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**TESTIMONY OF JIM ALLEN, DIRECTOR-ECONOMIC PROGRAMS, SHAPEWAYS, INC. BEFORE THE
COMMITTEE ON SMALL BUSINESS, UNITED STATES HOUSE OF REPRESENTATIVES
JUNE 19, 2013**

Good afternoon Chairman Graves, Ranking Member Velázquez and members of the Committee. Thank you Congresswoman Meng for your kind invitation to speak before this committee today.

My name is Jim Allen and I am the Director of Economic Programs for Shapeways, Inc., the world's leading 3D printing marketplace and community. We harness 3D printing by providing access to industrial and commercial grade 3D printers in our "Factories of the Future" to anyone via our website. This enables anyone to make and share designs with the world; we make product design more accessible, personal, and inspiring. I have worked closely for the past two years with the company's management team to maintain good relationships with local, state and federal government agencies and the economic development community. I have also been involved in creating the Shapeways "Factory of the Future" in Long Island City, NY; leveraging my experience in manufacturing and economic development.

The Shapeways story reads like a new-age American dream. Shapeways was founded in 2007 by Peter Weijmarshausen and Marleen Vogelaar within the Lifestyle Incubator of Royal Philips Electronics in Eindhoven, the Netherlands. At the time, 3D printing was still very expensive and virtually unknown. It was the domain of large corporations, prototyping service bureaus and architects for rapid prototyping and building renderings, but not for creating real products for people. Consumers were using 3D software but thought it was impossible to hold their designs in their hands. The founders pushed and said "Let's assume it is possible."

By 2008, the company launched the Shapeways.com website and started 3D printing - achieving the impossible. In 2010, the company spun out of Philips and the Dutch founders packed their bags and families and moved to New York. They moved their operations to America for the same reasons many firms do: direct access to the world's largest consumer market and access to capital. But the founders also realized that with New York City as the epicenter of creativity and design, they could tap into this well-educated and creative American workforce. Since late 2010, Shapeways has created over 70 well-paying jobs in the United States in the fields of manufacturing, software and web design, marketing, product design, finance and customer service. And we still continue to grow. When at full capacity, the Long Island City "Factory of the Future" will employ 50 people, leading to additional hires at the corporate office to support this growth.

I want to highlight Shapeways' growth from the perspective of the community and marketplace. We have a diverse, global community comprised of designers, shoppers, and creators of all kinds turning their ideas into reality on a daily basis. Many of those with 3D

modeling experience are industrial designers, programmers, architects, animators, jewelers, or traditional artists. We also have thousands of members with no 3D modeling experience who want to be more involved in creating the objects that populate their lives, whether it's a custom gift or a tool for their hobby. This community has doubled to over 300,000 people since 2011.

At the same time, the Shapeways website hosts the creations of over 10,000 "shop owners" whose designs are purchased by our community members. These shop owners are able set pricing and profit from their designs while Shapeways manages the transactions end-to-end for a small percentage fee. The 8,000-plus shop owners in 2012 received over \$500,000 in payments. We have anecdotal evidence that there are shop owners who are making their entire living off of objects printed by Shapeways.

The founders and management team have also been fortunate in raising capital. Starting with an initial round of \$6.0 million in 2010, Shapeways has raised an additional \$41.3 million, including the most recent round of \$30 million, led by venture capital firm Andreessen-Horowitz and supported by Union Square Ventures, Index Ventures and Lux Capital. This is a testament not only to the Shapeways concept and business model, but also is indicative of the game-changing potential of 3D printing. Going forward, the company continues to roll out new material options, invest in the latest 3D printing technologies and is well on its way to 100% local production, with nearly 90% of products sold in the US are made in the US.

This is just the tip of the iceberg not only for 3D printing but US manufacturing in general. In a talk I gave at the Leadership Summit of the International Economic Development Council last January, I noted that there has been a significant uptick in venture capital-backed manufacturing and hardware companies. It's not just the latest social media fads or sites getting funded these days. This, coupled with improvements proposed in the JOBS Act to ease restrictions on crowdfunding, may help spark a renaissance in US manufacturing.

One of the challenges Shapeways faces is continuing to attract the best and brightest talent. In order for us to run and expand these Factories of the Future, we need to have people with STEM educational backgrounds interested in manufacturing as a career choice. In my 20-plus years of manufacturing experience and heading a manufacturing outreach program at an economic development organization outside of Chicago, I have noticed a perception problem that manufacturing is neither a desirable industry nor career. I believe this starts at an early age for children both at home and school. Programs that encourage STEM education and encourage exploration and exposure to the career possibilities need to continue.

Before I finish, I would like to acknowledge the warm welcome and assistance Shapeways has received in Queens, Manhattan and the state of New York. From Governor Coumo and Mayor Bloomberg, to Congresswomen Carolyn Maloney and Grace Meng we have been welcomed with open arms. Queens may not be known for its manufacturing industry, but in the past few years Shapeways has realized how great a community this can be for business with the right investments and strategy. We hope that Shapeways can be both a hub and catalyst for a resurgence of manufacturing activity in the area.

Thank you again for this opportunity to speak.