Food incubation in NYS: Overview and Opportunities for Partnerships

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Business incubators nurture the development of entrepreneurial companies, helping them survive and grow during the start-up period, when they are most vulnerable. These programs provide their client companies with business support services and resources tailored to young firms.

The formal definition from NBIA
Origins of the incubator

The Mancuso Business Development Group was started by four immigrant brothers to replace the loss of their adopted home community's largest employer (over 2,000 jobs at one time) by filling a 1,000,000 SF, obsolete, 78 year old factory building. From the very beginning, in 1959, we have worked to learn and create reasons for people to start and successfully grow their business in one of the buildings we lead.

Source: Mancuso Business Development Group
Why?

- The most common 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.

Source: again, from NBIA
How?

- De-risking early-stage ventures so they can get financed
- Counseling, advising, mentoring, steering them to success
- Exploiting every source of formal, informal, and quasi-investment capital
Where?
## Clarifying the vocabulary

<table>
<thead>
<tr>
<th>Provider Type</th>
<th>Space?</th>
<th>Labs?</th>
<th>Investment?</th>
<th>Operators</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incubators-general</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Nonprofit, EDOs</td>
</tr>
<tr>
<td>Incubators-’technology’</td>
<td>Yes</td>
<td>Often</td>
<td>No</td>
<td>Higher ed</td>
</tr>
<tr>
<td>Virtual incubators/accelerators</td>
<td>No</td>
<td>No</td>
<td>No</td>
<td>Nonprofit, EDOs</td>
</tr>
<tr>
<td>Accelerators (research park)</td>
<td>Yes</td>
<td>Possibly</td>
<td>No</td>
<td>Landlords, parks</td>
</tr>
<tr>
<td>Co-working spaces</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
<td>Private, ad hoc</td>
</tr>
<tr>
<td>VC incubators</td>
<td>Incidental</td>
<td>No</td>
<td>Yes (controlling)</td>
<td>VC partnerships</td>
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<tr>
<td>‘Tech’ accelerators</td>
<td>Temporary</td>
<td>No</td>
<td>Yes (minority)</td>
<td>Ad hoc private</td>
</tr>
<tr>
<td>Corporate incubators</td>
<td>Yes</td>
<td>Sometimes</td>
<td>Sometimes</td>
<td>Big corporations</td>
</tr>
<tr>
<td>Hybrids</td>
<td>Yes</td>
<td>No</td>
<td>Sometimes</td>
<td>---</td>
</tr>
</tbody>
</table>
Yes we have these . . .

SSIC (Syracuse)

ITAC (NYC)

Queens Entrepreneur Space

Food Manufacturing

Increasing profitability is a top concern for food manufacturers. Although the changing economy has made it challenging, it is critical for manufacturers to become more efficient, productive and competitive. By implementing initiatives to reduce waste, improve operations and expand market share, food manufacturers can set the foundation for growth. But where do they begin?

ITAC is a resource to help companies start the path to growth. For more than 25 years, ITAC has been the only organization that focuses exclusively on supporting New York City’s manufacturing sector:

- Our food clients range from small start-ups to large food manufacturers that distribute nationally
- ITAC has worked with over 60 companies on more than 185 projects in the past five years alone
… but don’t forget the others

- Even *non-food* programs offer opportunity
- Consider why the “tech” sector works in NYC:
  - Connection between major industries requiring innovation and those startups that can provide it with capital efficiency
- *Wherever* you are in the food system, someone is developing technology, not necessarily food products…
  - that may affect consumer demand/patterns
  - that may disrupt your technology or business model
  - that you may want to partner with, acquire or learn from
Michael Porter writes that formerly discrete products “have become complex systems that combine hardware, sensors, data storage, microprocessors, software and connectivity.”

“The competitive boundaries of an industry widen to encompass a set of related products that together meet a broader underlying need. . . . For example, integrating smart, connected farm equipment – such as tractors, tillers and planters – can enable better overall equipment performance.

“The basis of competition thus shifts from the functionality of a discrete product to the performance of the broader products system in which the firm is just one actor.

“The manufacturer can now offer a package of connected equipment and related services that optimize overall results. Thus in the farm equipment example, the industry expands from tractor manufacturing to farm equipment optimization.”

Source: “How Smart, Connected Products are Transforming Competition,” HBR, 11/2014
Can you do any of these?

- Sponsoring an incubator program for visibility/awareness
- Placing a “skunk works” in one to capture the energy/synergy
- Mentoring startup firms working in your arena(s) to maintain awareness
- Pre-ordering/beta-testing new technologies to stay at leading edge
- Arranging partnerships with existing vendors to maintain competitiveness
An example from my history

- A state-sponsored cooperative R&D program in basic food science...
- Led to an innovation in mass-spec equipment...
- Stimulating a local startup, with full approval of corporate sponsors of the R&D

Source: Rutgers CAFT (Tom Hartman’s webpage)
Questions? Comments?

- [http://bianys.com](http://bianys.com) (website, newsletter, social media feeds, etc.)
- Contact: David Hochman, admin@bianys.com