



Best Practice: International Fellowship for Successful Entrepreneurs to Help them Scale their Ventures

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CITY: NEW YORK CITY

POLICY AREAS: ECONOMIC DEVELOPMENT

BEST PRACTICE

The **NYC Venture Fellows** program, launched by **Mayor Michael Bloomberg** and the **New York City Economic Development Corporation** in December 2010, is a selective, international fellowship to help successful entrepreneurs scale their ventures. Fellows benefit from advice and ongoing support from teams of experienced mentors, including investors, CEOs, and serial entrepreneurs. Fellows also participate in discussion panels, CEO workshops, and networking events aimed at both best-practices sharing and growing their professional connections in the NYC business community. The inaugural 2011 class of Venture Fellows included the leaders of fast-growing NYC-based companies like Foursquare, SecondMarket, and Etsy. Other Fellows were international digital media pioneers, nonprofit entrepreneurs, and cleantech innovators from countries like China, Germany, and India. The 2012 class included the founders and CEOs of Warby Parker, Rent the Runway, and MakerBot. The current 2013 class boasts the leaders of Codecademy, comiXology, and Raspberry Pi and 27 other innovative ventures.

ISSUE

Even with buzz or early accolades, the transition from promising young startup business to successful leading company can be extremely difficult. NYC Venture Fellows aims to make it easier for entrepreneurs to succeed, and to encourage them to succeed in New York City specifically. The program capitalizes on the willingness of accomplished business leaders to help NYC and develop the next generation of prominent entrepreneurs.

GOALS AND OBJECTIVES

NYC Venture Fellows is one of New York City's efforts to support entrepreneurship and spur innovation in New York City. For Fellows already based in NYC, the program works to help them scale their innovative enterprises so that they can be growth drivers for the city economy. For international Fellows, the mentorship and networking opportunities are designed to create new business ties and foster business development opportunities, so that when the time is right for these companies to consider a US market expansion, they look first to NYC.

IMPLEMENTATION

NYC Venture Fellows was developed in conjunction with Fordham University; Fordham is partnered with the City to oversee and implement the program.

The fellowship runs on a year-long cycle and is midway through its third year. During the summer and fall of 2012, nominations were solicited from City stakeholders and the public at large for NYC-based and international entrepreneurs representing a diverse mix of industries. Candidates were required to meet the following criteria:

- Is a Founder or Co-Founder of an innovative organization (for profit or not-for-profit) with the potential to create significant, sustainable employment in NYC. Customary titles are CEO, Chairman, or equivalent, of an independent entity.
- Has a history of extraordinary achievement and sustainable leadership, demonstrating global perspective.



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Nominations for the 2013 class were up 133% over the 2012 totals, with nominators including notable NYC figures, as well as Fellows from the 2011 and 2012 classes.

After receiving a nomination, candidates had to fill out a substantial formal application detailing why they were a good fit for the program, how they planned to take advantage of the mentorship facet of the program, and how their business was approaching scaling and expansion.

NYCEDC and Fordham reviewed the applicants and made recommendations to a formal Selection Committee comprised of expert business leaders from multiple industry sectors in New York City and beyond. The Committee held final approval over all Fellow selections. Invitations to join the 2013 class were offered to selected entrepreneurs in the winter. The 2013 class featured 30 entrepreneurs, up from the original class' 21.

Fellows have been matched with experienced Mentors from a variety of industries and backgrounds. Mentors for the 2013 class include executives and leaders of world-class organizations such as Bloomberg, LivePerson, IBM, AppNexus, HUGE, CBS, as well as venture capital firms such as FirstMark Capital and educational institutions such as The Parsons New School of Design. Each Fellow was assigned between two and three Mentors (out of a pool of 45 total Mentors); given the time constraints of both groups, Mentors and Fellows are only required to have one meeting per quarter, but encouraged to develop the relationship past this minimum commitment. The February 25, 2013 kick-off event, gave Fellows and their Mentors an opportunity to meet and mingle for the first time. International Fellows were flown in from their respective countries of origin to participate in the event. The kick-off was one in a series of events that week aimed at introducing the International Venture Fellows to the NYC business environment and facilitating connections for them and the NYC-based Fellows. Programming included a "fireside chat" discussion between a 2012 Mentor/Fellow, a "leaders' breakfast panel" convening venture capitalists and entrepreneurs on how to manage a high-performing board, and a closing dinner that gave Fellows the opportunity to informally discuss the challenges of managing scaling companies with their fellow Fellows.

International Fellows in the program are offered transport to and accommodation in New York City twice times over the course of the program: the week of their kick-off event and for an additional week of programming in the summertime. Significant time is left open during each of the event weeks to encourage Fellows to meet with their Mentors in person, and to set up business development meetings on their own.

NYC-based Fellows have the opportunity to participate in additional events organized for them and sponsored by the City throughout the year. The inaugural class benefited from two breakfast event discussions with prominent New York CEOs on the role of a leader in a growing company. Fellows in the area were also invited to participate in a conversation with the Deputy Mayor for Economic Development on entrepreneurship and tech talent in New York City, along with prominent venture capitalists, entrepreneurs, and educators in the NYC area. For the 2013 program cycle, Fellows will have the chance to take part in programming that includes: a discussion on company culture with the CEO of LivePerson (and a 2013 Mentor); attend networking events that cross-pollinate them with other NYC and international entrepreneurs; engage in social events with one another that help foment connections and best-practices sharing; and take part in a series of discussion events on how to lead and manage a scaling company.

COST

NYC Venture Fellows capitalizes on pre-existing events and programs run by NYCEDC and Venture Fellows Mentors which can be relevant to the Fellows' experiences. Using this strategy, we have been able to lower the programmatic costs for the inaugural class' events. The annual budget for the program is flexible and regularly re-evaluated. Additional costs for the program include travel to and accommodation in NYC for the International Fellows.

Fordham University also receives compensation as part of their contract to co-execute the initiative.



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RESULTS AND EVALUATION

Success for NYC Venture Fellows is measured in a few different ways. For NYC-based Fellows, we conduct regular check-in survey check-ins to gauge the value Fellows perceive to be getting out of the program. We can track how introductions and mentorship relationships originated in the program have led to personal development and business success. The program does not evaluate data on company growth (either in revenue/profits/funding or in number of employees), nor does the program measure success on that basis given the one-year timeline of the fellowship and the many complex inputs determining company growth. NYC Venture Fellows is designed to have effects that continue years into the future, particularly as networked and mentor relationships develop.

For International Fellows, NYCEDC can also measure success based on the number of Fellow companies that expand to NYC or do business in NYC. Of the inaugural class' eight International Fellows, five to date have either started doing business in NYC, expanded or seriously looked into expanding to NYC, or grew or attempted to grow their business dealings in the City. Within one month of the close of the 2013 program's Opening Week, three Fellows finalized expansion / relocation plans into NYC. Feedback from the International Fellows suggests that the networking opportunities provided by the Venture Fellows program are extremely helpful in providing industry contacts for their companies as they consider engaging with the New York market.

TIMELINE

The calendar for the 2013 class of NYC Venture Fellows is below:

November 30, 2012	Nominations due for potential Fellows
December 19, 2012	Applications due for Nominees
Early January 2013	Selection Committee reviews shortlist of Applicants
January 30, 2013	2013 class officially announced
February 25-27, 2013	Opening Week programming (international Fellows flown in)
Mid March 2013	Follow-up survey on Mentor/Mentee relationships
April 11, 2013	Company culture event with CEO of LivePerson
May 6-8, 2013	Fellows networking events through other NYCEDC programs
Late May 2013	Mentors convened for working breakfast
June 2013	Panel on HR logistics + summer social event for Fellows
August 19-22, 2013	Summer week of programming for Fellows (international Fellows flown in)
October 2013	Leadership style and presentation workshop for Fellows
December 2013	Holiday event for Fellows

LESSONS LEARNED

Building and maintaining a mentorship program: Even with extensive background research and preparation, creating and then maintaining a mentorship program requires extensive coordination and participation commitments from many individuals. In order to initially cement the program as a serious and prestigious endeavor in 2011, NYCEDC sought participation from high-profile Mentors and Fellows. This early engagement of a few prominent Mentors and Fellows helped secure more buy-in from new Mentors, which allowed us to develop the program to its current size of ~30 Fellows and ~45 Mentors, for an average of 2 Mentorship pairings per Fellow.

Engagement among Fellows helps strengthen the program's value proposition: In addition to the declared value of the formal mentorship component of the program, Fellows also extensively cite the utility of informal dialogue and connections with other Fellows. Given that all of them have started companies and are now navigating those companies through the growing pains of scaling, they all have a shared experience that unites them and well situates them to advise one



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another. Providing as many forums as possible for this type of sounding-board exchange and discussion is a key takeaway for those looking to develop programs benefitting CEOs of growing companies.

TRANSFERABILITY

New York City is an ideal location for the Venture Fellows initiative because the pool of candidates for both Fellows and Mentors is extensive—the City boasts an active ecosystem of successful entrepreneurs and a deep rolodex of Fortune 500 executives who are pioneers in their respective industries. Moreover, because of the City's international reputation and its status as a global hub for many key industries (fashion, financial services, media, etc.), international entrepreneurs with diverse business models were eager to be involved with the program and come to NYC. While these factors were hugely advantageous in making the program successful in its first year, the Venture Fellows model could easily be replicated with some small changes in other urban areas given sufficient private sector interest in participating. Depending on the entrepreneurial landscape of the area, it might be worthwhile to modify the candidacy requirements for Fellows and target earlier-stage ventures.

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