

STARTUP425

2019 Annual Report

About Startup 425

Startup 425 is a partnership of the five biggest cities on Seattle's Eastside (Bellevue, Kirkland, Issaquah, Redmond, and Renton) designed to support entrepreneurs and small businesses, foster sustained economic growth, and create jobs. The program is operated through the economic development offices in each of the cities. While led from 2016-2018 by the City of Bellevue, in 2019, management shifted to the City of Kirkland.

In general, the partnership has focused on developing training and mentoring opportunities for early- to mid-stage entrepreneurs. Wherever possible, we partner with other providers and organizations to extend our reach. For example, Bellevue and Redmond jointly fund a Small Business Development Center (SBDC) advisor to provide complementary one-on-one mentoring and advising services on Seattle's Eastside.

Peer Cities

Startup 425 serves almost 450,000 people in its five partner cities and at least 600,000 in the Eastside market area alone. For reference, this places us on a similar competitive set (by population) with cities like **Albuquerque, Sacramento, Kansas City, Raleigh, Miami, and Minneapolis.**

How Our Programming Works

Our workshops utilize outside providers and are marketed under the Startup 425 banner.

In general, participants find our workshops through various forms of online, email, or web marketing, although they may also be referred by SCORE, the SBDC, KCLS, or one of the local economic development teams. We occasionally sponsor events, like New Tech Eastside, to promote the program. And because it takes place at area libraries, our flagship workshop series, Startup 425 Foundations, attracts a significant number of walk-ins.

[Map]

A Message from the Directors

When we — ahem — *started* Startup 425 in late 2016, it was designed to connect small businesses and entrepreneurs on Seattle’s Eastside. Mostly an ad-hoc initiative, with a loose confederation of service providers and partners, it had no real programming and no real budget. All it had was a flashy, bright-blue website.

The first program, Global Passport, took place for the first time in 2017, and it attracted attention as a unique event aimed at promoting international trade, particularly in the technology space.

After a successful pilot at Bellevue City Hall in the spring, in fall 2017, we launched our flagship program, Startup 425 Foundations. It quickly took off, filling to capacity each night. Within a year, we had launched the series at five local libraries (one each in Bellevue, Kirkland, Issaquah, Redmond, and Renton). Soon we started receiving requests for new types of programming, more in-depth workshops, and more targeted mentorship opportunities. In 2018, we experimented with workshops in exports and international business development, small business finance, and patents.

Late in 2018, it was time to formalize our partnership. The formal interlocal agreement (ILA), which was approved by City Councils in early 2019, designates the City of Kirkland as the lead for the program, and directs staff to conduct a strategic planning process aimed at identifying the future structure and scope of the partnership. The agreement sets the stage for the short- and mid-term growth of the program.

We are excited to take this next step in promoting small business and entrepreneurship on the Eastside, and hope you’ll join us as we move forward together.

Cordially,

Jesse Canedo

Interim Chief Economic Development Officer
City of Bellevue

Ellen Miller-Wolfe

Regional Business Partnership Manager
City of Kirkland

Cliff Long

Economic Development Manager
City of Renton

Tim Dutter

Economic Development Manager
City of Issaquah

Sarah Pyle

Strategic Initiatives Manager
City of Redmond

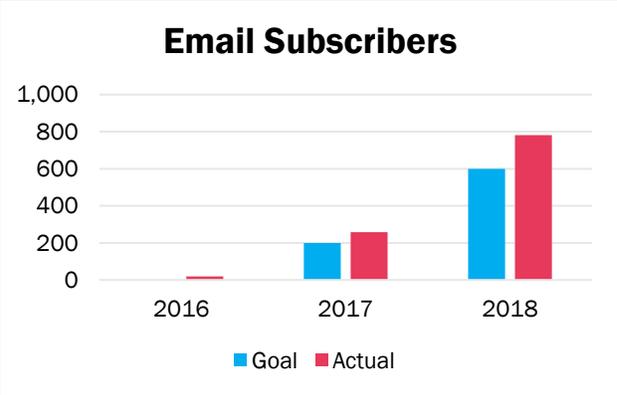
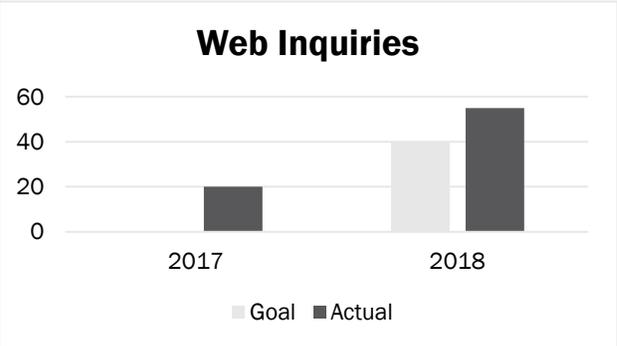
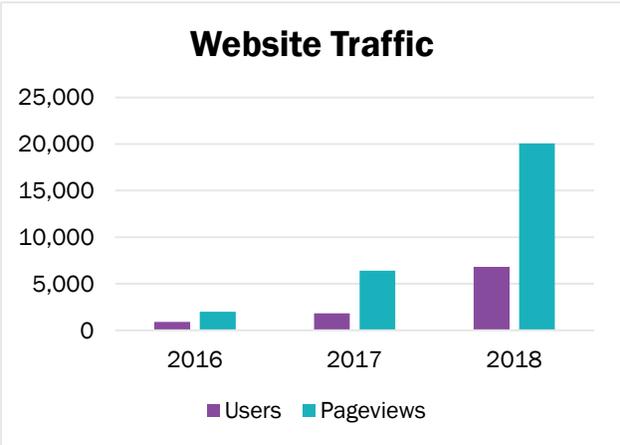
Website, Social, and Newsletter

Many people start their small business launch process by Googling for resources. In fact, in all categories of businesses, our workshop attendees tell us that online tools, resources, and websites are the first resource that they use when they're planning for their business. As such, our website is the first contact many people have with our programming.

Special care has been taken to give residents many different ways to find the resources they need. As such, they can find info on workshops, send us an email, or even receive live assistance from a member of our team through our chat tool.

- **Pageviews:** 20,178
- **Unique users:** 6,895
- **Inquiries initiated from the web (chatbot & email):** 152
- **Newsletter subscribers:** 791
- **Average click rate:** 4.0%

Metric	2016	2017	2018
Website Traffic (Users)	918	1,765	6,921
Website Traffic (Pageviews)	2,012	4,970	20,300
Web inquiries (starts)	0	20	55
Chatbot inquiries (starts)	N/A	Test	97
Contact list subscribers	20	258	782

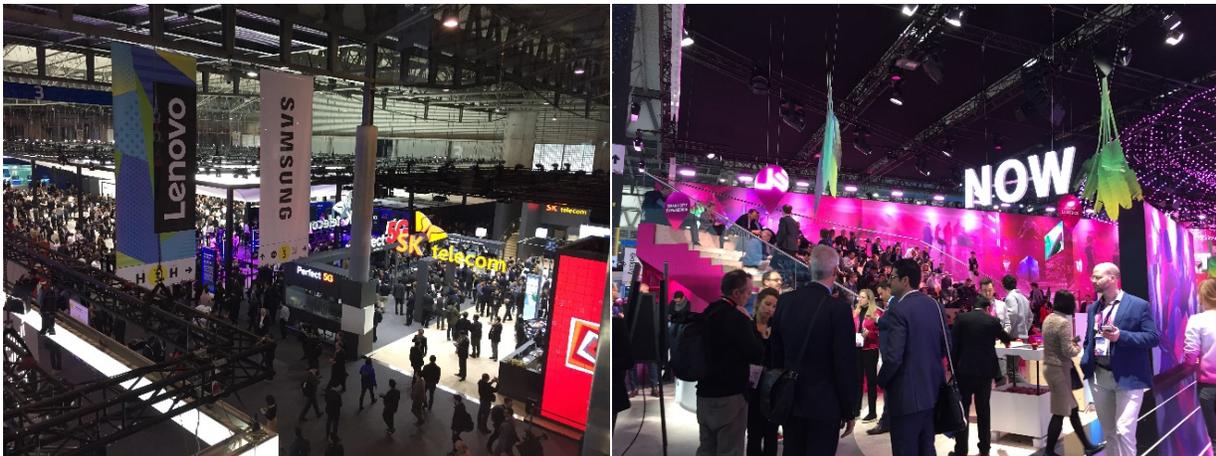


Startup 425 Global Passport

Startup 425 Global Passport, offered in February 2017 and 2018, offered mid-stage technology startups an opportunity to reach tech's biggest stage and sell or market their products at Mobile World Congress in Barcelona. Companies received custom business development support and guidance as they honed their plans for the event, then put plans into practice and joined nearly a dozen other Washington State companies in the App Planet hall. Meanwhile, the Startup 425 team used the opportunity to meet with companies interested in opening an office on Seattle's Eastside.

The 2018 trip was the second iteration of the program. Though participants found value in it, staff felt more refinement and resources—and more participants—were needed to create a strong return. It's on hiatus in 2019.

- One firm met with **a representative of one of the world's largest telecom networks** about opportunities in developing markets.
- Another firm held meetings with a **major investor**.
- Delegates attended a brief **meet-and-greet with King Felipe of Spain**.
- During the week, staff generated more than **30 leads** — companies interested in locating an office in the region.
- **Partners:** Choose Washington, Trade Development Alliance (now Greater Seattle Partners)



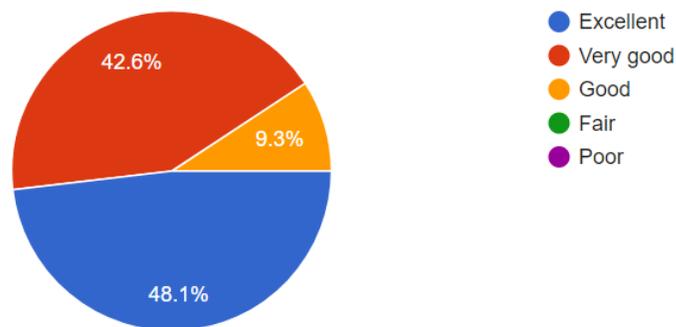
Startup 425 Small Business Finance

In July and August 2018, we held our first in-depth workshop series focused specifically on small business finance. The small workshops, held mid-day at Bellevue City Hall, covered topics like debt and equity financing, creating business plan documents, and pitching to investors. Attendees were generally owners of later-stage companies interested in growth and sustainability.

- **Workshops held:** 7
- **Registrations:** 84
- **Completed user surveys:** 54

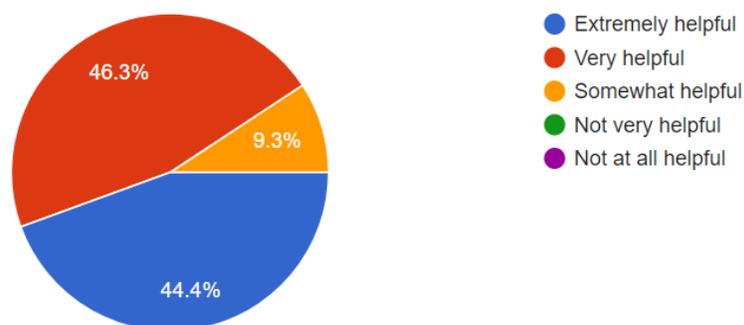
Overall, how would you rate the workshop?

54 responses



How helpful was the content presented at the workshop?

54 responses



Selected Quotes from Participants

- “The feedback on elevator pitches was helpful. And it was good to hear about other people's businesses.”

Startup 425 Foundations

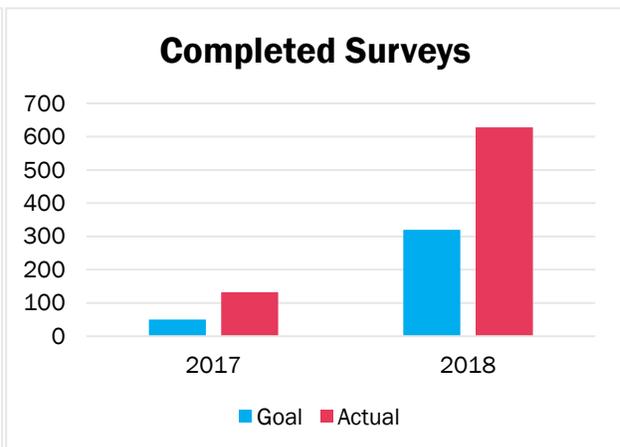
Our flagship program, Startup 425 Foundations is a no-cost workshop series for early-stage entrepreneurs, designed as an introduction to small business. Held at local **King County Library System** branches in partnership with **Greater Seattle SCORE**, the workshops cover topics like ideation, business planning, structure, and marketing. When attendees finish, they should have a sense of whether starting a business is right for them—and maybe they'll have completed some steps along the way.

The series has been extremely popular, and easily garners registrants, particularly in Bellevue and Redmond. However, it falls short in post-series follow-through and outcomes measurement. We struggle in converting workshop session completions into true, new business starts. Additionally, some cities (like Issaquah and Renton) still lag behind the others in registrations.

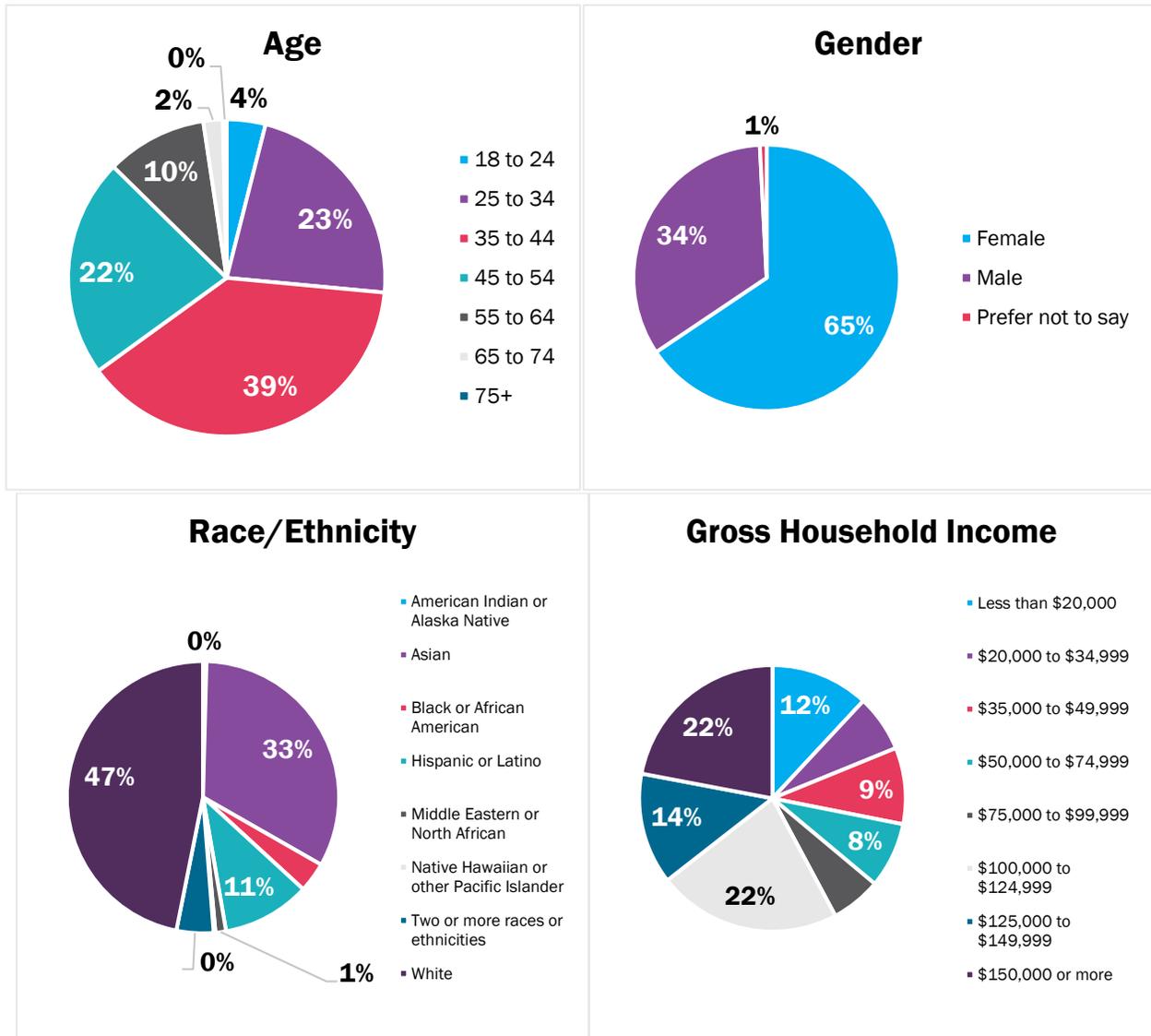
Below, find output and outcome metrics for 2018.

- **Workshops held:** 47
- **Total registrations:** 1,317
- **Individual registrants:** 493
- **Completed user surveys:** 628

Output Metrics	Goal	Actual
Foundations registrations	800	1,317 (+64.6% from goal)
Unique registrants	320	493 (+54.1% from goal)
Completed user surveys	320	628 (+96.3% from goal)
Signing up for SCORE mentor	Baseline	34+



Who attends our workshops?

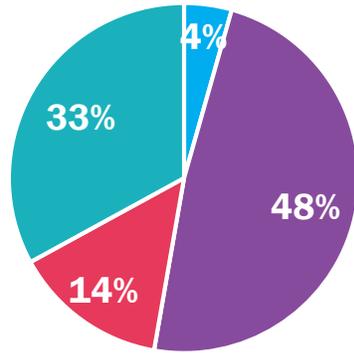


What are the characteristics of their businesses?

Top Five Industries

Industry	Share of Respondents
Technology (Hardware & Software)	17.6%
Professional Services	16.5%
Retail	15.4%
Arts, Education, & Recreation	13.2%
Management & Consulting	7.7%

Have you formally established your business?



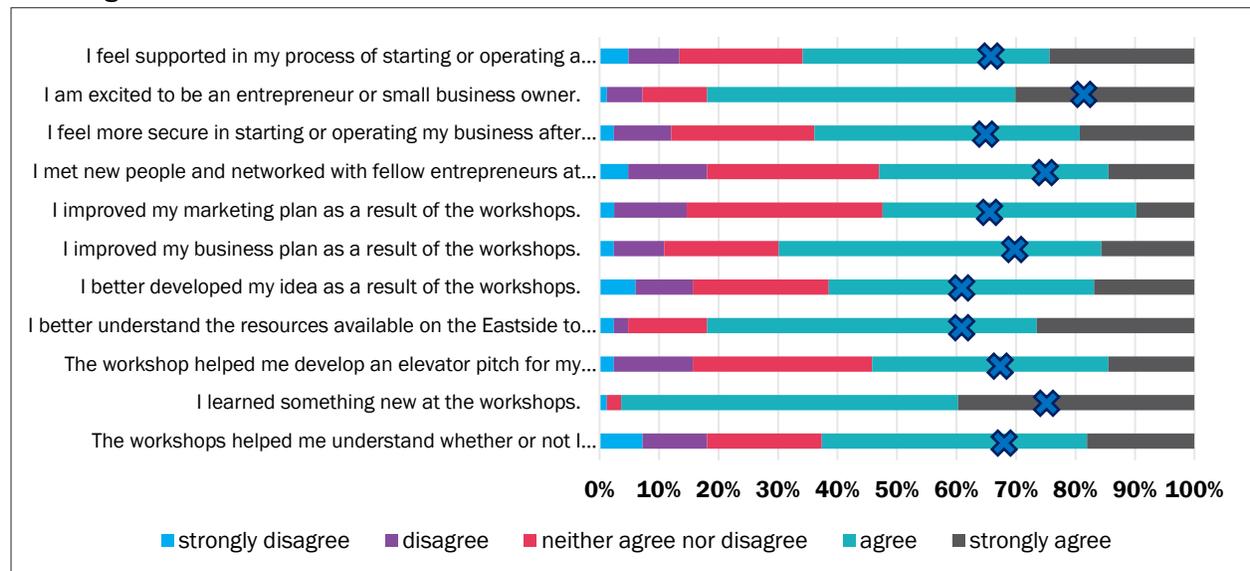
- No, I decided not to start a business.
- No, I have not yet established my business.
- Yes, I established my business after attending Startup 425 Foundations.
- Yes, I established my business prior to attending Startup 425 Foundations.

What are our outcomes?

In 2018, Startup 425 Foundations attendees:

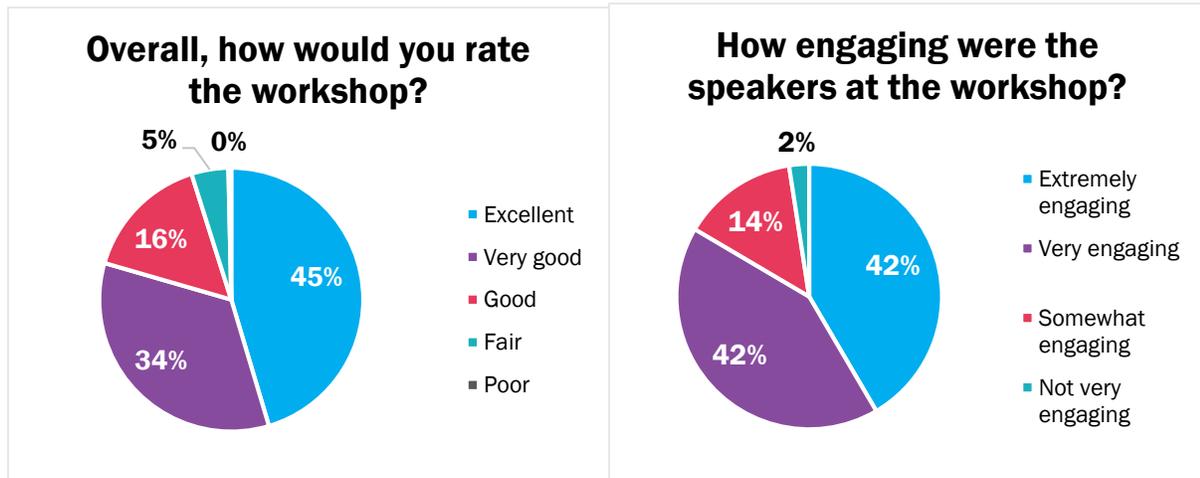
- Collectively had about **370 – 650 employees**, and planned to create another **200 – 650 full-time jobs** in the next year.
- Anticipated **\$22 million to \$77 million in annual revenue** in 2018 alone.

Learning Outcomes



n = 83. Approximate mean score: ✕

How satisfied are participants?



Selected Quotes from Participants

- “I really wanted to start a business, but after this meeting, I realized that I wasn’t quite ready and that I need to do more before moving forward. This saved me from making a lot of mistakes that could’ve made a huge negative financial impact on me.”
- “The session about taxes and corporate structure had the most direct, actionable information, but the presenter in Issaquah for Ideation and Business Plan gave a fantastic sense of the joy of developing your idea into reality.”
- “[I appreciated] the experienced presentation of the instructors and their direct (not sugar-coated) advice about starting a business.”
- “I used it as a refresher for some of the topics I haven’t thought about since college. It was good to have a new guest speaker each week offer their input in an area of their expertise.”
- “Have talked it up to so many people, what an amazing free resource! I am so grateful!”

Looking Forward

In 2019, management of Startup 425 transitions from Bellevue to Kirkland through an interlocal agreement executed by the partner communities earlier in the year. The Kirkland team is committed to maintaining and improving the level of service, and it will be actively engaged in the local entrepreneurship community. The Kirkland team will also convene a new Advisory Committee designed to gather feedback and develop a long-term operations model for Startup 425.

The committee will include members of the small business community, training and service providers, economic development professionals, and representatives of diverse communities, like women- and minority-owned businesses. Ultimately, it will assist staff in developing a strategic plan for the partnership, identify potential long-term funding models, and begin the process of spinning it off into its own independent organization. It also supports the economic development strategies of several cities by establishing an entrepreneur-focused advisory group to provide ongoing input.

Our vision is for all entrepreneurs on Seattle's Eastside to have the resources and training that they need to be successful in starting a business. We hope Startup 425 can play a significant role in making that possible. If you would like to get involved and share your thoughts, you can find more information at **startup425.org**.