



innovation works

2015 COMMUNITY REPORT





Capital + Expertise + Networks = Startup Growth

Innovation Works (IW) provides a continuum of funding programs aimed at every phase of startup growth — from concept-stage to commercial success. Money alone is seldom the answer to growth. Along with investment, startups need guidance to help new teams gain critical experience, make connections to mentors and investors, and receive technical and operational advice. With our seed investment, companies work closely with our team of experts who have been successful entrepreneurs, funders and tech executives. Our Executives in Residence (EIR) help identify needs, resources and solutions. With a deep network of additional industry experts, the EIR can bring other trusted mentors to help meet specific challenges.

Our goal is to help our companies form the building blocks of growth and gain momentum. IW programs help commercialize university technology; support early-stage companies through our seed fund and top-ranked accelerator programs, AlphaLab and AlphaLab Gear; catalyze increased growth with our follow-on fund, Riverfront Ventures, and much more. In 2015, Innovation Works launched two important new programs. Startable Pittsburgh helps fill the pipeline of tomorrow's entrepreneurs with a program for teens to learn a combination of maker and business skills. Our revamped program for manufacturers links hardware startups with small- and mid-sized regional and domestic manufacturers to bring a diverse mix of new clients to existing businesses and provide experienced supply chain partners to growing tech startups.



A pioneer among accelerators, AlphaLab has a proven track-record of launching companies quickly and successfully through a customer-focused, iterative approach. Consistently ranked as a top U.S. accelerator, AlphaLab provides critical resources including investment, mentorship, an extended alumni network, collaborative office space, and the collective expertise of the AlphaLab and Innovation Works team.



Building off the AlphaLab model, AlphaLab Gear supports the development of early-stage hardware, robotics and other physical-products companies. The program provides resources in areas critical to rapid prototyping design for manufacturing, distribution and more. Technical sessions are complemented by an intense business curriculum. The AlphaLab Gear companies also benefit from additional funding support from venture firm StartBot as well as the full AlphaLab network of alumni, mentors and staff experts.



Launched in 2014, Riverfront Ventures is a \$24 million venture fund that invests primarily in Pittsburgh-area technology companies. Many of Riverfront's investments help IW portfolio companies catalyze and close investment rounds led by other venture capital firms. This infusion of capital helps companies scale up and fuel growth.

2015 IW COMP

[The following figures represent business assistance and/or

\$ **5.5** MILLION

invested in **tech companies**

6 **th** most active **seed-stage** investor in the U.S.*
*per 2015 MoneyTree report

25 companies raised **\$1 million or more**

248

created and re

\$ **14** MILLION

total follow-on investment
seed and accelerator o

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PANY IMPACTS

financial resources directly attributed to Innovation Works]

8
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9
ON
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companies

panies
ceived
nding

Companies received
business assistance
and/or **financial resources**

188

Accelerator and seed fund companies
SINCE 1999

\$ **1.7** BILLION
raised in follow-on funding

312
Companies have received
investment **support**

2015 COMPANY HIGHLIGHTS

4moms unveiled the world's first self-installing car seat and will add it to 4moms' suite of baby products now sold in 52 countries, including 1,800 Target stores.

Accel Diagnostics won first place in the Rx/Dx category at the Personalized Medicine World Conference's emerging company competition.

ALung was approved for use in 34 countries, treated 450 patients, and became one of the first companies to receive the Expedited Access Pathway designation for accelerated FDA review.

Astrobotic Technology was selected by Mexico's national space agency to help deliver the first-ever payload to the moon from Latin America.

Blue Belt Robotics was acquired by Smith & Nephew for \$275 million and continues to grow its Pittsburgh-headquartered, global team of more than 100 employees.

Circadiance acquired two product lines from Philips Healthcare, allowing it to enter the international pediatric respiratory market.

Cognition Therapeutics raised \$12 million in investment and was awarded the Angel Capital Association's highest honor as the most innovative early-stage company to receive investment by one of their national members.

ContainerShip was selected to present at the TechCrunch Disrupt Startup Battlefield and raised \$2.4 million from Birchmere Ventures, Draper Triangle and Riverfront Ventures.

Conversant Labs won the inaugural UpPrize competition, BNY Mellon's Social Innovation Challenge and released their SayKit SDK to enable developers to create voice-enabled apps for vision-impaired users and others.

Diamond Kinetics' SwingTracker was recently approved for use during batting practices by Major League Baseball and raised \$3 million from investors including the principal owner of the Pittsburgh Pirates.

kWaitera was named to *Forbes'* 10 Companies to Watch in Energy Analytics list and received investment from GE Ventures.

nanoGriptech was selected by the Thiel Foundation's Breakout Labs for investment and a two-year program of resources.

NoWait added 113 First Watch Restaurants and 800 Chili's as customers and seated more than 10 million diners per month using their popular app.

Ottomatika's autonomous-driver system was acquired by Delphi Automotive which used the software to pilot a self-driving Audi from San Francisco to New York.

PieceMaker announced deals to put its 3D kiosks in Toys"R"Us stores across the country and developed unique, licensed merchandise for Nickelodeon and Ford Motor Co.

Rinovum Women's Health product Stork OTC hit the shelves in more than 3,000 CVS pharmacies with another 2,000 CVS stores expected to carry the product this year.

Sole Power's founders were named to *Forbes'* 30-Under-30 in Energy list.

Trusst Lingerie reached its \$25,000 Kickstarter goal in just five days and more than tripled its goal in one month. Trusst won third place in the Small Business Administration's InnovateHER Business Challenge.

Wombat Security ranked 104th among Deloitte's 2015 Technology Fast 500™, a list of the fastest growing companies in North America. The rank made Wombat the fastest growing company in Pennsylvania and helped it win a 2015 Pennsylvania Governor's Impact Award.

Innovation Works is Southwestern Pennsylvania's Ben Franklin Technology Partner, an initiative of the PA Department of Community and Economic Development, and is overseen by the Ben Franklin Technology Development Authority. We thank the Commonwealth for its ongoing financial support, as well as the U.S. Department of Commerce's Economic Development Administration, the U.S. Department of the Defense, U.S. Small Business Administration, U.S. Department of the Treasury, and the Urban Redevelopment Authority of Pittsburgh. IW also thanks the Benter Foundation, BNY Mellon Foundation, Claude Worthington Benedum Foundation, Dollar Bank, Grable Foundation, The Heinz Endowments, Hillman Foundation, McCune Foundation, The Pittsburgh Foundation, PNC Charitable Trusts, R.K. Mellon Foundation and the Sprout Fund. IW would like to thank StartBot for continued partnership and support. Finally, the success of Innovation Works and our companies relies on the contribution of many individuals and organizations who invest their time, expertise and capital in the region's startup technology companies.

IW relies on company-reported data, third-party resources and internal information for the figures used throughout this report.



Ben Franklin
Technology Partners



pennsylvania
DEPARTMENT OF COMMUNITY
& ECONOMIC DEVELOPMENT



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