made this plot of land an entrepreneurial hub that has created more than 1,000 jobs through developing a diversity of new businesses. One business writer has recently described us as "an oasis of technology in the desert."

We call the tools that SFBI uses to help our clients coaching, connecting and community. What really happens is that talented and dedicated people take the resources that are so generously provided by our supporters and turn them into the personal relationships that allow our clients to gain the insights, knowledge, skills and the financing they need to become successful.

We did not do this alone. To all who have helped SFBI over the years, our founders, financial supporters, in-kind contributors, board members, volunteers, staff members and community partners, I extend a heartfelt thank you. And to our clients over the years who take the risks, find the markets, and do whatever it takes to get the job done, we say thank you and keep up the good work. We need you now more than ever.

## Marie Longserre, President

## Client Programs and Services

**“Business Incubation reduces an entrepreneur’s risk and isolation.”**

Business Incubators nurture the development of entrepreneurial companies helping them survive and grow during the start-up period when they are most vulnerable. Incubators provide their client companies with business support services and resources tailored to young firms. The goals of incubation programs are creating jobs in a community, enhancing a community’s entrepreneurial climate, retaining businesses in a community, building or accelerating growth in a local industry, and diversifying local economies.

**Resident Client:** Resident Clients rent office, lab, warehouse and/or production space in the Incubator’s 30,000 square foot facility.

**Affiliate Client:** Affiliates do not house their businesses within the Incubator but are entitled to the services available to Resident Clients (listed above) plus additional free services and programs.

### List of SFBI Clients during 2015:

Accessible Housing Solutions  
Acoustic Biosystems, Inc.  
Archimedes Scientific, Inc.  
AttoLight Group  
B6 Sigma Labs  
BioDirection  
BioLime  
EcoPesticides  
Fix My Roof  
IT Connect  
JMSY Casting, LLC/Sophie’s Gifts  
Laurie Knight Mediation (Affiliate)  
New Mexico CFO, LLC  
Nurses with Heart Home Care

QT Sequencing, Inc. (Affiliate)  
The Retail Planet, Corp. (Affiliate)  
Santa Fe Spirits (Affiliate)  
Sportxast  
Vapor Blast Solutions, LLC  
Vista Therapeutics, Inc.  
Vizzia Technologies, LLC  
Weka Biosciences, LLC



**As a graduate of the University of New Mexico’s mechanical engineering program,**

**Andrew Halasz relocated VIZZIA Technologies from Atlanta to Santa Fe in 2013, with the intent of improving state hospitals and developing sensor technology labs for future engineers. “It’s a little different because there’s a lot of stories about companies starting here and moving away,” says Halasz, “but I want us to be an important part of building a new business infrastructure here in New Mexico.”**



## Year in Review 2015



### January 2015

**Client News:** Sophie's Gifts is a production jewelry casting business that moved in December 2014 and joined the client list in January 2015 and renames company JMSY Casting, LLC

**Program Event:** Expert in the House Linda Ruckel with Advanced Tax services

### February 2015

**Client News:** SportXast received positive press and expands space in Incubator

**Program Event:** Building the Business Different addressed about all you need to know about Federal SBIE research grants

**Program Event:** First Citizens Bank hosted event for Banker's Hours clients to learn ins and outs of dealing with a bank for startup needs

**Event:** SFBI and SCORE host international entrepreneurial development visitors from Latin America

**Event:** hosted Congressman Ben Ray Lujan's Economic Development Advisory Committee

### March 2015

**Client News:** EcoPesticides secured \$400,000 in a Series A round of funding.

**Program Event:** Expert in the House Sal Hernandez with Real Biz video productions met with clients about producing promotional and educational videos

**Facility Enhancement:** small Video Lab was opened as part of the Incubator's facility

### April 2015

**SFBI Recognition:** NIBA Association Award for Eureka Effect

**SFBI Recognition:** Marie Longserre, recognized by Governor for NM Business Incubator Excellence

**Program Event:** Advanced Manufacturing Day April 14

**Program Event:** Startup Weekend April 17-19

**Program Event:** Building the Business Different on Hiring Outside Contractors April 22, 2015



### May 2015

**Program Event:** Eureka Effect on Manufacturing May 13, 2015

**Program Event:** Expert in the House with Elaine Palin with micro consultations on contracting with government entities

## June 2015

**Program Event:** Building the Business Different on Gross Receipts Tax June 11

**Client News:** Mayor Gonzales presented a Proclamation to Kareem Edwards, a native New Mexican and founder of IT CONNECT, he proclaims June 22, 2015 as IT CONNECT Day.

## July 2015

**Program Event:** Consultant's Corner July 14, law for small business workshop



## August 2015

**Program Event:** Building the Business Different on Sales Training August 18



## September 2015

**Program Event:** Eureka Effect on Energy September 16, 2015

## October 2015

**Client News:** SFBI welcomes BioLime Innovations – Brian Coia, Founder BioLime manufactures natural, limestone based products that make green buildings healthier and excel in energy efficient.

**Client News:** Sigma Labs hosted national Additive Manufacturing Consortium Conference

**Client News:** Santa Fe Spirits (Affiliate) won a coveted Regional Development Corporation Business 20/20 Campaign Award

**SFBI Recognition:** SFBI President Marie Longserre attended the EBN 2015 Congress in Brussels in late October as a delegate for INBIA.

**SFBI Recognition:** The Business Innovator Magazine, the EBN publication distributed worldwide, SFBI was featured in an in-depth article that brought positive attention to Santa Fe

## November 2015

**Program Enhancement:** expansion of Start-up Weekend November 13-15, 2015 to state-wide participation

**New Collaborations:** On November 19 at the Scrappy Startup Events in Santa Fe, ABQid accelerator announced the formation of SFid, an accelerator program in Santa Fe in collaboration with the Santa Fe Business Incubator

## December 2015

**Client News:** after ConvoBox wins both Santa Fe and Statewide honors it signs to be the next new client of the Incubator

## Impact - Key Mission Metrics

Over the years, SFBI's accomplishments have resulted in high-impact returns to the community. To date, SFBI has helped launch and grow over 125 businesses and created over 1,000 jobs with revenues for client companies and affiliates have exceeded \$160 million. After graduation SFBI client companies continue to thrive, diversify the local economy and increase tax revenues in the community.

### **Client Program 2014-15 – June FYE**

- 17 Resident Clients & 4 Affiliate Clients: 21 Clients
- New companies accepted as clients: 3
- 142 employees
- 21 new full time jobs created
- Annual revenue generation - \$8,480,176
- Annual Salaries to workers: \$4,929,980
- Annual Investment in Clients: \$2,606,270

### **A mixed-use Incubator that builds diversity in the local economy:**

- Clients and Affiliates in five or more different industry segments: Construction; Manufacturing; Information; Professional, Scientific & Technical Services; and Healthcare & Social Assistance.
- Average 25% of all SFBI clients past and present classified as creative arts, cultural or design enterprises

### **Return on investment of Public Moneys by SFBI Clients:**

Estimated Taxes Paid City of Santa Fe FY 2014-15: \$533,010  
Estimated Total taxes paid – \$821,989

**Estimated Total Economic Impact FY 2014-15 of SFBI Clients: \$24,226,086**

### **SFBI Recent Graduates**

- Average Number of Graduates per year: 4
- Total Revenues - \$20 million
- Property on Tax rolls - \$15 million
- Salaries - \$11 million
- Purchases - \$2 million
- Of the 125 total number of companies served since 1997, over 100 are still in business or have merged or been sold to existing companies

### **Entrepreneurial Community Programs 2014-15**

- 6 Co-working companies
- 4 Co-located Partner Organizations
- Participants in Events & Workshops: trainings, meetings, networking – 6,500
- Requests for assistance fielded – 275
- Individualized assistance for non SFBI clients – 81 (20% moved to more formal relationship with SFBI)

# Santa Fe Business **incubator**

## Graduates

The ultimate goal of incubation is to launch profitable, sustainable entrepreneurial companies. Graduation is determined cooperatively based on a mastery of core business functions and on key success factors. Since inception of the program SFBI 79 companies have graduated or have been merged or acquired during this same period.



**"The leadership at the Incubator is unbelievable, and the staff is excellent. Their number-one goal is to take care of their clients. They just need to keep doing what they are doing, providing both emotional and professional support. I probably would never have grown as quickly as I did without the Incubator. Don't assume you know everything. The more you learn, the better you'll be."**

—Linda Ruckel, Principal Advanced Tax Services, SFBI Graduate

### Partial List of Graduates:

20th Century West	Knowledge Reef
21 <sup>st</sup> Century Art Appraisers	Kokopelli Landscaping
Advance Tax Services	Kreger Design/Build, LLC
Adora Fibers, LLC	Matrix Genomics
Agave Broadband	Mojo Wear
Airnet Security	Morningstar Services NM
Apjet	Native Biometric Systems
Avisa Pharma	NearSea Naturals
B & B Formations	New Solutions Energy
Backstory	NXGEM
Bio Direction	Parents Helping Parents
BioProcess Diagnostics	Phase One Ventures
BioReason	Positive Energy Solar
Bluenergy SolarWind	Preston Inc.
Caring Transitions	Pure Color
CerroSci	Quantum Solar
Compelling Cases	RAD Grading
Consonant Technologies	Roof Care
Consultant Pharmacists	Sanctions NM
Cyber Mesa	Serafina Technical
Elemetric Instruments	Seriad
Erika Jones	Spa Enrichments
Evolution Web Development	Strategic Analytics
Farm to Table	Strategic Business Solutions
Gonzales Locksmith	Sun Studios Creativity Center
Gould Studios	Suzanne Zilke Consulting
Gremlin Computers	Team Surgery
Ground Breaking, Inc.	Technology Solutions NM
Helios Cookware	Tierra Contenta
Hydro Bio, Inc.	Trinity Technical Consulting
i25Tech	Upsite
Inergrative Enzymatics, Inc.	Zenstone Lighting
IT Connect, Inc.	

## Funding Partners

SFBI appreciates the help and ongoing support of its Economic Development partners and Incubator champions over the period 2013-2015.

### **Government Grant Partners:**

City of Santa Fe Economic Development Department  
New Mexico Economic Development Department  
Santa Fe County  
EDA – US Department of Commerce

### **Non-Government Grant Partners:**

Small Business Development Administration  
Los Alamos National Laboratory  
Sandia National Laboratory  
Regional Development Corporation  
REDI

### **Foundation/Corporate Partners:**

AT & T Services  
First Citizens Bank  
Horizon Scripted TV  
Iron Stone Bank  
McCune Charitable Foundation  
MEP  
International Business Innovation Association  
New Mexico Angels  
New Mexico Small Business Association  
PNM Foundation  
Santa Fe Community Foundation  
Sutin, Thayer & Browne  
US Bank  
Wells Fargo Bank

### **Individuals:**

Members of SFBI Board of Directors

Dorothea Baltes: Estate of Kim Constantikes  
Peter Murphey  
Adair L. Waldenberg & Jon K. Peck





## Co-Located Partnerships

### **North Central New Mexico Economic Development District (NCNMEDD)**

North Central New Mexico Economic Development District (NCNMEDD) is an association of local units of government and other organizations created to encourage and allow regional cooperation on a multitude of issues.

### **Service Corp of Retired Executives (SCORE)**

Free face-to-face business counseling, advice, mentoring and training for small businesses just starting or for existing in Santa Fe. The SCORE Association, supported by SBA, is a nonprofit association of thousands of volunteer business counselors throughout the U.S. and its territories. SCORE members are trained to serve as counselors, advisors and mentors to aspiring entrepreneurs and business owners.

### **WESST**

WESST is a statewide small business development and training organization committed to growing New Mexico's economy by cultivating entrepreneurship. A non-profit small business development organization offering a variety of consulting services, training classes, and small business loan packages in Albuquerque, Farmington, Las Cruces, Rio Rancho, Roswell, and Santa Fe.

## Other Partnerships

ABQid  
ACCION New Mexico  
Creative Santa Fe  
Coronado Ventures  
Intel Corp  
LANS Venture Acceleration Fund  
The Loan Fund  
Los Alamos National Labs  
New Mexico Angels  
New Mexico Economic Development Depart.

Northern New Mexico Connect  
Santa Fe Chamber of Commerce  
Santa Fe Economic Development  
Santa Fe Hispanic Chamber of Commerce  
Santa Fe Small Business Development Center  
SFid  
Small Business Administration (SBA)  
Technology Ventures Corporation (TVC)  
Regional Development Corporation  
REDI

## Affiliations

SFBI is a member of several regional and national organizations that align with our mission and overall strategy:

AEO (Association for Enterprise Opportunity)  
Association of Women's Business Centers  
International Business Innovation Association (INBIA)  
Northern NM Connect  
NM Tech Council  
NM Bio Association  
NM Association of Commerce & Industry (ACI)  
International Economic Development Council (IEDC)  
Rocky Mountain Business Incubator Collaborative

Santa Fe  Business  
**incubator**  
**Financials**

**Santa Fe Business Incubator  
 Statements of Financial Position  
 June 30, 2015**

		<b>2015</b>
<b>Assets</b>		
Cash and cash equivalents	\$	321,046
Investments		5,698
Tenant receivables, net		3,350
Grants receivable		42,385
Prepaid expenses		11,754
Property, furniture and equipment, net		<u>4,170,591</u>
<b>Total Assets</b>	<b>\$</b>	<b>4,554,824</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Accounts payable	\$	13,328
Accrued expenses		12,199
Deferred revenue		5,169
Tenant security deposits		26,268
Line of credit		—
Note payable, net		<u>125,441</u>
<b>Total Liabilities</b>	<b>\$</b>	<b>182,405</b>
<b>Net Assets</b>		
Unrestricted	\$	4,372,419
Temporarily restricted		—
<b>Total Net Assets</b>	<b>\$</b>	<b>4,372,419</b>
<b>Total Liabilities and Net Assets</b>	<b>\$</b>	<b>4,554,824</b>



**Santa Fe Business Incubator  
Statement of Activities  
June 30, 2015**

	Unrestricted		Temporarily Restricted		Total
<b>Support and Revenue</b>					
Tenant rents and reimbursements	\$ 365,349		—	\$	365,349
Grants and contributions	366,026		—		366,026
Investment income	3,028		—		3,028
Net assets released from restriction	<u>40,000</u>		<u>(40,000)</u>		—
<b>Total Support and Revenue</b>	<b><u>774,403</u></b>		<b><u>(40,000)</u></b>		<b><u>734,403</u></b>
<b>Expenses</b>					
Program	575,313		—		575,313
Management and general	92,040		—		92,042
Fundraising	<u>56,490</u>		—		<u>56,490</u>
<b>Total expenses</b>	<b><u>723,843</u></b>				<b><u>723,843</u></b>
<b>Change in net assets</b>	<b>50,560</b>		<b>(40,000)</b>		<b>10,560</b>
<b>Net assets, beginning of year</b>	<b><u>4,321,859</u></b>		<b><u>40,000</u></b>		<b><u>4,361,859</u></b>
<b>Net assets, end of year</b>	<b>\$ 4,372,419</b>		—	<b>\$</b>	<b>4,372,419</b>

SFBI Audited Consolidated Financial Statements and Independent Auditor's Report for year Ended June 30, 2015

## Board of Directors

David Franklin, Chair  
Entrepreneur-in-Residence, *Verge Fund*

Alex Padilla, Vice Chair  
*Business Development Retail Planet*

Marie Longserre, President & CEO  
*Santa Fe Business Incubator, Inc.*

Donna M. Smith, PhD, Treasurer  
*Head of Tech Transfer for LANL*

Pat Rudy-Baese, Secretary  
*Rudy-Baese + Associates Wealth Management*

David Bueschel  
*Founder/President Santa Fe Management Consultants*

Michele Huff  
*Senior Associate University Counsel, University of New Mexico*

Jackie Kerby-Moore  
*Executive Director Sandia Science & Tech Park*

Kent Fuka  
Astrophysicist, Venture Capitalist, SEO Querium Software

Thomas Lantieri  
*US Bank*

Ed Maglisceau  
IBM Retired, Professor of Business & Entrepreneurship

Bruce Miller  
*Bruce Miller Finance, LLC.*

## Committee of Business Advisors

Nicolai C. Archuleta  
Michael Brown  
Gretchen Gogesch  
Bill Gould  
Jeff Gruber

Mary Anne Keshen  
Gary Moran  
Debora Ramirez  
John Roberts  
Latha Shankar

## Staff

**President & CEO:** Marie Longserre

**Program Director:** Sean O'Shea

**Office Manager:** Maggie Ohnesorgen

**Accounting Manager:** Gregory Dye

**Receptionist:** Jeannie Hardie

**Marketing Consultant:** Mary Ellen Merrigan

**Development Consultant:** Jerry Nelson