

Founded by the Community Foundation for a Better Hartsville (“CFBH”) and located in downtown Hartsville, The Duke Energy Center for Innovation (“DECI”) is designed to support new technology company formation and development. Representing a unique private-public collaboration, the City of Hartsville and others, are committed to linking innovators to business development resources and seed financing and to providing support services through Clemson University’s Regional Entrepreneurial Development Center to commercialize emerging-technology products and services. Components of the DECI structure include a community owned and operated storefront incubator, community consultant training provided by Clemson, use in partnership of Clemson’s Regional Entrepreneurial Development Center to offer high levels of professional support, and a web-based service network provided by Clemson. This is all done via a hybrid internet –consultant model designed for non-metro areas across the state of South Carolina.

Leaders from the City of Hartsville learned of the program from counterparts in Bluffton, S.C., which had started a similar technology incubator twelve months earlier. They learned there would be four other communities identified by Clemson to locate regional technology centers. The Community Foundation was quickly convinced that this economic development tool would be ideally suited to the Hartsville community. The Community Foundation created a separate advisory board for the DECI, which largely functions as a standing-committee of the CFBH.

In addition to winning support from another local foundation, The Byerly Foundation, and the Duke Energy Foundation, who, sharing our vision for economic development for Hartsville and the surrounding community and are serving as major partners in the DECI, numerous individual and institutional stakeholders including Sonoco, Coker College, Florence Darlington Technical College, The Governors School for Science and Mathematics, and downtown business leaders are playing important, collaborating roles in the project’s success.

The Duke Energy Center for Innovation is a part of the Clemson Technology Villages Pilot Program. The Clemson Technology Village program is a hybrid internet-consultant program designed to support new technology company formation and development in non-metropolitan areas. Clemson developed this pilot program after eight years of research and launched its first Center in Bluffton, SC. The Hartsville site is one of three currently operating centers across the state of South Carolina. The third location is located in Rock Hill, South Carolina. There are plans for two additional centers to be located in other areas in South Carolina, bringing the number of centers to five across the state.

The Technology Village hybrid model is set up in away to deter technology start up challenges in non-urban communities. When we look at the state of South Carolina, we can find incubator programs focused on technology start-ups in the three densely populated areas: Columbia, Charleston, and Greenville/Spartanburg. This program sets out to overcome obstacles of funding,

access to services and technology, and lack of confidence and networks. A typical budget for a Technology Village Center site is projected to operate at an annual budget of \$200,000. This is a fraction of the amount that most centers use in larger urban areas. The reduced cost, access to service and technologies, and increased credibility can be attributed to the partnership with Clemson University and the hybrid model of sharing resources using technology among all the centers at Clemson's Regional Entrepreneurial Development Center.

Each center operates independently from one another finding their own funding sources, hiring their own director and recruiting entrepreneurs. It is to be made clear that each center is owned and operated by the community it supports. These centers are not Clemson run programs. However, Clemson University plays a vital role in the vitality of each center. This is a Clemson pilot program that the Community Foundation for a Better Hartsville pays to take part in for three years. With this partnership members of the community and the director of DECI received a twelve week training course "Building a Community Technology-Oriented Incubator Program" that included course materials relevant to building, managing, and maintaining a community incubator program. Course sections included: technology acquisition and evaluation, conducting a detailed analysis and evaluation of patents, technologies, and markets, strategy development, developing a service cost model and product development, developing a pro forma, developing a business and operation plan, company staffing, formation and building a board, seed funding strategies, communication skills for an investor presentation, and future partnerships.

As a partner with Clemson, the DECI has access to the Clemson Regional Entrepreneurship Development Center and its staff and students. These MBA students and their director provide resources needed to help entrepreneurs succeed within their business development. Some of the resources they provide in collaboration with the Duke Energy Center for Innovation include: entrepreneur/company assessment and evaluation, new company development plan and schedule, intellectual property acquisition, strategy development, marketing research, operational plan development, business plan development, technical resources, special university services or studies, advisory committee access, staffing assistance, corporate relationships, seed/angel funding, company formation, legal and accounting services, innovation network access, and additional local and state support services. These services are offered in a collaborative effort with Clemson University's staff, students, the director, and advisory council of DECI.

The incubator is currently working with five entrepreneurs: Houston Penny III, Alan Hubbard, Jonathan Britt, Shernard Robinson and Mark Nankervis. Mr. Hubbard, who introduced himself at the Center's first idea night event, has built a prototype communication device to support game trapping. His system can notify trappers when their game traps close. This idea, which emerged as a solution to challenges associated with controlling populations of feral hogs in the southeast, may have multiple applications in the field of animal conservation and trapping.

Current efforts involve working with partners at Clemson University to complete the marketing analysis and with Southeastern Institute for Manufacturing Technology, and Florence Darlington Technical College to build a new, more market-ready prototype.

Maryland native Houston Penny III works as a nuclear technician charged with overseeing RNP Reactor Services at the Duke Energy Robinson Plant. He is in the process of developing a software application to improve inventory control of materials that are used in and out of foreign material exclusion areas of the plant. This application will minimize risk and has the potential to save members of this highly regulated industry millions of dollars. Earlier this month Penny recently received unofficial news that his proposal for \$300,000 seed financing has been approved. If developments proceed as he expects, Houston will rent or buy a building downtown from which he will operate his new business. In addition, he is developing plans to take advantage of other business opportunities to which the new software may be applied. He expects his business to create two jobs in 2014 and four more in 2015.

Jonathan Britt, a senior at Coker College, has developed a web-based buying and selling platform that is linked with the social media account Facebook. He and a group of his friends have built a web platform over the past three months. The incubator is providing assistance with recruiting coders as well as helping with the development of market research, cost models, the business plan and practical marketing strategy. The site, sailtrail.org is live in beta format and is currently being tested with students at Coker College.

Finally, the Center's most recent clients are the very early stages of developing their businesses. Shernard Robinson is a Hartsville native living both here and in Columbia. He has recently returned from New York where he studied at NYU. His technology is a software/web platform for aspiring urban gospel artists and speakers. The Center is supporting Mr. Robinson's efforts to develop a feasibility study.

Mark Nankervis is a Coker senior working with his two uncles who have a patented technology in the Midwest Region of the United States. Nankervis Enterprises has a pond sediment reduction technology first built for cattle feed lots. Since its invention, the device has also been used for pig lots, erosion control and sediment reduction applications. Patterned with Clemson Agriculture Department and research team the Center is helping to evaluate opportunities within the Pee Dee Region and across the Southeast Region of the United States.

In addition to working directly with local entrepreneurs, the Center is engaged in a number of outreach activities designed to reveal and cultivate relationships with future entrepreneurial tenants. For example, the Center created an idea competition, which was open to students and faculty at Coker, Florence Darlington Technical College, and the GSSM. Although the program was not

embraced as fully as had been hoped, we will review the program, looking for ways to improve it, and will likely expand it in 2014 to include students and faculty at Hartville High School.

Beyond direct outreach efforts that designed to reach regional educational groups, the center has developed and presented formal presentations for numerous civic and economic development groups throughout the Pee Dee Region.

Beginning in 2014, the Center will begin monthly after-hours learning sessions open to the public and encourage high school and college students to attend business development workshops to discuss timely topics such as entrepreneurship, patent research, branding, advertising, Google Ad Words, social media, etc. Another idea under consideration involves doing more individual interactive learning sessions with high school and college classrooms. We want to encourage students to take advantage of the Center as much as possible and invite faculty to use their resources and expertise to develop new technology-based ideas with potential to grow in Hartsville.

As a specific example of outreach activities planned for January 2014, at 8:30 a.m., Wednesday, January 22, the Center will host a public breakfast reception with Bruce McIndoe, CEO and founder of iJet International, a global risk intelligence company that began as an IT-based travel service focused on providing security support for corporate executives.

The Factors most critical to the success of the Duke Center for Innovation include political and administrative support, financial backing, community buy-in, and a knowledge/innovation pool. Since its inception in June 2013, the Center has seen tremendous success, recruiting five entrepreneurs to the incubator. The technologies being developed by these innovators have tremendous application potential, and if this potential is realized, the region will benefit from the creation of new jobs. The city administration has demonstrated their support of this endeavor by providing the building and community resources needed to help it succeed. The community has illustrated tremendous buy-in through their continued participation in public education outreach initiatives. Local businesses provide mentoring opportunities for burgeoning entrepreneurs hosted by the Center, and in turn will benefit from the draw of high-skilled workers that high-tech start-ups bring. Educational institutions are finding partnerships with the Center mutually beneficial, as the Center allows for engaged learning opportunities beyond the classroom and an outlet for students to further hone crucial career skills. The Center benefits from the passion, creativity, and technical savvy of local students. Continued success will be realized through healthy relationships with all of these agencies and more. Successful programs to fund the top technology companies that come out of our center and sister centers will be crucial for a constant full pipeline of new technology start-ups in the State of South Carolina.

After year one, our goal in Hartsville remains the same, supporting the Pee Dee region as a technology accelerator/business incubator program providing the business development resources, support services, and network needed to have a greater success rate for new technology companies. We then believe these companies will remain in the Pee Dee region supporting one another and growing to offer more jobs, recruiting the talent needed to support the high-tech fields they represent. Ultimately, with success we project to change the image in our region and across the state of South Carolina to an innovative technology hub of activity. Our goal is to graduate three to five new start-up companies a year after our year one. We are still within the first year and will continue to collect data to develop future impact studies to identify how successful this program is moving forward.