

Concho Valley Center for Entrepreneurial Development

Client Admissions Policy

Mission of the Concho Valley Center for Entrepreneurial Development

“The mission of the Concho Valley Center for Entrepreneurial Development is to grow and support new business in the Concho Valley.”

Objectives of the Concho Valley Center for Entrepreneurial Development

According to the Small Business Administration, about 10% of the nation’s 5.5 million existing businesses and 8 of 10 all new businesses close their doors annually (www.sba.gov). While poor management is cited most frequently as the reason for business failure, inadequate or ill-timed financing is a close second.

Business incubation is a proven method of business enterprise development. The CVCED business incubator matures young firms, providing tools that help them survive and grow during the start-up period when they are most vulnerable. The CVCED business incubator provides in-house management counseling and access to critical business and technical support services, and also offers client firms shared office services, equipment access, flexible office leases and expandable space – all under one roof.

Program Overview

The CVCED’s policy is to select companies that are most likely to help achieve its mission and objectives. The CVCED is an equal opportunity service organization and provides equal access to its programs for all entrepreneurs.

The CVCED analyzes a company’s business model, available resources, entrepreneurial experience, and need for services in order to determine a company’s growth potential and probability of success. Based on this review, the CVCED asks the business to make a formal presentation to its Board of Directors, who will then make the final admission decision.

Possible admission decisions include:

- Rejection of the application;
- Acceptance for immediate admission to the programs; or,
- Conditional acceptance (companies conditionally accepted can be placed on a waiting list).

In addition to seeking companies that enhance its mission and objectives, the CVCED and its Board of Directors considers the following:

- Companies that operate non-retail businesses that are not in direct competition with any other local business or that provide services deemed essential to the community; and,
- Companies that are for-profit entities that have the potential to generate revenue from outside the Concho Valley, as well as create significant job growth.

Application Process

To begin the application process, the CVCED requires each company to submit:

- A written application;
- A complete business plan (if the company does not have a business plan, the CVCED will refer the company to one of CVCED's partners);
- Two (2) years of tax returns (if applicable); and,
- Any additional information requested by CVCED.

The CVCED executive committee will review the application and supporting documents and then forward its recommendation to the Board of Directors. The CVCED Executive Director will then coordinate a time for the Board to assemble. If the Board of Directors approves the company, the applicant will then be contacted by the Executive Director in order to negotiate a contract. If the CVCED Board determines that the company does not meet its eligibility criteria, it will promptly inform the business of its decision and, if possible, work with the business owner to overcome any inadequacies.

Once the Board of Directors has accepted the company's application for incubation, a Master License and Service Agreement will be negotiated between the CVCED and the company.

Client Agreement

This agreement will be negotiated between both parties and will address the following:

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|--|-------------------------|--------------------|
| -Space requirements | -Security deposit | -Lease payment |
| -Equipment use charges | -Term of the agreement* | -Client default |
| -Insurance requirements | -Termination | -Common areas |
| -Repairs and alterations to space | -Janitorial services | -Entry to building |
| -Graduation requirements | -Programs and services | -Confidentiality |
| -Remedies for the CVCED & client | -Equipment repair | -Utilities |
| -Any other restrictions or rules for on-premises use | | |

*Most agreements will be set at a two year maximum term. Upon expiration, the agreement may be extended up to an additional two years upon client request and Board approval. All agreements can be terminated for cause or necessity at any time.

Services

The CVCED offers a wide range of professional services provided by its experienced business personnel and Board of Directors. In addition, the CVCED provides clients with access to a professional network that serves as a support group comprised of accounting, insurance, payroll, small business, and legal firms. These firms offer discounted rates or pro bono services to companies within the incubator.

The CVCED also provides the following:

- Low cost, flexible leases – rates to be determined in the master agreement
- Copy, fax, shredding, and limited printing equipment
- Electricity, water, gas, HVAC, garbage pickup, and limited janitorial services
- Telephone equipment–client must provide its own service
- Conference room
- Break room, which includes microwave oven, refrigerator/freezer, and coffee maker
- Central receptionist during business hours and voice mail after hours
- Parking for employees and customers/clients
- On-site counseling and management assistance
- Courier delivery and package acceptance
- Office furnishings – desk and chair for each office
- Cubicle and hallway space and a central waiting area
- 24-hour building access with security system

Business Assistance

The CVCED also provides hands-on management and technical assistance. Samples of these are listed below.

- Strategic planning and business development, including initiating contacts for strategic partnerships and business alliances
- Technical assistance and support, to include some software and hardware assistance and Internet access
- Financial management counseling, including identifying financing needs and sources
- Advertising and promotion development, to include marketing strategies and development of advertising/marketing materials as well as newspaper articles for business events and other newsworthy items, including press releases
- Record keeping and office practices counseling
- Expansion planning
- Day-to-day management counseling
- Assistance and counseling on personnel issues
- Mentoring from the CVCED and its Board of Directors
- Networking opportunities

Applicant Requirements

Once accepted and admitted to the program, the CVCED requires the company to comply with all the following.

- Operate its business in a legal and ethical manner
- Legally organize the company and seek to protect its intellectual property via patents, trade secrets, copyrights, trademarks, etc.
- Establish an appropriate accounting and bookkeeping system, and report financial data to the CVCED quarterly (balance sheet and profit or loss statement) or as required by the CDBG program guidelines
- Pay all liabilities promptly
- Provide the CVCED with quarterly revenue, employment, and payroll performance

During the company's first three months in the program, the CVCED will perform a strategic diagnosis of the company to:

- Jointly set short-term objectives for company performance;
- Develop a written company action work plan; and,
- Set up the company's financial management systems.

The CVCED will also perform a semi-annual review of each business to gauge the progress of the organization against its objectives, as well as evaluate the quality and impact of the business assistance being provided. Based on these reviews, the CVCED may:

- Reevaluate the company's short term performance objectives;
- Graduate the company; and/or,
- Terminate the company.

Graduation

If a company has become a successfully independent business which no longer needs the assistance of the CVCED, the company will graduate from the CVCED's program. In determining a successfully independent business, the CVCED may use one or more of the following guidelines:

- The company has twenty-five (25) or more employees working on the CVCED's premises
- The company's need for lease space equals or exceeds 3,000 square feet
- The company makes a public offering of its stock
- The company is cash flow positive and can support its own operations outside of the CVCED and/or

- The company has been in the CVCED's program for four (4) years from the date of admission

Termination

The CVCED reserves the right to rescind a company's entitlement to participate in the program. Decisions to terminate may be appealed to the CVCED Board of Directors as the final arbitrator. However, the CVCED, in keeping with its mission, seeks to ensure that all program clients succeed by meeting or exceeding their goals.

In cases where a company's conduct is deemed illegal or detrimental to the program as a whole, termination will be effective immediately.

If a company maintains unsatisfactory performance, or nonpayment of the CVCED's invoices, the CVCED will provide the company a written notice of intent to terminate, including potential probationary periods and remediation.

Contact

For further information or to begin the application process, please contact the CVCED at (325) 657-9214 or cvced@cvced.org or mail 2009 W. Beauregard, San Angelo, TX 76901.