

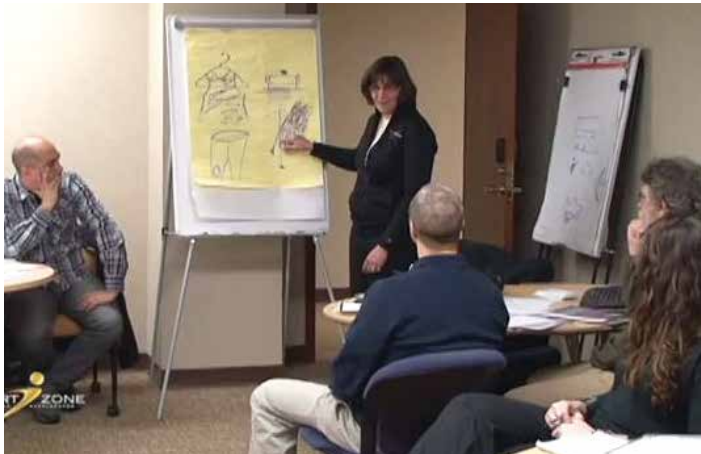
CUSTOMER CASE STUDY

MTEC SmartZone's Pre-Incubation Program Builds Entrepreneurial Capacity in Michigan

The MTEC Houghton-Hancock SmartZone is one of 15 such zones in Michigan state, each providing services and support to entrepreneurs and researchers in a distinct geographic location. Created in 2001 by the Michigan Economic Development Corporation (MEDC), this network connects universities, research organizations and corporations to stimulate the growth of technology-based businesses and jobs.

MTEC serves the North Western corner of the state's Upper Peninsula, with a mission to turn the area into a world-class technology ecosystem, and to turn new technologies into competitive companies that create employment.

Home of Michigan Technical University, the region is characterized by an "engineering culture" that includes bio, mechanical, civil, and chemical engineers."



Caption: Julie Melchiori, Program Director, demonstrates how to use the Napkin Drawing tool to a group of new entrepreneurs.

Marilyn Clark, CEO at MTEC, speaks highly of her home state's support for business and innovation. "Michigan is one of the best places to be if you want to start a company. Our governor is very pro small business; the state provides grants for entrepreneurs and has invested in facilities like wet labs and incubator space; and our angel capital network has expanded from 3-15 networks in the past three years."

In the 2.5 years since Clark took her position at MTEC with a mandate to create more jobs in the region, 32 start-up companies have emerged from her zone's SmartStart pre-incubation program, the foundation of which is WKI's So what? who cares? why you?[®] methodology. That's a remarkable

outcome, especially when one considers that the region's population is just 12,000.

"There are about 500 researchers in this area, and since we started in 2012, nearly 70 have been through our SmartStart pre-incubation program", says Julie Melchiori, MTEC Program Director. "We're just getting started!"

Jump-Starting the Entrepreneurial Pipeline

When Clark joined MTEC as its third CEO, the SmartZone's groundwork was established, including incubation facilities, infrastructure, and initial accounts. She built upon that foundation by focusing on programs, processes, and organizational growth.

"Houghton and Hancock is a community of inventors and engineers, not business people," she says of her initial challenge. "We wanted to create a program that would jump-start our pipeline

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*- Julie Melchiori,
MTEC Program Director*

by quickly identifying the opportunities that are out there, and to assess the ones with the best potential.”

Both Clark and Melchiori credit WKI's So what? who cares? why you? commercialization methodology for a large part of MTEC's success

in doing just that. Melchiori explains: "Many researchers have a solution that's looking for a problem. So what? who cares? why you? uncovers the ideas that are actually solving a problem."



Clark evaluated a number of options before settling on So what? who cares? why you? as the best fit. Specifically, she wanted a program that would help her staff to identify “high-tech companies with the potential to grow to 10 employees and up to \$1 million in sales in the next 3-5 years – and with founders who are coachable.” Clark says that “the visual tools inside So what? who cares? why you? allow us to engage with our clients in new and different ways, to see what’s out there, to assess the market opportunity for each idea, and to gauge the entrepreneur in terms of how well they will take coaching.”

She adds, “Our challenge here is bandwidth, so we need to focus our resources on the best opportunities. We also need our innovators to take the responsibility to find the value in their ideas.”

Bringing Marketable Ideas to Light

Clark knew that, to reach MTEC’s goals and those of the state of Michigan, her team would need a method of coaching innovators to take ownership of the process of finding the commercial value of their ideas. And, she wanted an approach that would suit the flexible and friendly coaching style of her staff.

“We’ve been pleasantly surprised by how many really smart people with really good ideas we have here, who just don’t know how to take their ideas forward”, Clark reflects of the success of So what? who cares? why you? at MTEC.

She adds: “When they learn about us and the help that is here, they come. Having the So what? who cares? why you? methodology helps to attract people sitting in their homes who have an idea but don’t know what to do about it.”

The program, which runs continuously, picks up more and more momentum thanks to word of mouth. The first cohorts comprised graduate students and researchers from the technical university, then word spread into the community. “This time around, we advertised in the newspaper and our current cohort has more people from the community than the university,” Clark explains.

Melchiori adds: “One of the most powerful things about So what? who cares? why you? is the community of founders that

it develops – there is a real entrepreneurial culture that we’ve started to develop here. We really don’t need to advertise because they tell others about it and people ask, ‘When is the next session?’”

MTEC is also deploying So what? who cares? why you? as a gateway for Michigan’s innovators taking part in the National Science Foundation’s (NSF) I-CORPS program, which offers “a set of activities and programs that prepares scientists and engineers to extend their focus beyond the laboratory and broadens the impact of select, NSF-funded, basic-research projects.”

Melchiori quickly saw the value of bringing I-CORPS participants through So what? who cares? why you?: “The WKI methodology makes our researchers much better prepared for I-CORPS, which is excellent once you know that you have a business. By the time they finish So what? who cares? why you?, they are really clear about the business opportunity for their idea and have polished their ability to communicate that. Then they can take full advantage of I-CORPS, which goes deep into business planning, or any other business modelling program.”

Visual Tools Inspire Collaboration

The visual and interactive nature of So what? who cares? why you? has been instrumental in engaging innovators at MTEC, as Melchiori explains. “Engineers are hands-on and they want to move around. When they see the visual tools it really registers with them. Because they can touch them and use them, they are better able to articulate their thoughts. The tools make it easy to explain what they are thinking or what they want to display.”

One of the methodology’s most powerful visual tools, according to Melchiori, is the Market Fishbone. “The Fishbone is one of my favourite tools because it’s exciting to watch the innovators identify, ‘Is there a market for my idea? Is there a bigger market than I ever imagined?’ They come in thinking one way and they leave thinking a whole different way about the potential for their idea, about commercializing, and about who their customer is.”



Melchiori also uses the first tool in the So what? who cares? why you? methodology as an ice-breaker. “Founders love to talk about their ideas and the Napkin Drawing tool is a fun and perfect tool to do this. I’m not artistic at all so when I show them how to use the tool, it sets the stage for them to be okay with their drawings. We have a difficult time getting them to leave after the two-hour session!”

Melchiori runs weekly two-hour So what? who cares? why you? coaching sessions as part of the SmartStart pre-incubation

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- Marilyn Clark, CEO, MTEC

program, and has evolved the program so that it’s “rolling” – that is, any entrepreneur can enter at any time. It’s rolling in a literal way, too – Melchiori has mounted all of the tools, along with white boards and flip charts, on wheels. “We can do our sessions in any room here, we can set up the tables in any way we like. This kind of interaction forms a very close-knit group of people.”

Clark notes that the innovators aren’t the only ones who learn from So what? who cares? why you? “We’ve learned a lot from the WKI program, like how entrepreneurs like to be coached by each other. That’s been a real asset because some of our alumni keep coming back even though their own ideas have launched, just because they like coaching others. They become mentors.”

Expanding the Entrepreneurial Culture Throughout the Upper Peninsula

The success of the MTEC SmartStart program is catching on across Michigan. Clark is now expanding MTEC’s reach by offering So what? who cares? why you? to other SmartZones. “We are excited by our pre-incubation success and are taking a leadership role in the Upper Peninsula,” she explains. “We have created a satellite SmartZone in Marquette, helped Sault Ste. Marie create a SmartZone, and we are coaching a new SmartZone in Midland. We are now supporting them to become WKI Certified Coaches to help their programs create the same success that we have seen.”

In fact, Clark sees So what? who cares? why you? as a key enabler for business development throughout the region. “So what? who cares? why you? really nurtures you – it creates relationships between the participants and also between participants, and that’s so important for business development.”

MTEC has seen how So what? who cares? why you? engages innovators and entrepreneurs. This methodology is the cornerstone to building entrepreneurial capacity and it’s an exciting time to be involved in supporting this region,” Clark says.

She adds: “Our number-one goal is to create companies and jobs, and So what? who cares? why you? is a great way to help people with ideas do just that. It gives them a process to explore an idea at the early stages and discover if it has commercial potential, before they spend too much time and money. The program has the potential to make a major impact as it expands throughout the region.”

CUSTOMER CASE STUDY



Close Up with CMX Avionics

Profile: Founded by an MTU professor.

Technology: A high-efficiency avionics panel light dimmer.

Goal: To learn more about entrepreneurship and how to bridge the gap between an idea and a viable, marketable product.

So what? who cares? why you?: Focused attention on key issues such as potential customers and competition. Clearly articulated the benefit of the proposed product beyond its technical aspects. Provided a platform for valuable coaching and peer feedback.

Results: Realized that the product idea needed to be taken in a completely new direction. "To do that, one must be able to separate one's ego from the viability of the product in the marketplace. So what? who cares? why you? was crucial in that way."

<http://www.ece.mtu.edu/faculty/wfp/cmxcavionics/>



Close Up with Superior Marine Products

Profile: Founded by three engineers and outdoorsmen

Technology: ProNav™ Angler, a GPS-controlled system that keeps a boat on course.

Goal: Begin to build a start-up company while learning the fundamentals of customer discovery and market validation.

So what? who cares? why you?: The first step towards developing our idea into a business and understanding the critical building blocks required to lay a foundation for the business. The many visual tools (e.g. Market Fishbone, etc.) in the methodology were useful for aligning the team's thoughts and assembling a preliminary business model.

Results: Grew the idea from a concept to a business. Launched first product and made first sales. Will attend first tradeshow, ICAST – the premier event in the industry.

Close Up with North End Recreation

Profile: Founded by the owner of an ATV repair shop.

Technology: The first universal ball joint puller kit for ATVs and snowmobiles.

Goal: To discover whether there was a market for the product idea.

So what? who cares? why you?: The Napkin Drawing tool explains the idea to non-mechanics and non-technicians in a way they can see and understand. The Market Fishbone tool helps to visualize the potential customers for the idea and see the links between other solutions available and where this one fits. The Channel to Market tool visually describes the options for going to market in an easily understandable way. The "What's the Real Problem?" tool revealed that the product indeed had clear value and differentiation.

Results: Used the methodology and toolkit to create a compelling story about the product's value and opportunity that business people and laypeople immediately understood. Attracted the interest of the two largest distribution companies in the industry.

Learn more about MTEC and its
SmartStart program at www.mtecsz.com