

Application Information Page

Name of Project	DEI Tech Ecosystem Development
Name of organization	Ann Arbor SPARK
Prepared By	Ann Arbor SPARK
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Direct Funds Requested	\$250,000
Indirect Funds Requested	\$0
Total Funds Requested	\$250,000



Summary

The DEI Tech Ecosystem Development Pilot project is a community collaborative focused on supporting local early staged Socially and Economically Disadvantaged Individual (SEDI) founders developing tech businesses that show the ability to provide jobs and to contribute to the local economy in Washtenaw County. SEDI founders often innovate on critical problems, particularly ones experienced in their own community, but may not have a clear understanding of the technical development process, financial standing, or the network access necessary for moving forward. While Ann Arbor SPARK supports early-stage startups, there still are gaps both within the broader community and in educational offerings that are critical for leveling the playing field for SEDI founders. Such enablers are critical for promoting equity and inclusion for diverse founders in the Ann Arbor-Ypsilanti entrepreneurial community.

To accelerate inclusive innovation for the region, we plan to collaborate with local academic and business owners who support early-stage SEDI founders in executing this pilot. Within the community of SPARK- East and the Ypsilanti ecosystem, we will utilize consultants and mentors who have an established brand working with SEDI communities and are committed to building a more inclusive and equitable community for the broader region. In the future, our hope is that participating founders will leverage their new mentors/network and be better prepared to capitalize on the offerings of SPARK, building their company, promoting economic development, and attracting others to the region.

Introduction:

Over the last years, Washtenaw County has cultivated the region by providing programs, grants, and resources that have led to the development of our community's entrepreneurial ecosystem. Recognizing that economic development should be inclusive, equitable, and focused on addressing the needs and aspirations of the community, we are proposing a DEI pilot program to help diversify the population of successful technology entrepreneurs and businesses in our region. To further support our region's technology ecosystem, this grant proposes strategic efforts to drive both economic growth and improve the well-being of communities through targeted programming for marginalized or disadvantaged community members who are building a high-tech innovation. Overall, our goal is to promote economic growth that translates into improved quality of life, reduced poverty, and enhanced opportunities for our region.

Historically, Socially and Economically Disadvantaged Individuals (SEDI) founders building technology startups/companies, have limited access to mentorship and networking opportunities, often experience education disparities, and are economically disadvantaged as they encounter financial barriers to starting and scaling tech ventures. Recognizing the unique challenges faced by SEDI founders in the entrepreneurial landscape, Ann Arbor SPARK and local collaborators are dedicated to launching a specialized DEI program for entrepreneurs to level the playing field. This initiative aims to provide targeted support, resources, and opportunities for SEDI-founders, fostering an environment where they can thrive and contribute to the broader entrepreneurial ecosystem. Specifically, this program supports insights to how the community currently serves SEDI founders building tech companies, and in the future, what gaps and which types of resources are critical to support diverse founders within our community to promote an inclusive tech ecosystem.

In Michigan, it is difficult to access capital and community, especially for underserved founders. SEDI founders often innovate on critical problems, particularly ones experienced in their own

community, but often do not have a clear understanding of the technical development process, financial knowledge, and business networks to move forward. Knowing not all entrepreneurs learn the same, this DEI Pilot Program would provide SEDI founders an in-depth commercialization education, unique immersive experiences of real-life practice with mentors, and one-on-one mentoring with DEI leaders and seasoned entrepreneurs who want to see more diversity in the entrepreneurial technology ecosystem. Our vision is to deliver this experience in a cohort program, intentionally focused on accelerating the endeavors of SEDI entrepreneurs and building a more connected community of tech founders. We aim to provide a program of mentors, intentional resources, and grow a community platform for SEDI founders to grow and collaborate, supporting their companies from the ideation to scaling stages. All program participants will be able to access SPARK's existing applicable services, with a goal that each company will be better prepared to capitalize on the offerings of SPARK and the venture capital resources in the state.

With this proposal, SPARK seeks to increase our capacity and intentional focus in responding to the unique needs of SEDI entrepreneurs and better understand the needs and resources of founders and our community. Lastly, our goal would be to help build a more connected ecosystem of "founders supporting founders" and other businesses within the region, supporting talent and wealth for marginalized populations in the region. By supporting SEDI founders who have additional needs and are building high-tech innovations, we see the opportunity to promote diversity of small enterprises and foster interests of cultivating a more inclusive economic impact in Washtenaw County.

Proposal Narrative:

The Ann Arbor-Ypsilanti community has a robust ecosystem of innovative tech companies with aspiring entrepreneurs from a variety of cultures and backgrounds. Not all entrepreneurs have access to the same opportunities and resources, and through this program we seek to support SEDI founders' business success through tailored, intentional programming, small grants, mentorship, and networking with leaders in the community.

The project addresses the following challenges:

- Support SEDI founders with access to critical mentorship and networks within the community.
 - Provide insights, through existing business leaders, into cultural nuances within the tech industry.
 - Help founders navigate the common pitfalls of building a successful business and creating a positive team culture.
 - Share real life examples, discussing how they successfully navigated significant challenges.
- Provide tailored education and programming to SEDI founders, leveling the playing field and increasing opportunity.
 - Assess each participant's specific needs and match SEDI founders with relevant business consultants and technical support to help them build robust technology startups/companies for long-term success. Topics of education:
 - Finance foundations, product development, venture capital, sales
 - Pitching, DEI case studies, mock board meetings
 - Equip SEDI founders with additional small grants to fill in resource gaps and facilitate the growth of more successful, impactful businesses in the region. Grant funds will be distributed following a similar approach to SPARK's Business Accelerator grants for entrepreneurial clients.
 - Utilize consultants and mentors from the Ann Arbor-Ypsilanti ecosystem who have experience and expertise working with SEDI communities to support founders.
- Promote the Ann Arbor-Ypsilanti region as a community recognized for actively fostering an inclusive tech-ecosystem.
 - Draw new businesses to the Ann Arbor-Ypsilanti region as a community that supports diverse founders and businesses.
 - Utilize SPARK East to host the DEI Tech Ecosystem Development Pilot and programmatic activities to cultivate a friendly and supportive community for working, building, and growing a business.

The project will help advance or meet the LDFA's strategic priorities:

Promotion of the region

- Increase visibility of Washtenaw county's focus on DEI initiatives by addressing the needs of SEDI founders within the tech community and by showcasing our implementation through a targeted and sustained marketing effort.
 - Website (SPARK, City, Internal)
 - Marketing materials and campaigns
 - Programmatic and educational offerings, including access to DEI leadership from regional businesses and small, supportive business grants.
 - Partnerships with community groups and forward-facing events open for the community to join.

Connected high-tech ecosystem

- Provide SEDI founders with access to mentors, business and technical consultants, and networks of business leaders who want to promote a more equitable and inclusive high-tech ecosystem.
 - Leverage the strong entrepreneurial ecosystem in the region where many of our successful founders "give back" by serving as mentors.
 - Increased engagement with local entrepreneurs of color, female founders, and individuals from traditionally underserved communities to serve as business coaches and mentors.
 - Promote SEDI founders venture capital readiness, supporting advancement and diversity of future venture-backed founders from the region

High-tech company friendly collaboration

- Promote access to education and resources for supporting high tech SEDI founders growing startups into successful business opportunities for the region.
- Support SEDI founders' growth and encourage other innovative technology companies to choose the Ann Arbor-Ypsilanti region as a recognized place for diverse founders and their businesses.
- Offer public events promoting SEDI founders' access to the broader high tech founder network of southeast Michigan and fostering collaboration, mentorship, and sharing of wisdom.

High-tech company creation and growth

- Support education and acceleration of SEDI founded startups throughout the local business and tech community, further enhancing the attractiveness of the Ann Arbor region to start and grow a business.

Talent and workforce investment

- Offer the resources of Ann Arbor SPARK, combined with this additional program, to build trusted relationships with local founders and to further leverage the existing strengths of entrepreneurship in the broader region.
- Recruit talent to the region, increase the diversity of our start-up community, and promote generational growth for the long-term benefit of our community.

Project Goals and Objectives:

The project goals and objectives are as follows:

- Strengthen our regional offerings in supporting the broader SEDI founder community, leveling the playing field to promote the Ann Arbor-Ypsilanti tech ecosystem.
- Ann Arbor SPARK will work with local established and experienced technical assistance partners and community service providers to deliver resources, education, and mentorship designed to accelerate the success of SEDI founders.
- As we recruit SEDI founders for this pilot program, we will assess each applicant's specific needs as a method to survey common needs articulated from SEDI communities. Additionally, we will survey pilot participants after the program to measure success and fulfillment of needs, identifying further strategies for implementing and optimizing future resources.
- The program will utilize non-dilutive support (grants) to address the challenges SEDI founders often face in accessing traditional sources of funding due to systemic biases and economic disparities. These grants will also support the commercialization momentum of the startups.
- Mentorship will be invaluable for SEDI founders who may be navigating the startup landscape for the first time and will strengthen the sense of being part of a budding community as well as connectedness to the region. Mentors also provide further access to professional networks enabling SEDI founders to gain visibility.
- The results of supporting SEDI founders through this program will provide insight to how we can provide better programming, services, resources, and community support for underserved communities and entrepreneurs.
- This program will foster the development of successful diverse founders who want to build a more connected DEI community of tech companies, increasing the network of mentors and potential angel investors, and supporting evergreen strategies for our tech ecosystem.

Work Plan:

Project Development & Deployment:

With the twin goals of better understanding the needs of a diverse tech ecosystem and developing a more inclusive and equitable tech ecosystem, Ann Arbor SPARK and community collaborators are dedicated to launching a DEI pilot program focused on addressing the unique challenges of early staged SEDI founders developing technology startups/companies.

- In partnerships with regional organizations (e.g., City of Ypsilanti, EMU, Endeavor, Entre-SLAM, BlackTech Saturdays, Washtenaw Community College, Eastern Michigan University), our goal is to identify mentors and DEI leaders to match with founders in the program. Participants will have multiple opportunities to meet with mentors either through one-on-one meetings or through our informal and formal gatherings.
- The program will implement a comprehensive educational plan, consisting of both lecture and immersive offerings intended to address SEDI founders' technical and business challenges to accelerate their growth.
- Since a focus is to promote community and connectedness among founders, we will host a component of the program which will be open to the public, where SEDI founders and DEI champions will share their stories of how they navigated hardships and biases in their career for the broader community.
- This initiative will provide targeted support resources, through the form of a small grant (\$10k), given to each participating startup who completes the required milestones. This funding can be spent on business accelerator services, similar to how SPARK clients can use funds on vendors to promote their business. A portion of the program will focus on defining exactly what needs that funding could support.

For this pilot program, we believe that 8-10 startups are the best size of cohort to gain insights and provide enough bandwidth to enhance the success of the startups. Overall, we believe these combined opportunities will foster an environment where founders can thrive and contribute to the broader entrepreneurial ecosystem - returning significant economic value to the community, long-term.

Key Activities and Timelines

(Months 1-2) Startup Recruitment, Needs Assessment, and Mentor Outreach

- Build recruitment pipelines by contacting founders and organizations that support technology startups with early grants and programs across the ecosystem. Organizations such as Michigan Founders Fund, Eastern Michigan University, and Black Tech Saturdays have provided letters of support. This will include direct outreach to individuals, as well as harnessing the networks of places where these individuals convene (e.g., coworking spaces, labs, competitions, student organizations).
- Build a mentor network composed of experienced entrepreneurs, DEI champions from various backgrounds and work experience, and community builders by meeting with individuals, sharing details about the program, and gauging their willingness to support SEDI founders towards development of a more connected DEI ecosystem. Mentors from the ecosystem will include seasoned entrepreneurs with various levels of technology startup

experience (e.g., CTOs, CMOs), community leaders (e.g., Chamber members), and service providers (e.g., attorneys, CPAs, consultants).

- Identify potential applicants:
 - Hold office hours with leads discovered through recruitment pipelines. If applicants are a fit, convert leads into actual applications (online form).
 - Identify program partners who already have connections to or are themselves a part of entrepreneur groups, founders in leadership groups, Chambers, and other relevant local and national community organizations. (e.g., EMU, Entre-SLAM)
 - Engage with local higher education partners by leveraging their small business development and entrepreneurship programs to bridge the gap in training and opportunities.
 - Make a final push for applications and close the application window.
 - Finalize mentor list and topics of panels. Finalize dates and push calendar invites and agreements to mentor, consult, or advise.

(Months 2-3) Program Interviews

Round 1: Ann Arbor SPARK team, identified program manager, and lead mentors will run the interviews, create a selection process for applications, make final decisions, and initiate enrollment of the startups in the program.

- Carefully read through every application and do basic due diligence research.
- Use Google Sheets to maintain a log of applicants and determine if they should move forward for being interviewed.
- Host a 1-hour team meeting to make final decisions.

Key factors for selection include the following:

- Team (committed, capable, relatively complete),
- Idea/Technology (scalability, traction, milestones, competitive landscape)
- Market Size (large enough to justify value in market/community)

Round 2: Send email notifications to those selected to move forward with interviews; ask them to choose a slot via an online form.

- For individuals conducting interviews, have them fill out Google Form for each startup as they assess the following:
 - Startup needs
 - Coachability and history of the team. Ideally, we want to invite the founding team or founders, and ask how they solve problems or make decisions for the startup.
 - Additional due diligence on “why now”
 - Potential business contribution to the community and founder’s desire to support the local region

Once interviews have been conducted, host a roundtable meeting to make final decisions.

Send email notifications and create contract agreements to finalize participation. Initiate SLACK channel and Notion platforms to manage communications and organize documents for coaches, mentors, and other related personnel.

(Months 4-7) Kick-off Twelve-Week Intensive Program

Meeting Cadence	Tuesday's	Wednesday's	Thursday's
Weekly	Lecture Content	Interactive/Immersive Content Open Door Office Hours	Mentoring 1:1 Lunch & Learns
Monthly	Team Meetings/Touchbase	Homework Milestones Due	Connection Swarm Gathering

Weekly cadence: The program will run on Tuesdays (2-hrs. of educational content), Wednesdays (2-hrs. of immersive workshop), and Thursdays (community learning and mentorship).

- Educational Content: We will increase access to technical and business assistance, provide funding to accelerate business and technical milestones, develop executive summary documents and presentations, and use public events and education to increase access to networks and to fuel mentorship. Identified consultants from the local area will be the facilitators of the educational offerings on Tuesdays.
- Immersive Content: SEDI founders can benefit from tailored content that addresses specific challenges faced by successful entrepreneurs. The nature of this content is focused on giving founders real life experience and pre-exposure to startup/company challenges that they normally would not have. Examples include case scenarios and how to manage situations such as creating a DEI plan, hiring and incentivizing a future team member, managing a sales call, pitching to an investor or banker, running a board meeting, and managing hard conversation with leadership. This is a unique advantage of the program, providing the ability to build up self-esteem, confidence, and empowerment to help founders grow a wholesome and successful business. Identified entrepreneurs-in-residence (EIR) will be the facilitators of the immersive offerings on Wednesdays.
- Open Office Hours: Provide a safe space for participants to ask questions, voice needs, or ask for help. The Program Manager will be the main facilitator for office hours.
- Mentoring and Gathering: Every other week (twice a month), participants will find time to connect with their assigned mentor who is either a technology business leader or DEI

champion, 1:1. The participating startup will be matched with a mentor and will be left to identify a time to meet with the mentor at their convenience.

Monthly cadence:

- **Team Meetings:** Will be monthly with the entire startup team, program manager, and any key consultants that might add value. The focus of this meeting is to touch base and see how the program is going, evaluate the needs of the startup, identify pain points, struggles, concerns.
- **Homework Milestones:** Each participant will be given a needs assessment to identify pain points and gaps in supporting their business; homework will be given to participants to help them address those concerns. Primarily, we expect the founder to complete a business executive summary, a comprehensive exercise to communicate the purpose and goals of their business. The founder will be expected to complete the executive summary in order to obtain the small grant at the end of the program.
- **Lunch & Learns:** Every month, both the public and program participants will be invited to a Lunch & Learn. Lunch & Learns will feature topics relevant to startups including understanding DEI challenges and practice in the workplace, industry trends, and hearing from other recognized SEDI founders/advocates in the community who have experience building a startup/company. The Program Manager will be the facilitator of the monthly Lunch & Learn activity.
- **Connection Swarms:** A speed-dating-style of meeting will be planned, with up to five mentors, five program consultants, and other invited special guests that add value to the program goals. This will be an opportunity for participants to practice communication of their business and needs while accessing networks that may provide them with value in the future to grow their business. Special guests will include serial entrepreneurs, subject matter experts, super-connectors from the region and the broader ecosystem. The Program Manager and EIR's will be the facilitators of the monthly Connection Swarm and will recruit various mentors and special guests that add value to the event.

(Months 7-8) Our twelve-week program will end with a Demo Showcase, where companies have the ability to compete for up to 1k, 5k, and 10k in extra funds (winners). The Demo showcase will bring together all participants in the program, as well as additional partners from academia, community organizations, mentors, and the community of Michigan.

- Conduct surveys, interviews, and focus groups to understand the effectiveness and experience of the program with the startups, consultants, and mentors of the program. Meet with partners of the program to receive feedback.

(Month 9-11) Winning participants will be asked to present their founder stories at a special showcase under the A2Tech360 community event in September. Ann Arbor SPARK will prepare a report with findings, reflections, and recommendations for the program in the future and organize this content into qualitative and quantitative information.

Outcomes

This grant will serve SEDI businesses with expanded, tailored services and a new service model with the goal of increasing the number of SEDI-owned businesses served and sustained in the Greater Washtenaw Region.

With this proposal, SPARK seeks to increase our capacity and intentional focus in responding to the unique needs of SEDI entrepreneurs. All program participants will be able to access SPARK's existing applicable services within this initiative. In addition, with these grant funds, we seek to achieve the following:

- Increase the success of SEDI founders with tailored technical support and consulting – contracting with existing expert community partners with a needs-based approach.
- Increase access to networks with peer connections and matching with experienced SEDI mentors – intentionally building our network of diverse, experienced consultants and mentors and creating events / opportunities to increase peer relationships.
- Increase capital access with early introductions and relationship building with funding partners.

Metrics:

- # Participants enrolled / graduated
- Participant milestones achieved:
 - business plan / executive summary complete
 - forecast complete
 - pitch created
 - # networking & capital events attended
 - # meetings with coach
 - # pitches completed
- # Mentors engaged
- # Capital partners engaged
- # Networking & capital events hosted
- Qualitative assessment of participant satisfaction & sense of community

Long-term metrics will include the following:

- Jobs created
- Venture capital raised, non-dilutive grants secured, and spend
- Revenue growth

Roles of Different Partners:

Ann Arbor SPARK: Project Administrator: SPARK will serve as the administrator of the DEI Program Initiative supporting a high-tech community that caters to diverse founders, by addressing resource gaps in the educational offerings and within the broader community that are critical for leveling the playing field for SEDI founders to be successful. These efforts contribute to propelling the Ann Arbor-Ypsilanti region towards becoming more equitable and inclusive, and supporting talent generation and wealth for marginalized communities. SPARK will be the fiduciary body for the grant and will recruit diverse project partners to support this program.

Timeline

2024	Activities
Feb	Marketing Language, Informational Webinars, Recruitment Meetings
Mar	Recruitment/Attraction
Apr	Review Applications/Interviews, Deadline Date
May	Kick-off
Jun	Programming
Jul	Programming (week of July 4th is off)
Aug	Programming, Final Deadline of Deliverables from Startups/Companies
Sep	A2Tech360/Collaborative Partner Event
Oct	Surveys to Applicants and Mentors
Nov	Exit Interviews with Program Stakeholders, Review and Write-up Findings
Dec	Final Review of Program and Metrics

Benefits:

- Economic Impact:
 - Promote the endeavors and needs of SEDI founders who are building high-tech companies in Ann Arbor, supporting a competitive advantage to our ecosystem, the ability to continue to attract top talent, and access to new markets and opportunities for the region.
 - Create intentional opportunities for SEDI founders. This unique program will directly strengthen the community by promoting meaningful relationships between founders and key stakeholders, cultivating more local connectedness. This is especially relevant to the Ann Arbor-Ypsilanti region, where DEI is a core value for many residents and businesses.
 - Develop markets that are underserved or overlooked. SEDI founders often create opportunities specific to these markets, tapping into new customer bases, creating market expansion, and leading overall economic growth and development.

- Promotion of the region:
 - Promote innovation by assisting SEDI founders with entrepreneurship, as diverse perspectives often lead to unique and creative solutions that can strengthen the attraction and competitiveness of the region.

- Contribute to the creation of new businesses by providing the right support for founders to be successful, also generating employment opportunities for the region.
- **Social & Environmental Impact:**
 - Generate positive social impact in our community by supporting SEDI entrepreneurs who often have a strong connection to their communities, leading to prioritization of community developments, philanthropy, and increased social welfare.
 - Reduce income inequality by supporting success for SEDI founders, helping to reduce systemic barriers to wealth creation and increase wealth within marginalized communities.
 - Encourage entrepreneurship among a diverse group of individuals, adding diversity to a community and creating cohesion, preservation, and promotion of various cultural and social values for the region.

Management Competency:

Ann Arbor SPARK: For more than 10 years, Ann Arbor SPARK has served the greater Ann Arbor region as a catalyst for economic development. Ann Arbor SPARK works to advance the economy of the Ann Arbor region as a desired place for innovation, business location and growth, and for talented people to live and work. Ann Arbor SPARK has knowledge and contacts to build relationships with potential clients, partners and other stakeholders that have participated in the project. SPARK will play the grant administrator role for the funding and help convene the project stakeholders to ensure execution of the project.

Detailed project budget and budget justifications:

The complete budget for the project is 250,000 dollars over an 11-month period. This budget will allow for full development, education, outreach, deployment, and evaluation of the SPARK DEI Program Initiative.

- Work with consultants to finalize program design.
- Program share out, education, and marketing, recruitment of partners, mentors, and startups.
- Standup program, secure consultants, mentors, leads, and program manager.
 - Host informational webinars and recruitment
 - Participant tracking
 - Begin interviews
 - Identify cohort participants and needs
 - Calendar invites and kick-off
 - Secure event space, catering, etc.
- Develop success metrics with future partners and support data to evaluate success of program.
 - Provide reports with data collected with partners and to the LDFA.
 - Supporting promotion and marketing efforts to build awareness.

BUDGET	
Staffing	\$30,000
Marketing (website, SEO, campaigns, etc.)	\$40,000
Events/Company Awards	\$40,000
Payments/Consultants/Educational Content	\$30,000
Materials and supplies	\$10,000
Grants	\$100,000
TOTAL	\$250,000

Conflicts of interest: Any and all conflicts of interest, either perceived or real, on the part of any individual identified in this Proposal must be disclosed. For instance, any financial and/or membership relationships with the LDFA, Ann Arbor Spark, City of Ann Arbor, City of Ypsilanti, or corporate entity.

We are very excited to create this program for the benefit of the Ann Arbor Business community as well as the LDFA.

Thank you.

Authorized Agent for Applicant:



By: _____

Paul Krutko, President & CEO
Ann Arbor SPARK