



# **Developing an Innovation Strategy for Fort Bend County**

*Findings and Recommendations*

# Entrepreneurial hubs

Geographies of innovation are emerging across the country – business cluster theory applied to new business creation

Boston, New York City, Austin, San Francisco, Chicago....have developed dense concentrations of startup and small business activity, aligning partners and programs with physical environments

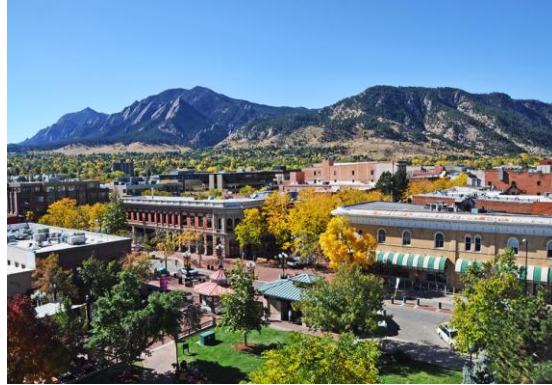
But for regions for whom this has not occurred organically, they can be architected. Communities are increasingly developing centralized hubs to act as epicenters of innovative business creation and growth



# Thriving entrepreneurial communities: The Rise of The Rest



**Cincinnati**



**Boulder**



**Charlotte**



**Pittsburgh**

- Successful entrepreneurial communities are popping up in cities all over the country, in regions not previously known to be hubs of startup and innovation activity
- Alignment of mentors, investors, universities, entrepreneurs, local business, etc., that organize to form a startup hotbed that benefits all players involved
- These entities create an innovation ecosystem, a geographic concentration of resources that gravitate around a community epicenter

# We develop environments for startups and small businesses

In The Cannon, companies are surrounded by an entire ecosystem of support, by all the value-adding resources they need to thrive

We curate programmatically-rich communities with classes, speakers, pitch nights, hackathons, demo days, etc.





# “The Waiting Room”



- 20,000 square feet of “just good enough”
- 18 months of growth into a community of over 250 entrepreneurs ready to graduate into The Big Guy

# “The Big Guy...”



- 120,000 square foot pipeline manufacturing warehouse that we have developed into one of the largest startup hubs in the world, replete with hundreds of offices and desks, a two-story library, movie theater, event space, lounge, kitchen, wellness room, etc.
- It is now the home to hundreds of companies in Houston



# ■ The Founders District

The building will anchor a 32-acre campus that will surround entrepreneurs with dining, retail, entertainment, and housing amenities



# ▀ The Cannon Post Oak



- 
- 10,000 square feet opened early 2019
  - ~50 companies
-



Now Open!!

THE  
CANNON  
TOWER



# Cannon locations by the numbers

**1000+** members

**500+** companies

**160+** new jobs created

**\$10M+** raised

**70+** partners

**50+** investor groups

**6** new locations underway

**We have now begun to help cities all over the country with these kinds of innovation projects**





### **The Cannon *Campus***

- 120k square feet opened July 2019

### **The Cannon - A Network of Innovation Hubs**

The Cannon is establishing a network of workspace environments for startups and other innovation organizations, connected by a Houston Pass

The Cannon is scheduled expand into 7-10 new locations around the Houston area by the end of 2020.

### **"The Waiting Room"**

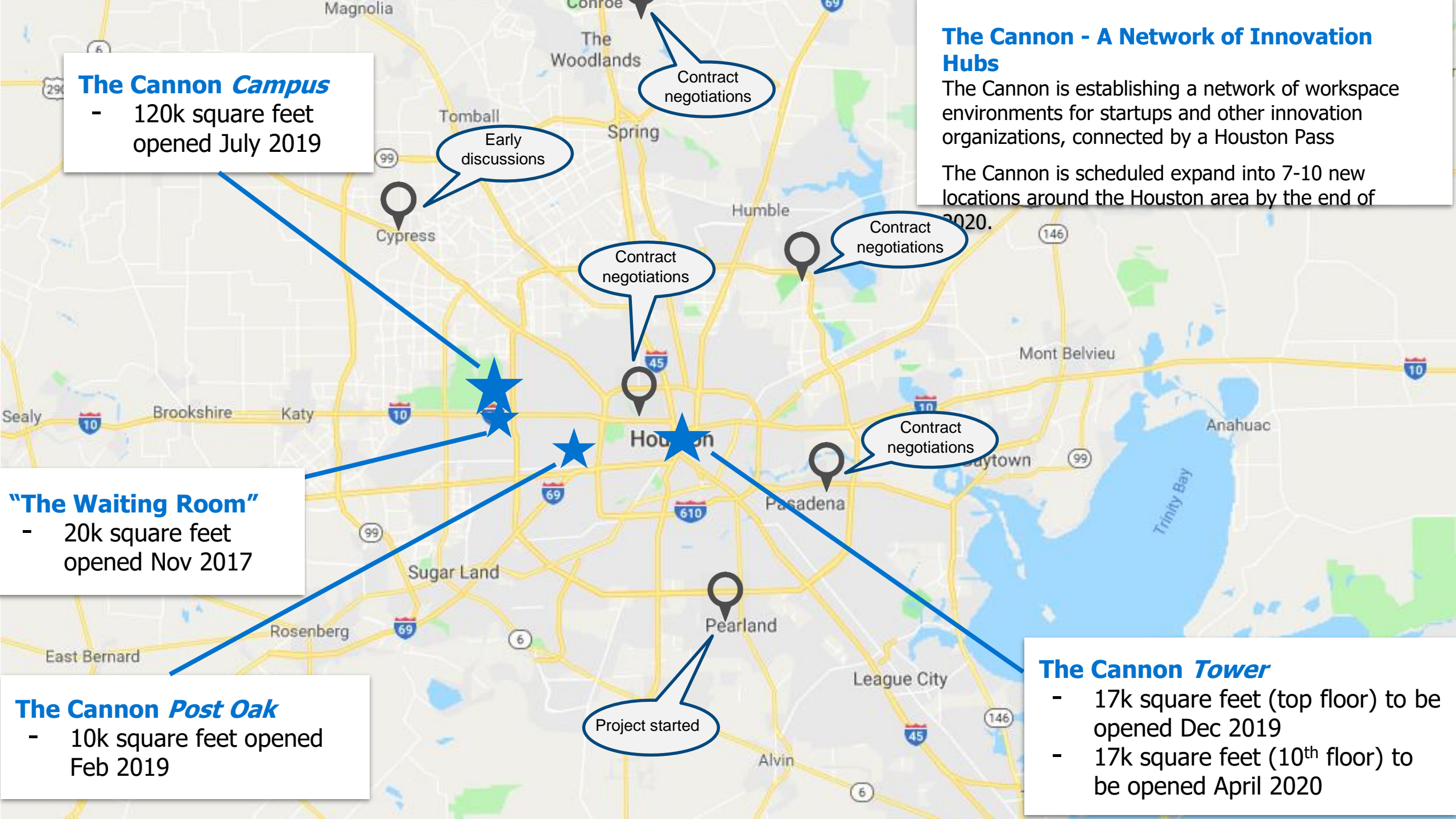
- 20k square feet opened Nov 2017

### **The Cannon *Post Oak***

- 10k square feet opened Feb 2019

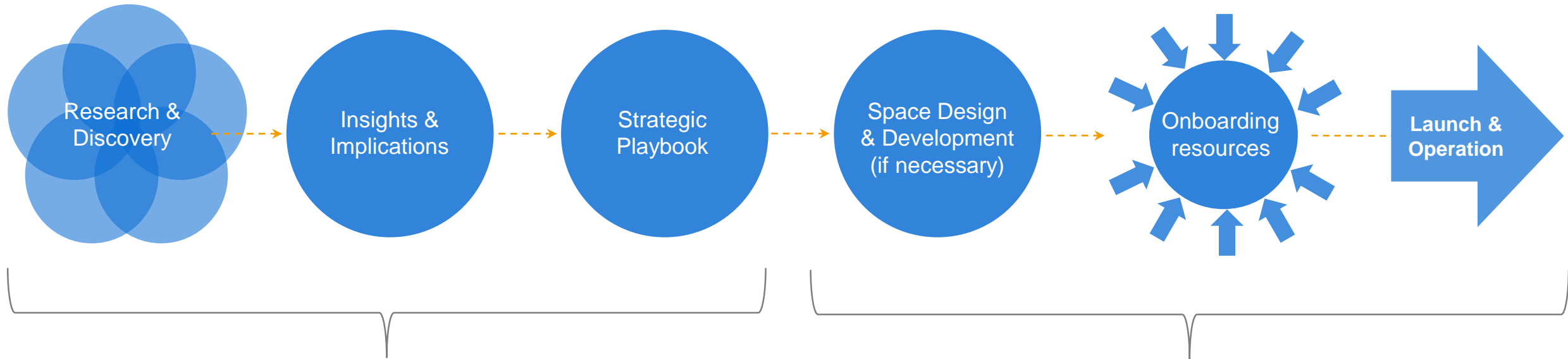
### **The Cannon *Tower***

- 17k square feet (top floor) to be opened Dec 2019
- 17k square feet (10<sup>th</sup> floor) to be opened April 2020





# Our Process



We identify opportunities and gaps, using our insights to develop a Playbook that defines the people, places, programs, and partners are required to unlock maximum value

We help ensure any necessary physical space aligns with the Playbook and onboard the investors, partners, sponsors, mentors, and other stakeholders needed to fuel the community



# Fort Bend County: Greater Houston's Finest Address!

Between 1980 and 2015, the population grew by 447% and it is anticipated to grow from 741,237 residents in 2016 to 1,271,000 residents by 2040

High household income level, highly educated, affordable housing, lots of diversity, great educational institutions, exceptional quality of life

The County is poised for a comprehensive innovation strategy to unlock entrepreneurship across the entire region





# Fort Bend County's innovation strategy

The County should use entrepreneurship to augment its existing industry mix and begin leveraging its competences, skills, knowledge, and capital to create environments that can incubate ideas, accelerate startups, facilitate partnerships, and catalyze continued economic growth

**This kind of economic development requires the establishment of physical hubs for startup and small business support services to serve as the home bases for entrepreneurship activity in the region**





# What we heard

"Anytime you go to a coffee shop, someone is working on a business plan"

"We never have any trouble finding tech talent"

"We really need information about how to start a business, how to attract capital, and how to get ready for investors"

"...would benefit from the development of a central business district to serve as an employment node"

**"A true incubator is a primary need for The County"**

"there are entrepreneurs all over The County, they just don't know where to go for help"

# **5 Areas of Focus**



# 1. Alignment, awareness, and accessibility of entrepreneurial efforts

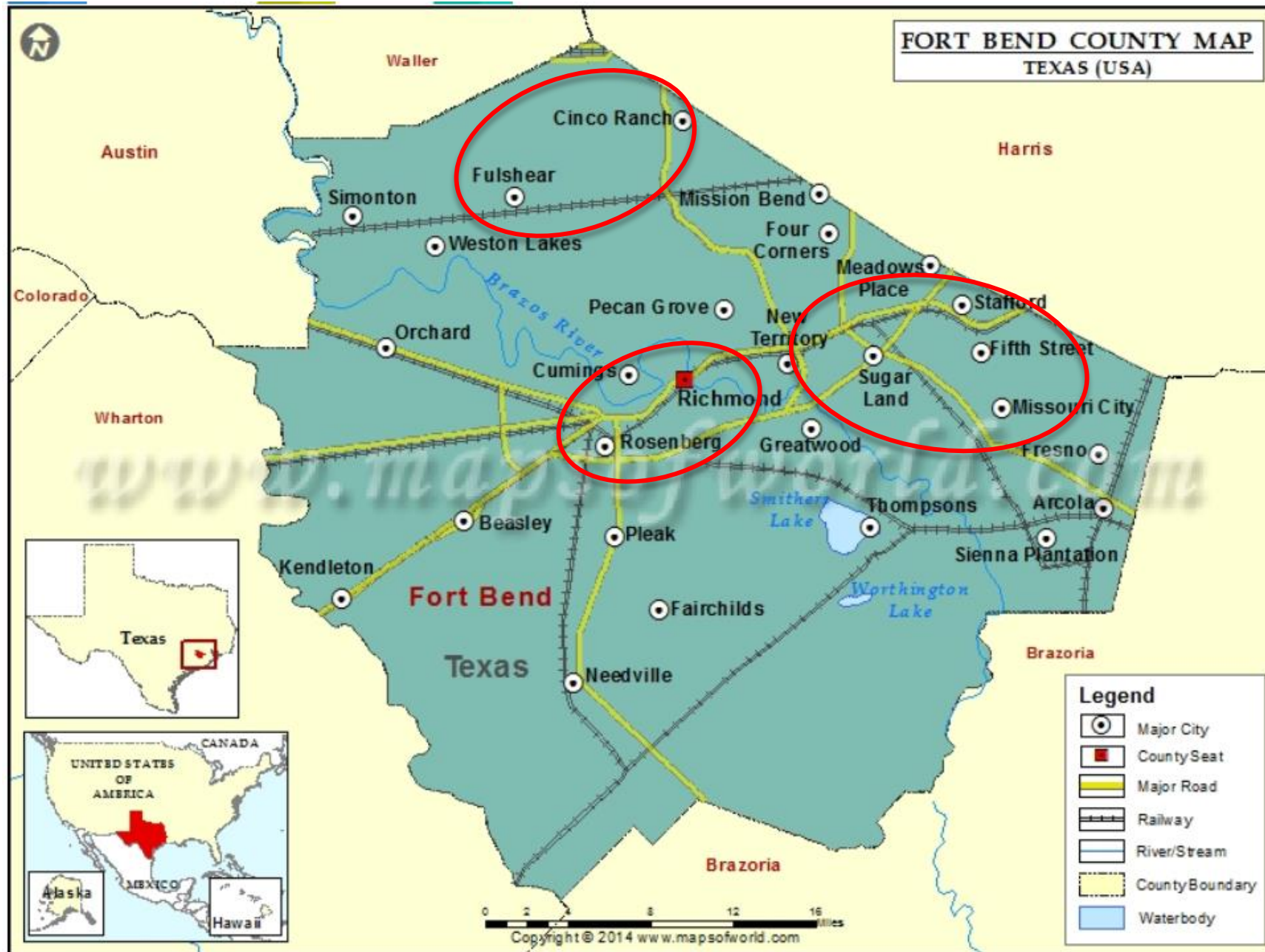
Fort Bend County is large and complex, with a number of highly populated areas, all of which have a strong appetite for the development of their innovation resources. It will be important that The County have a **coordinated communications approach to align all the stakeholders behind its efforts**

The Cannon team believes that Fort Bend County's innovation strategy should include the **establishment of multiple entrepreneurial centers throughout The County that are both distinct and interconnected**

The County has a significant amount of pent-up innovation potential and in order to adequately unlock this capacity, it will need to **establish at least three strategically placed hubs of entrepreneurship throughout the region and create a widespread awareness of the movement they are trying to create**









## 2. Develop educational programs focused on new entrepreneurs and early-stage business development

Fort Bend County has a huge population of highly-educated, skilled labor. And there is a sense that there is a significant amount of dormant demand – that The County has **aspiring “WANTrepreneurs” who, if given direction, can become entrepreneurs**

The County’s innovation strategy should include programs within the hubs that **help these members of the community take the entrepreneurial leap**

These centers not only attract the existing entrepreneurs, they also encourage would-be entrepreneurs to commit to building their business concept

**Vibrant ecosystems of support and resources make starting a company seem less impossible and empower dreamers to become doers**



# Examples

## Building a Business Workshop

---

*A monthly three-hour workshop held by a serial entrepreneur designed to walk potential entrepreneurs through all the aspects and strategies of launching their own startup*

---

## Taking the Leap Lunch & Learn

---

*A global HR firm brings 33 years of experience to the topic of what to do and not do when deciding to start your own business*

---

## Six Figure *Fail*

---

*Tax advisory team shares gruesome details of real-life case studies entrepreneurs faced due to poor employment and income tax planning from the beginning of the company*

---







### 3. Provide programs & partners that help locally-focused companies & their intrapreneurs to innovate and scale

The County's innovation strategy needs to **involve local corporations and their in-house innovators**. As The County works to develop its own job centers that are independent from Harris County, it will need to bolster its programs focused on innovating and scaling existing businesses

A significant amount of innovation occurs within existing organizations and ecosystem strategies **need to incorporate programs to collaborate with corporations and to incubate their ideas**. Corporations need to be integrated into startup environments so that they are exposed to new technology and ideas to boost their own innovation efforts



# Examples

## Get Social!

---

*Join the Founder & CEO of a social media marketing firm to discuss the latest trends in social media that can help your business increase brand visibility and engagement*

---

## Factoring Office Hours

---

*A local bank sets up two hours per month during which they are available to answer questions about AR factoring*

---

## Franchise to Enterprise

---

*A leading franchise consultant discusses best practices for starting and scaling a franchise, as well as how to turn your existing concept into a successful franchise business*

---





## 4. Create integrations with local education programs to augment their activities and create synergy between business and academia

There are a number of nearby academic institutions (University of Houston Sugar Land, Wharton County Junior College, Texas State Technical College, Houston Community College, etc.), and it is extremely **important that they be strategically involved in The County's entrepreneurial ecosystem for a variety of reasons (facility sharing, existing talent pool, research leaders, etc.)**

In addition, training and educational programs geared toward aspiring and existing entrepreneurs should be developed in collaboration with these institutions



# Examples

## ACADEMIC INSTITUTIONS

### Assets

What they do best

Educated student body population

Network of thousands of successful alumni

Existing network of of mentors

Existing entrepreneurial programs and services

On and off campus facilities

educational content

'Real-world' experience  
Access to funding  
Startup jobs

Student startup deal flow

Opportunities to engage a broader community

Space to collaborate, learn and connect in

Expert operators that can create a vibrant community

Integration with practical perspectives

### Synergies

How we leverage our assets to fill these gaps.

Internship or fellowship program

Commercialization incubator

Joint pitch and career fair events

alumni investor networks

Discounted membership

Mentorship opportunities at Cannon locations

Cannon operated on-campus or off-campus incubation space

Certificate programs

Access to funding  
Access to talent

More deal flow

New networks to tap into

More members and mentors

More hubs to create a more inclusive network

Opportunities to transfer knowledge and insight

## THE CANNON

### Assets

What we do best

Startups at all stages and industries

Investors and mentors across the region

Experience running investor networks

Growing number of innovation hubs

Experience operating innovation hubs

Expertise in venture capital and applied innovation topics







## 5. Develop curriculum and programs for potential investors and for businesses seeking capital

Fort Bend County has a wealthy population but an underdeveloped venture capital environment. It will be important that The County **develop programs to activate their investor community through education and exposure to opportunities**

This can be accomplished through the creation of a **formal angel investor network, and through educational programs focused both on coaching businesses on how to attract venture capital and on providing learnings to individuals on how to invest in early-stage businesses**



# Business Models & Next Steps

Operator  
agreement  
with private  
building owner

Public-private  
operator  
partnership

Operator  
agreement  
with city-  
owned building





**THE CANNON**

Thank you!