

# TALLWAVE AND CITY UPDATE



# Building the Innovation Economy

# KEY INGREDIENTS



Entrepreneurs



Success



Investment



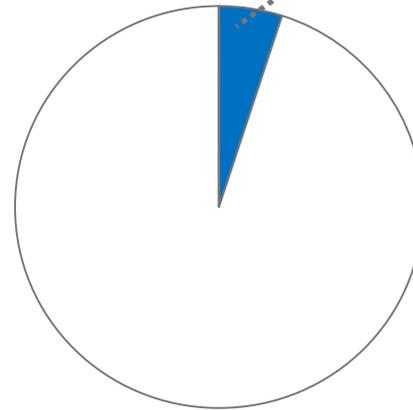
Universities



Support & Connectivity

# \$484M

## Venture Capital Invested in 2012 in AZ

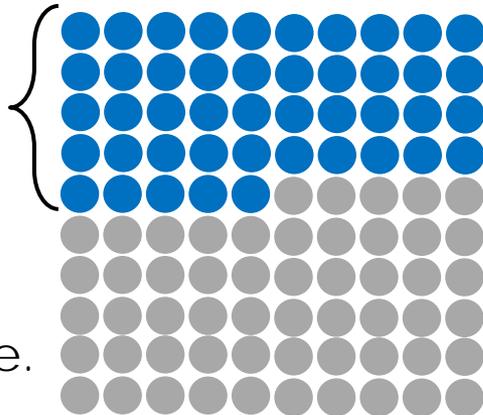


*Less than 5%  
Pre-Seed, Seed,  
or Series-A  
Only 9% women  
invested  
companies*



# 45%

Went to  
*THREE* deals.  
All later stage.



# Less Than \$20M

to Pre-Seed, Seed,  
or Series-A

Source: Dow Jones VentureSource



Support & Connectivity

**SEED·SPOT**  
LOCALLY GROWN INNOVATION

**SKYSONG**  
ARIZONA STATE UNIVERSITY

**edson student  
entrepreneur initiative**



**AzTE** Arizona Technology Enterprises



**H** HIGH TIDE

 **GRAND CANYON  
UNIVERSITY™**

 **AZ Tech Celerator**  
Surprise, Arizona

**Bioinspire™**

**McGuire  
Center**  
for Entrepreneurship

  
Chandler · Arizona

  
ARIZONA  
COMMERCE  
AUTHORITY

**STARTUP  
TUCSON**

 **Arizona Center  
for Innovation**  
Office of University Research Parks

  
**CEI** CENTER FOR  
ENTREPRENEURIAL  
INNOVATION

**Tallwave**

ARIZONA |  INNOVATION CHALLENGE

**MAC<sup>6</sup>**  
northern arizona  
**nacet**  
center for entrepreneurship  
and technology

 **Startup  
Weekend**



**Gangplank**

**BioAccel**  
Catapulting Arizona Bioscience

**Greater Phoenix  
ECONOMIC COUNCIL**

- 75% CITIES SAID YES TO AN INNOVATION STRATEGY
- 50% TARGET, NEW, BUILDING AND ESTABLISHED STARTUPS
- 58% HAVE INCUBATORS
- 65% HAVE ALLOCATED FUNDS TO SUPPORT INNOVATION GROWTH LEADING TO JOB CREATION
- 88% SEE INNOVATION AND START UP ACTIVITY AS KEY TO THE CITY ECONOMIC DEVELOPMENT STRATEGY
- CORE COMPETENCIES: HC APPEARED MOST OFTEN,
- SEVERAL ARE UNSURE OF THEIR PATH TO THE INNOVATION ECONOMY TO SUPPORT THEIR GROWTH



Drive more successful  
Entrepreneurs



**WebPT™**

Brad & Heidi Jannenga

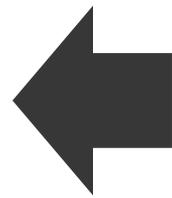
**Infusionsoft®**

Clate Mask





Investment



Yet, seed funding  
is grossly lacking.

# SUMMARY: INNOVATION GAP

Entrepreneurs  
Innovators  
Accelerators  
Incubators  
Universities  
Gov't Entities  
Angel Investors

Consistent Seed &  
Series A Investors

Systems of execution to decrease  
risk in Seed-stage ventures

Series B+  
Investors

Seasoned  
Executives

Idea

Validation

Launch

Commercial  
-ization

Growth

Scale

Exit

# WE NEED:

**MORE** early venture

**MORE** commercialization

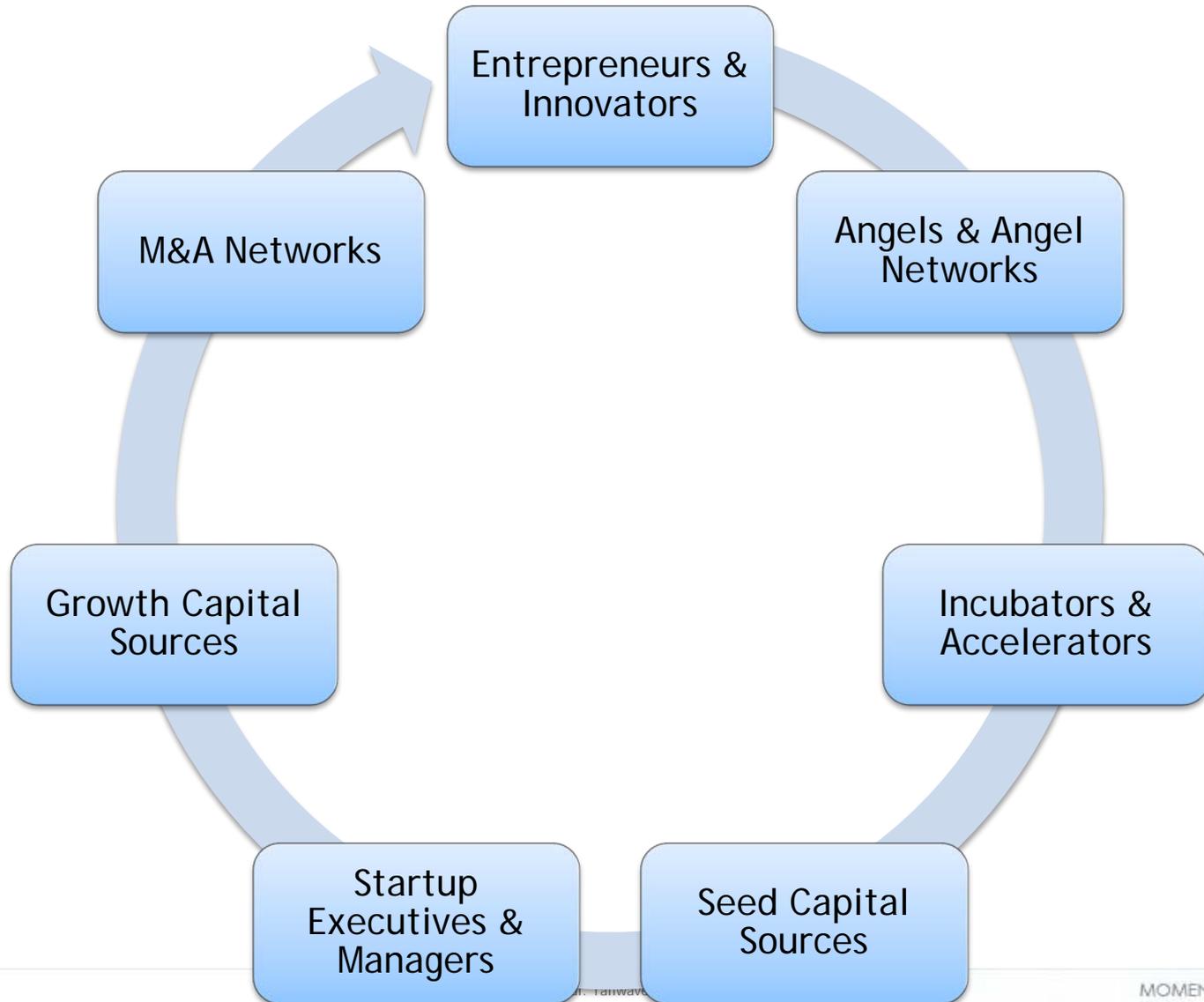
**BETTER** connectedness

**STRATEGY** on the governmental level

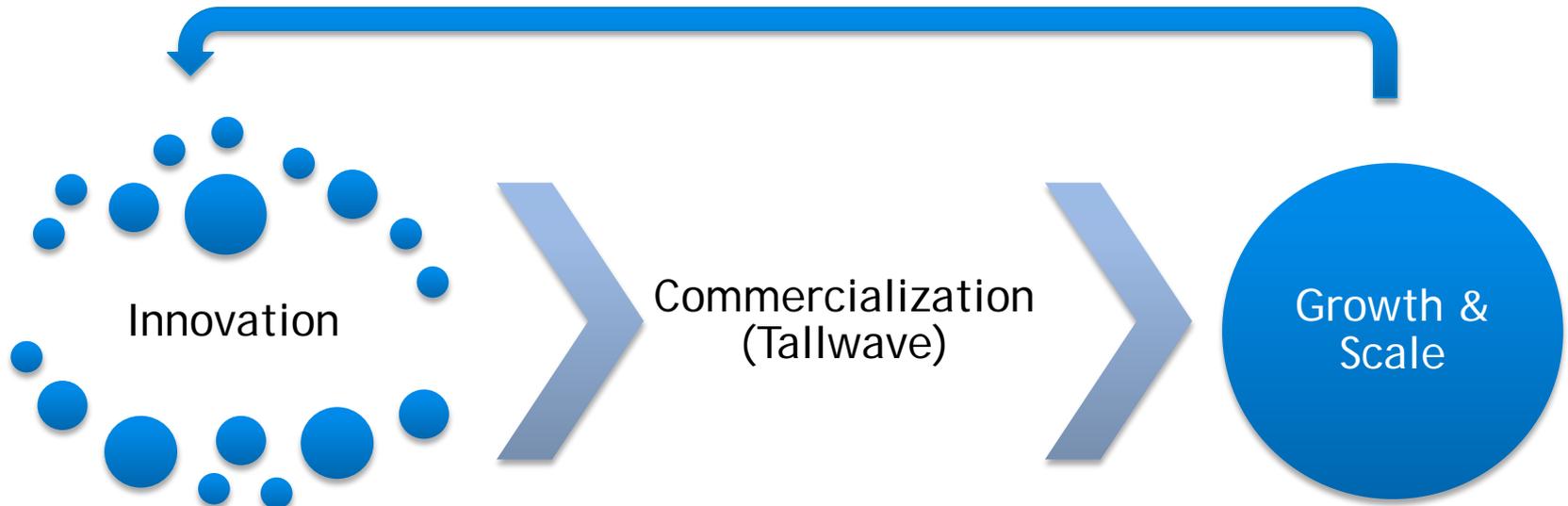


Here's what  
Tallwave is doing.

A MATURE ENTREPRENEURIAL ECO-SYSTEM (I.E. SILICON VALLEY)



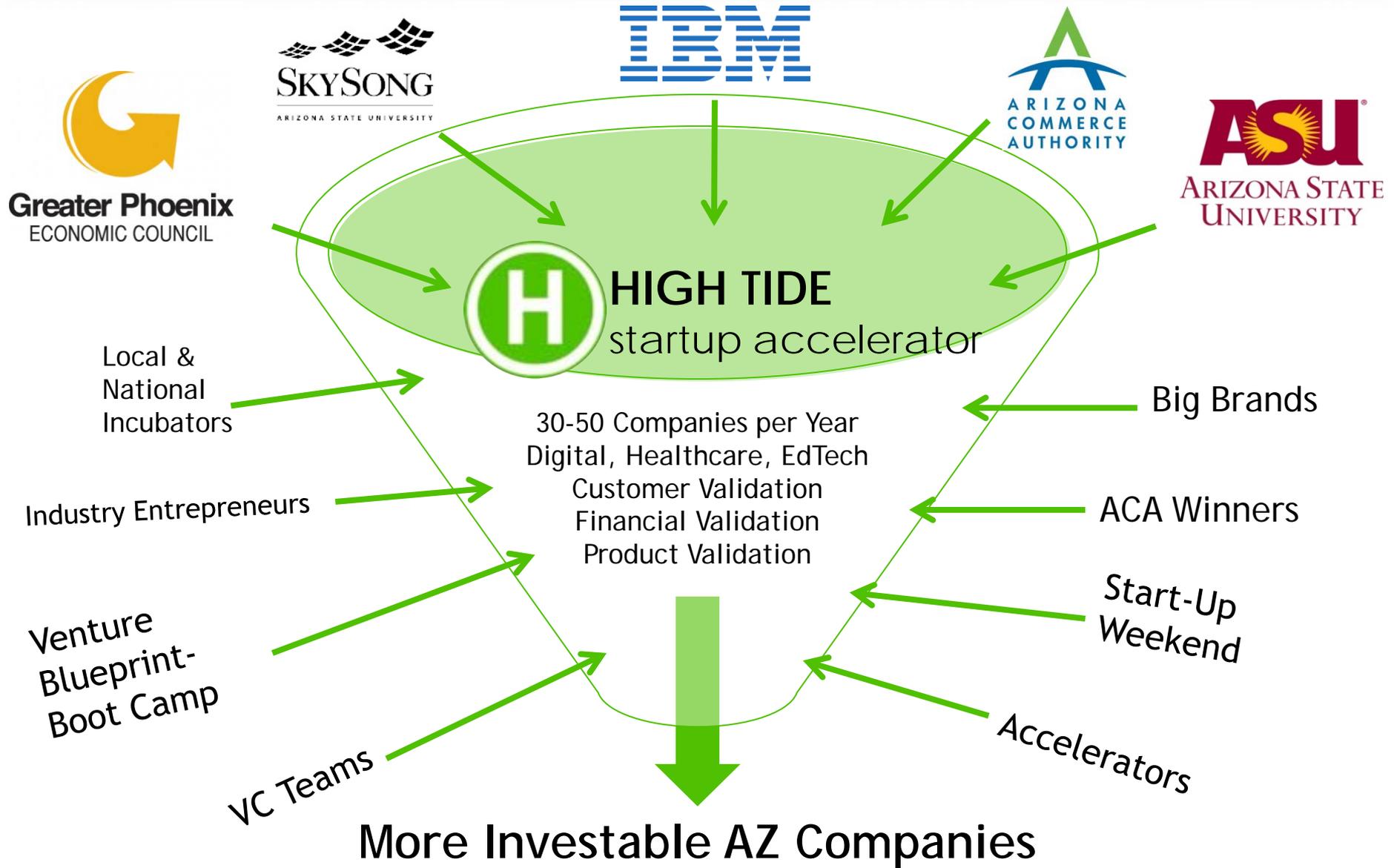
## THE ARIZONA ENTREPRENEURIAL ECO-SYSTEM



- Venture Blueprint
- University Partnerships
- Incubator Partnerships
- Cities engaged
- Angel Networks Nurtured
- VeloCity supported
- Corporate Ventures Engaged

- Venture Development & Management
- Support the next stages of Growth with Partners
- Tallwave Capital - Seed & Series A

- Nurture and attract:
- Growth Capital
  - Private Equity



TALLWAVE IS EXPANDING ITS HIGH TIDE PROGRAM TO INCLUDE PARTNERS IN CORPORATE VENTURES, INDUSTRY VERTICALS AND SOCIOECONOMIC HORIZONTAL OPPORTUNITIES FOR SECTORS LIKE: MOBILITY, HEALTHCARE IT, EDUCATION IT, CLEAN TECH, AND MINORITY-DEVELOPED STARTUPS.



Winning the fight against cancer, every day.®

85Broads



## HIGH TIDE

Funnel and Due Diligence  
\$500K per Wave

Vet Deals at Volume

## COMMERCIALIZATION FUND

Full Deployment  
\$3.5M-\$5.5M per Wave

1 High Tide

20 Semifinalists



\$150k is paid to Tallwave for Feasibility services for semifinalists

6 Finalists



\$210k is paid to Tallwave for PM-Fit or GTM services for finalists



2 Venture Dev.

3 Outside Co's

2-3 A-Round

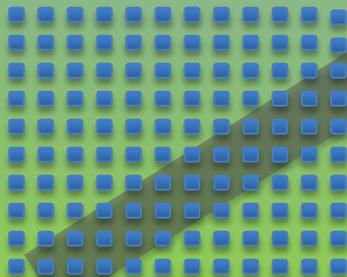


No money is paid to Tallwave for additional services unless the company chooses to fund services from Operations

Supply Capital to Commercialize at Scale

Fund anticipates deploying 3-4 "waves". Each "wave" is \$4M-\$6M and 6-7 funded companies.

100+ Applicants



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THANK YOU

Donna Kent  
SVP- Venture Development  
May 5, 2014

# Tallwave



Kevin Goldman

// We design the stuff you interact with on screens.  
It's not magic. Just hard work and good process. //