



VISTA 2025 Goal 4:

Establish an innovation culture that supports entrepreneurship and business growth

VISTA 2025 Goal 4 Team Meeting

June 22, 2018

Meeting Notes

Team Members Attending: Ed Breiner, Larry Brotzge, Terence Farrell, Keith Goldan, Steve Hughes, Mark Trabbold

Also Attending: Mike Grigalonis, Kevin O'Connor, David Sciocchetti, Gary Smith, Chad Williams, Nick Winkler, Melinda Winkler,

Terence Farrell

Welcomed the team members to the meeting and requested any comments on the meeting notes from the previous meeting. No comments received.

Introduced Nick Winkler, owner and operator of Work2Gether co-working space in Downingtown.

Nick Winkler

Explained that he was operating a marketing company and started looking for space. Further explained that he recognized the value of collaboration and ultimately rehabbed a space in Downingtown to serve his company and others because he thought it was the right place at the right time.

Noted that his approach to the space was built around three principles:

- commerce – business links to local community
- connections – among companies in the space and within the Borough
- community – addressing isolation (working from home not always great)

Described the nature of the space and tenants noting that there were 3 private office tenants (rented on a yearly basis), a limited number of dedicated desk tenants with 24/7 access (rented on a yearly basis) and a total of 30 members who can use the common space and the conference room for business activities. Commented that it approximately a 50-50 split between start-ups and remote workers.

Stated that while co-working space has a history in cities, it was new to the suburbs. Added that he was now looking at other possible locations. Showed a brief video that showcased the Grow2Gether space.

Terence Farrell

Noted that he was at the ribbon cutting for Work2Gether and was impressed by the facility and then recognized Kevin O'Connor and Chad Williams to describe the align.space facility in West Chester.

Kevin O'Connor

Explained how the principles of Align 5 came from a company (Apple Tree) that had gone through the transition from start up to growth company. Noted that that experience formed the basis of the business growth assistance model that Align 5 was built around. Noted that having appropriate space was part of the growth cycle and led to the decision to create align.space. Showed video of what the space will look like.

Chad Williams

Noted that he had a background as lawyer with Saul Ewing when he and his partners decided to set up Align 5. Commented that they had an office in Chadds Ford that was not the right fit for their business. Explained that they ultimately found the F&M building in downtown West Chester and decided that was the place for their business and for a co-working/incubator space.

Commented that We Works had established a new model for co-working space and was now in 50 cities and worth \$20 billion.

Described align.space as a collaborative space on multiple floors with a mix of tenant space and common space on the first floor and tenant spaces (dedicated desks and “hot” desks) on the second floor.

Indicated that they expected to open in September and would expect to eventually have over 100 people a day in and out of the facility.

David Sciocchetti

Asked if he could provide additional detail on the business services available through Align 5.

Chad Williams

Explained that Align 5 works with growth companies and provides consulting and coaching. Noted that they had partnered with Gazzelles' Verne Harnish, author of Scaling Up. Added that they have a small team and are selective regarding clients. Stated that they have a technology focus but are not exclusive.

Kevin O'Connor

Added that they are looking for more local clients.

Nancy Kunkle

Commented that i2n and WCU look to partner with companies that need space.

Mark Trabbold

Asked what we can do to help.

Nick Winkler

Responded that the future is more locations adding that he is looking at his next facility to be in the 4,000 to 6,000 square feet range, possibly southern Chester County.

Kevin O'Connor

Added that entrepreneurs have no lack of good ideas but they often lack the knowledge and the means to execute on those ideas noting that that is where Align 5 can help.

Chad Williams

Stated that Align 5 wants to work with companies that need help and that align.space is intended to create a community where those companies can grow.

David Sciocchetti

Noted availability of Venture Chesco as a financial tool for those growing companies.

Mark Trabbold

Noted that Ben Franklin worked with companies that were not yet ready as well.

Kevin O'Connor

Explained that many entrepreneurs are interested in holding on to equity and are therefore looking for non-dilutive cash to grow their companies.

Terence Farrell

Noted that the County was working with Nick Winkler's marketing company on a county guide.

Nick Winkler

Described the guide being developed as an interactive guide available via cell phone. Added that it is being rolled out region by region in the county with Exton and Phoenixville available shortly.

Larry Brotzge

Asked if Align 5 provided legal services.

Chad Williams

Responded that they did not, adding that if legal issues arose they would refer companies to legal counsel or work with their legal counsel.

Larry Brotzge

Inquired as to the size of their clients.

Chad Williams

Described their "sweet spot" as \$20 million value, adding that smaller companies were just as much work with more challenges for less return.

Mike Grigalonis

Noted the previous example of Walnut Street Labs in West Chester, both good and bad.

Chad Williams

Responded that the Walnut Street Labs "buzz" was good but that it was more utilitarian and lacked the amenities that align.space will have. Added that their business model was based on the successful We Works approach.

Nick Winkler

Added that Walnut Street Labs ahead of the curve in terms of the market that We Woks has perfected.

Terence Farrell

Commented on the possible connection between rapid growth companies and the rapid growth projected for Chester County in terms of employees for those companies.

David Sciocchetti

Added that current trends suggested that there were many people looking for the “city without the city”, places like West Chester with urban amenities like walkable downtowns and not the traffic congestion that comes with cities.

Gary Smith

Thanked both groups for coming in and added that CCEDC has a significant focus on working with early stage companies. Suggested that there might be ways to work together.

Mark Trabbold

Added that Venture Chesco and Benn Franklin Technology Partners can provide needed capital to young technology growth companies. Added that there are two basic levels of investment, up to \$50,000 and up to \$500,000.

Chad Williams

Responded that that was good news in that there was a definite gap in financing for growth companies. Commented on the challenge associated with managing cash flow for companies growing at 20% per year. Added that Align 5 may be able to help in terms of links to future investments.

David Sciocchetti

Introduced a draft outline of the relatively recent innovation history of Chester County that documented some of the significant companies that had started and grown in Chester County over the last 50 years. Noted the potential marketing value of demonstrating a strong county track record of start-ups growing to successful large companies.

Kevin O’Connor

Suggested considering the power of video to tell the story.

Keith Goldan

Suggested that we should not make the definition of “innovation” too narrow, based only on technology companies. Cited the example of Victory brewing.

David Sciocchetti

Reiterated that this outline was only a draft and that the definition of innovation remained open for discussion.

Mark Trabbold

Suggested that adding numbers (company size, employees, etc.) to the outline would add to the history.

Ed Breiner

Suggested adding Moody’s Analytics noting that it was started by Mark Zandi as Economy.com and then acquired by Moody’s.

Terence Farrell

Noted that there was an interest in accessing Arcelor Mittal leadership and asked for any assistance that the team might provide.

Steve Hughes

Stated that it was important to note t that West Chester University’s start-up weekend was a great event. Commented on the large number of business that presented and said he hoped it continued.

Explained that there was a new effort to bring Cheyney more into the loop. Noted that an assessment of the valuation of the campus as a business friendly/community friendly location was underway which would include consideration of the area as a possible research hub.

Nancy Kunkle

Commented to the team on the critical need for more lab space in the County and asked for any information in that regard.

Terence Farrell

Thanked all for coming

Meeting adjourned