

Software May Eat the World, but You Still Need a Fork



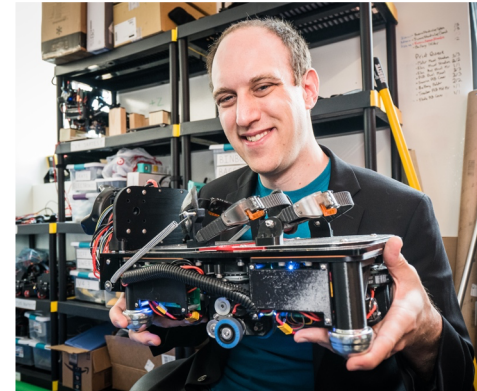
Matt Verlinich

- Manufacturing Program Associate – Innovation Works
 - Manage Scalable Innovation Program
 - Connect entrepreneurs to manufacturing resources
 - Manage IAP, MIP, and Scalable Grants
 - Founding GM of TechShop Pittsburgh
 - HW Entrepreneur,
www.BeOnTheRocks.com



Innovation Works

A **nationally-recognized venture development** organization focused on growing Southwestern Pennsylvania's entrepreneurial economy through **direct investment, business expertise, and hands-on support.**



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Decentralized Delivery Allows Regional Focus

Statewide Benjamin Franklin Technology Partners (BFTP) Impact in 2018

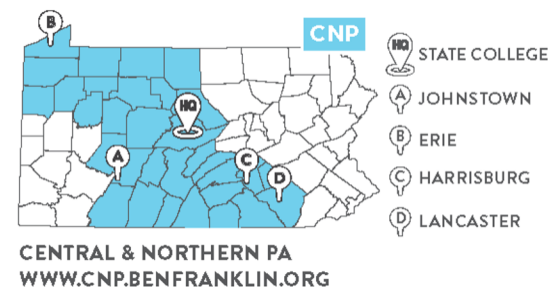
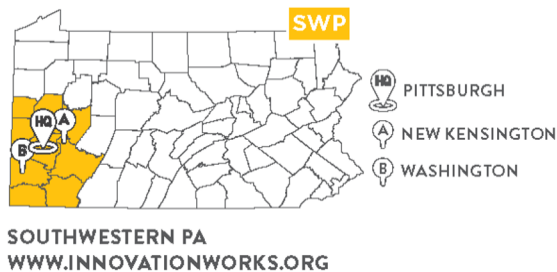
**2,016 Jobs
Created**

**11,595 Jobs
Retained**

**2,041 Cos
Assisted**

**155 New
Companies**

BFTP Statewide Locations



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IW Provides Critical Resources to the Region's Startup Community

475+ Cos

Funded since
Oct. 1999

#1 Ranked

Seed-stage investor
nationally in 2018 by
of investments

\$3.3 Billion

Annual revenue
generated by IW alumni
companies

1,140 Cos

Companies have
received
business/financial
assistance since 1999

\$2.1 Billion

Total follow-on funding
to IW companies since
1999

#6 Ranked

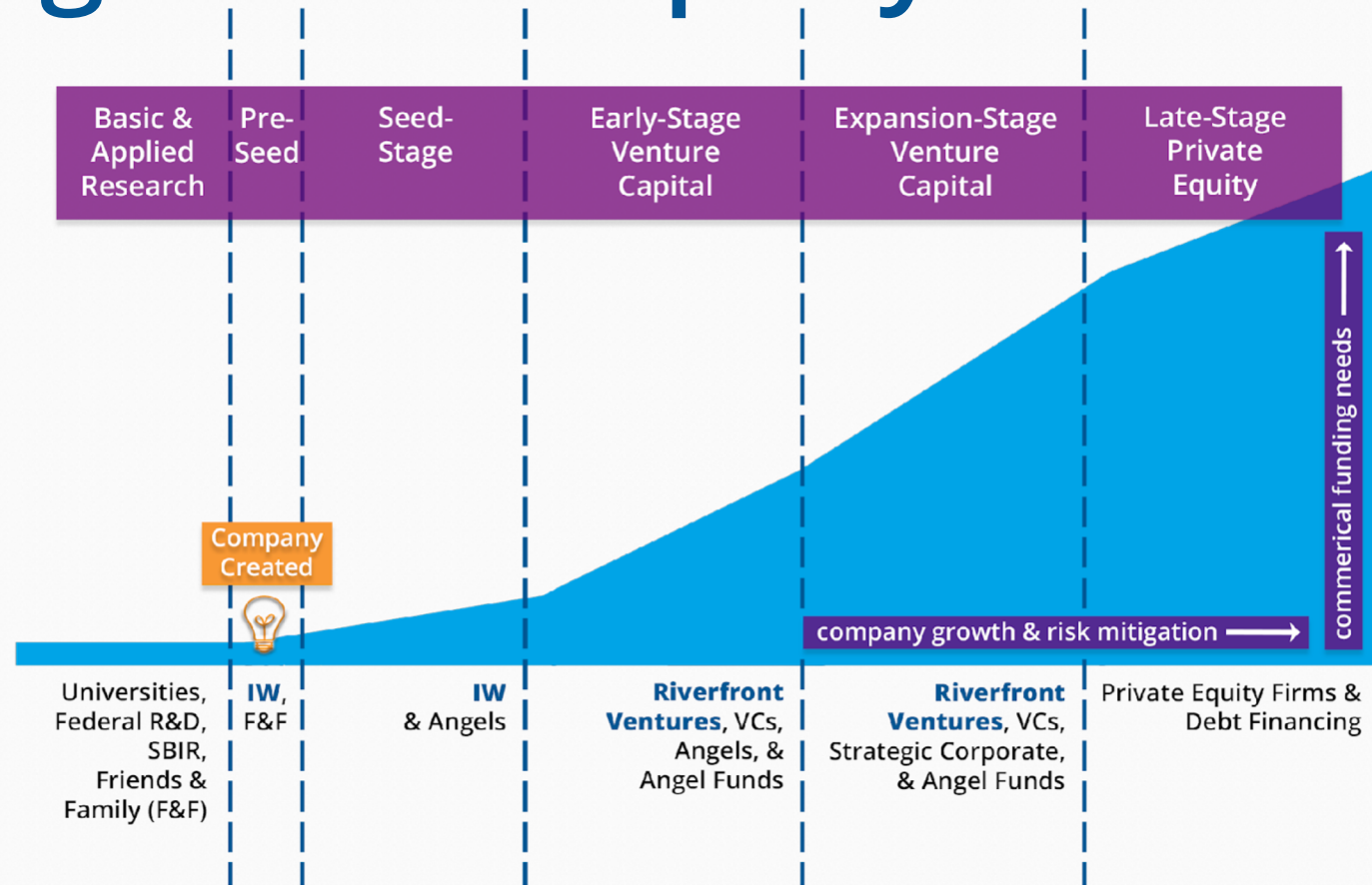
Accelerator
program in the
United States

70%+ of venture deals in the region are IW companies.

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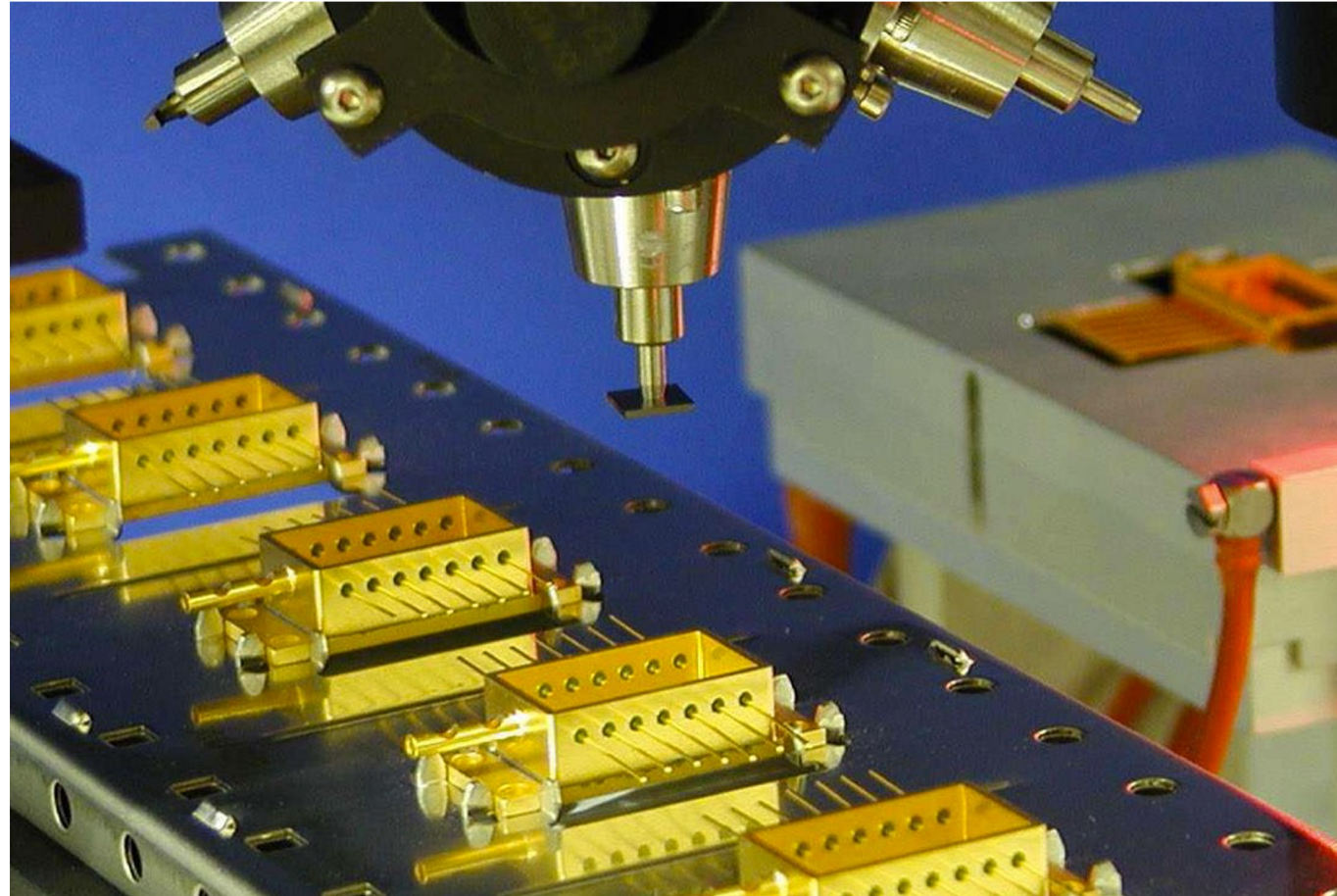


IW Provides Critical Resources at Key Stages of Company Growth



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What hardware used to be...



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The Hardware Revolution

The New York Times

THE V

TECHNOLOGY

For

Entrepreneur

At

Email

By PUI-

By NICK BILTON

Published: August 25, 2012

VB

Wh

SILICON VALLEY
BUSINESS

BUSINESS
IN

Apr 25,

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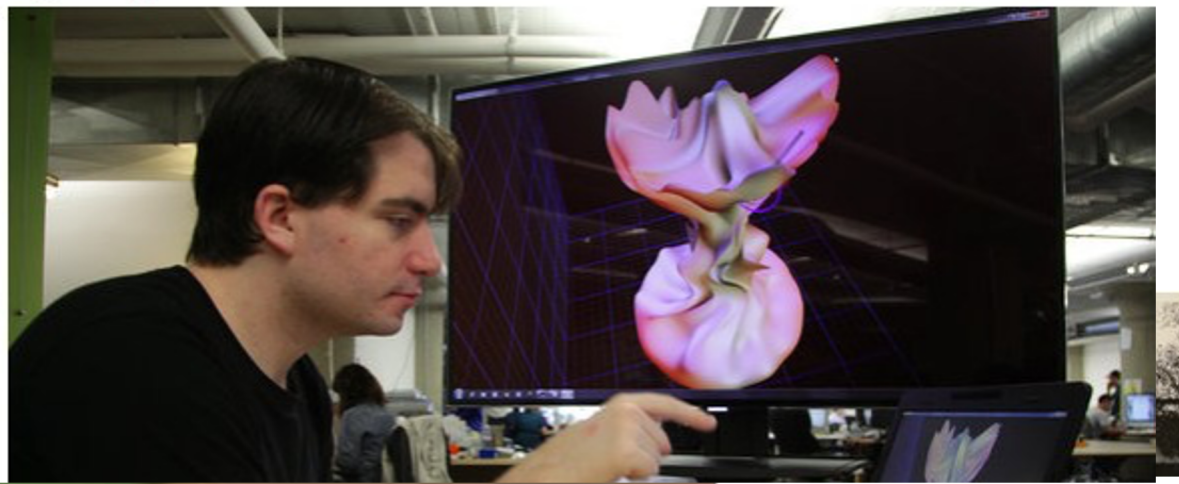
By Luke

For ye
startup
mostly
build a
physic
anymo

In Nov
startup

The New York Times

At an Annual Tech Show, It's Hardware's Turn in the Spotlight



In recent years, Silicon Valley seems to have forgotten about silicon.

f FACEBOOK

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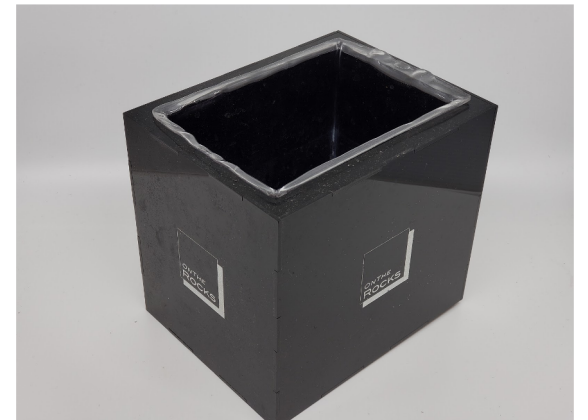
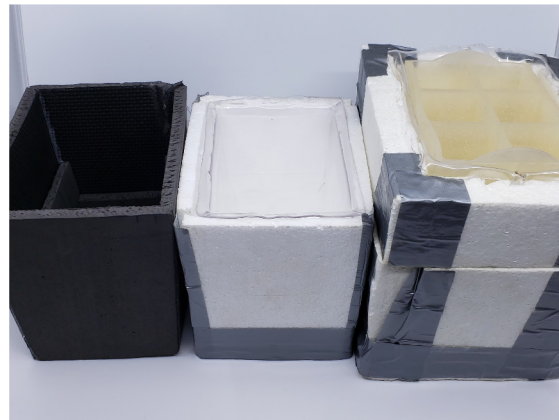
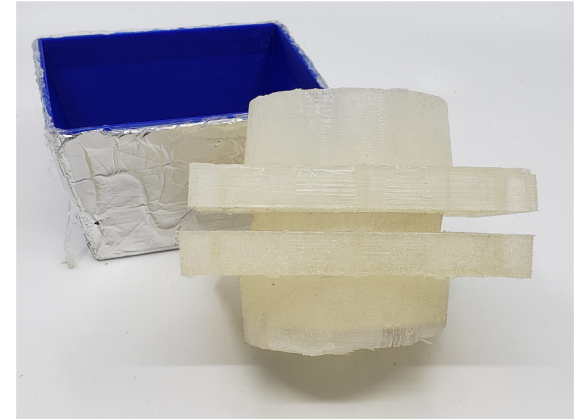
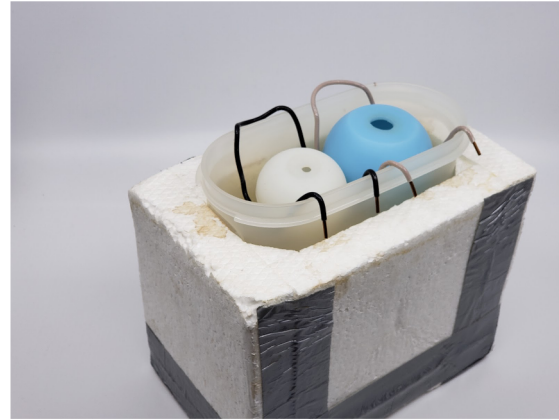
innovation works

Building a Successful HW Company

1. Customer & Tech Validation
2. Product/Market Fit
3. Company & Team Building
4. Investor Buy In

Smart Prototyping

- Fake it until you make it
 - “works-like” vs. “looks-like” vs. MVP
- One hypothesis at a time
- Ugly & Fast beats Beautiful & Slow



Successful Products Start Simple

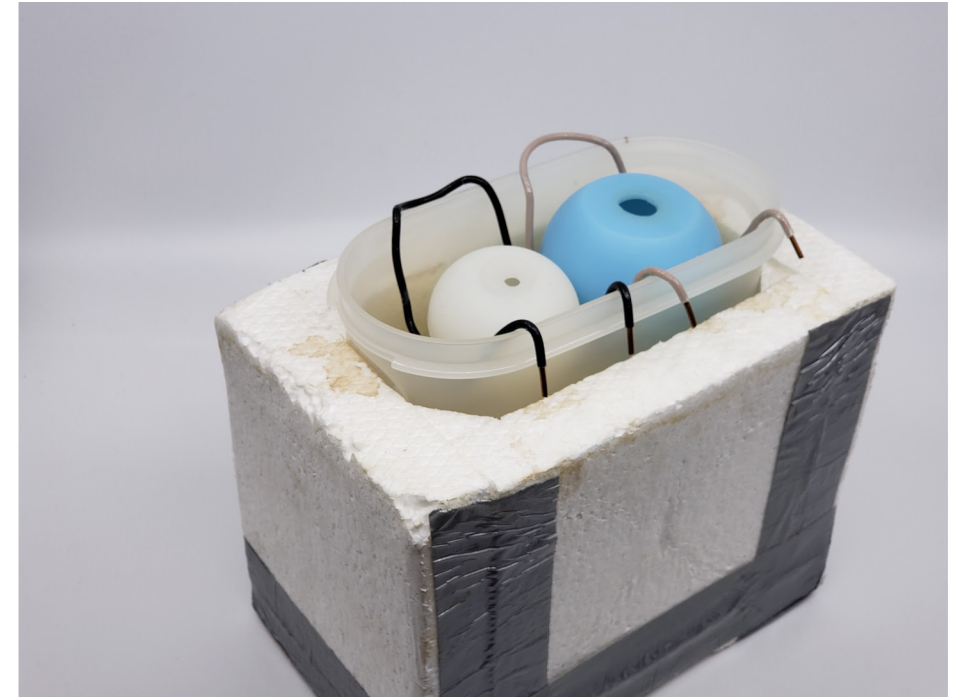
- 1st iPhone - iPod with up/down/left/right buttons
- 1st Fitbit - single pedometer, not wireless, no subscription revenue
- 1st DropCam - overpriced WiFi camera that was easier to use and had better software

Crowdfunding Tips

- Key to success is before the launch
- Are your customers on the platform?
- Nail down 35%+ of total raise before launch
- Everyone wants to back a winner
- Your competitors are watching

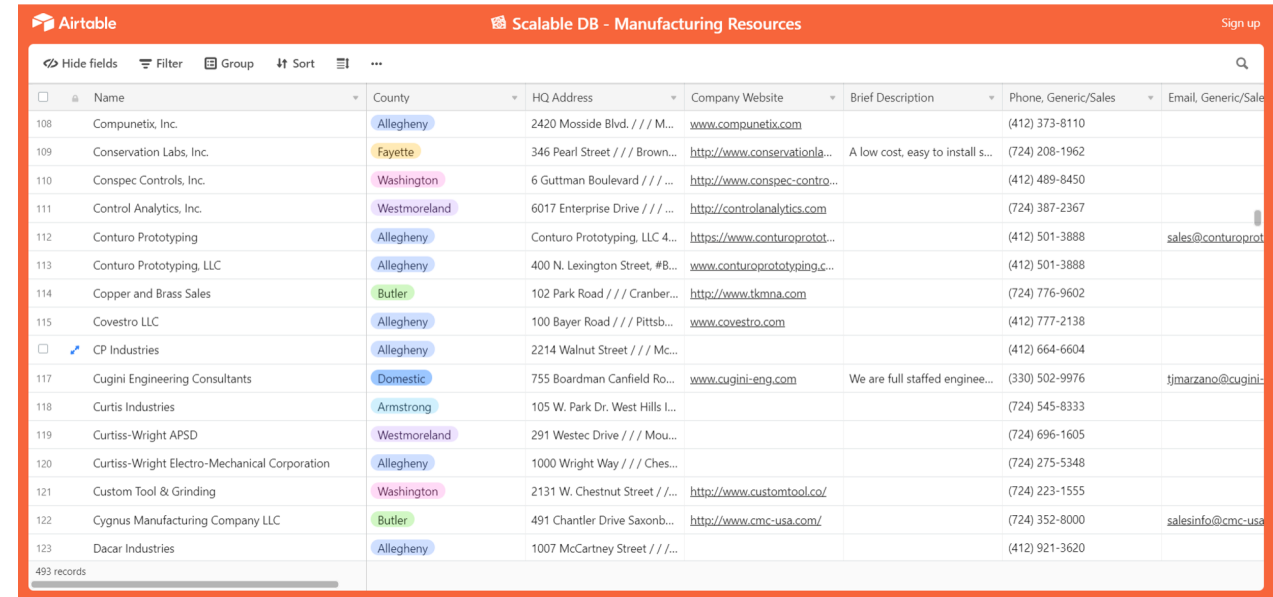
Supply Chain Hacks

- Shop outside the box
- Ride high volume product coattails
- Alibaba & Other Online Matchmakers
- Never, ever be the guinea pig



Choosing a Manufacturing Partner

- Sell them like you would an investor
- How does your manufacturer win?
- Involve factory early – DFM
- Small production runs to start, increase slowly
- 1st Production Run....be there in person



A screenshot of an Airtable database interface. The title bar shows 'Airtable' and 'Scalable DB - Manufacturing Resources'. The interface includes a search bar and a list of manufacturing companies. The columns are: Name, County, HQ Address, Company Website, Brief Description, Phone, Generic/Sales, and Email, Generic/Sale. The data is as follows:

	Name	County	HQ Address	Company Website	Brief Description	Phone, Generic/Sales	Email, Generic/Sale
108	Compunetix, Inc.	Allegheny	2420 Mossie Blvd. / / / M...	www.compunetix.com		(412) 373-8110	
109	Conservation Labs, Inc.	Fayette	346 Pearl Street / / / Brown...	http://www.conservationla...	A low cost, easy to install s...	(724) 208-1962	
110	Conspec Controls, Inc.	Washington	6 Guttman Boulevard / / / ...	http://www.conspec-contro...		(412) 489-8450	
111	Control Analytics, Inc.	Westmoreland	6017 Enterprise Drive / / / ...	http://controlanalytics.com		(724) 387-2367	
112	Conturo Prototyping	Allegheny	Conturo Prototyping, LLC 4...	https://www.conturoprotot...		(412) 501-3888	sales@conturoprot...
113	Conturo Prototyping, LLC	Allegheny	400 N. Lexington Street, #B...	www.conturoprototyping.c...		(412) 501-3888	
114	Copper and Brass Sales	Butler	102 Park Road / / / Cranber...	http://www.tkmna.com		(724) 776-9602	
115	Covestro LLC	Allegheny	100 Bayer Road / / / Pittsb...	www.covestro.com		(412) 777-2138	
	CP Industries	Allegheny	2214 Walnut Street / / / Mc...			(412) 664-6604	
117	Cugini Engineering Consultants	Domestic	755 Boardman Canfield Ro...	www.cugini-eng.com	We are full staffed enginee...	(330) 502-9976	tjmarzano@cugini-
118	Curtis Industries	Armstrong	105 W. Park Dr. West Hills I...			(724) 545-8333	
119	Curtiss-Wright APSD	Westmoreland	291 Westec Drive / / / Mou...			(724) 696-1605	
120	Curtiss-Wright Electro-Mechanical Corporation	Allegheny	1000 Wright Way / / / Ches...			(724) 275-5348	
121	Custom Tool & Grinding	Washington	2131 W. Chestnut Street / / ...	http://www.customtool.co/		(724) 223-1555	
122	Cygnus Manufacturing Company LLC	Butler	491 Chantler Drive Saxonb...	http://www.cmc-usa.com/		(724) 352-8000	salesinfo@cmc-usa...
123	Dacar Industries	Allegheny	1007 McCartney Street / / / ...			(412) 921-3620	

493 records

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Design for Manufacture in the U.S.

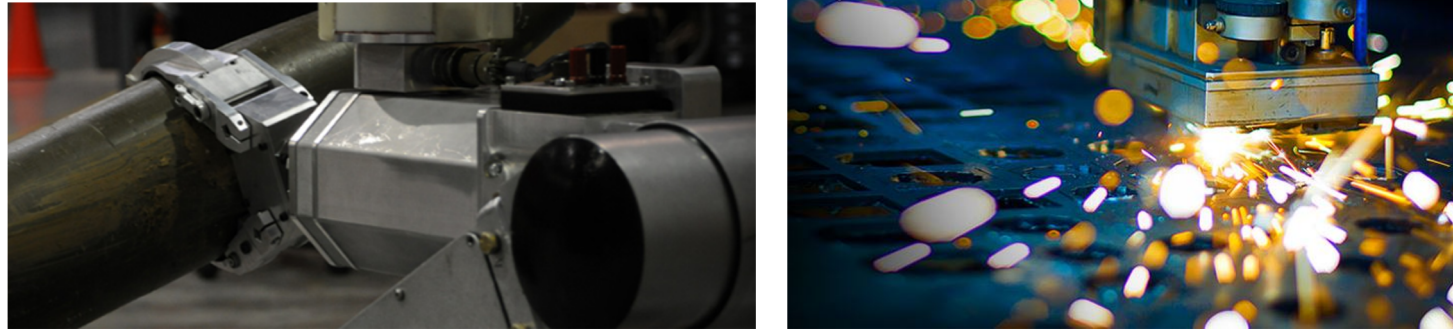
- Can be Lower Cost! – especially when you consider all the costs
- Time to Market, time to iterate
- Inventory Carrying Costs
- Quality Control & IP Protection

PROFIT  **CASH**

Distribution Amplifies Every Choice

- Price high to start
- Do things that don't scale...in the beginning
- Engineering:Software => Marketing:Hardware

Regional Manufacturing Assets



- Over 8000 Manufacturers in the region
- Skilled Advanced Manufacturing Work Force
- Infrastructure to support new manufacturers
- Leading research universities and other technology institutions

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Industry Diversity



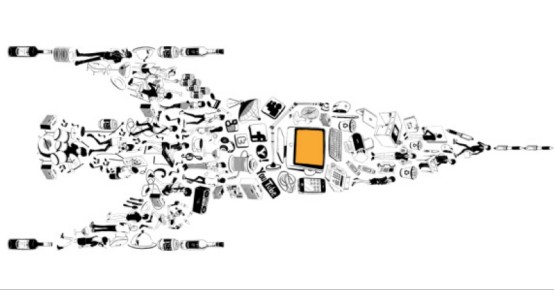
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We have what it takes to be #1 City in World for HW

- Regional Support for Manufacturing
- Experience working with early stage products
- Local Skilled Workers

PITTSBURGHERS KNOW HOW TO MAKE STUFF



What is an accelerator?

Philosophy

- Accelerate market learning through rapid iteration and testing early products with customers

Unique Model

- Focus on customer development intertwined with product design and development
- Mentorship, Education
- Community, Networking
- Funding
- Space

AlphaLab

- Founded Feb 2008 to build and accelerate Pittsburgh's software/Internet ecosystem

Leverage national and local trends

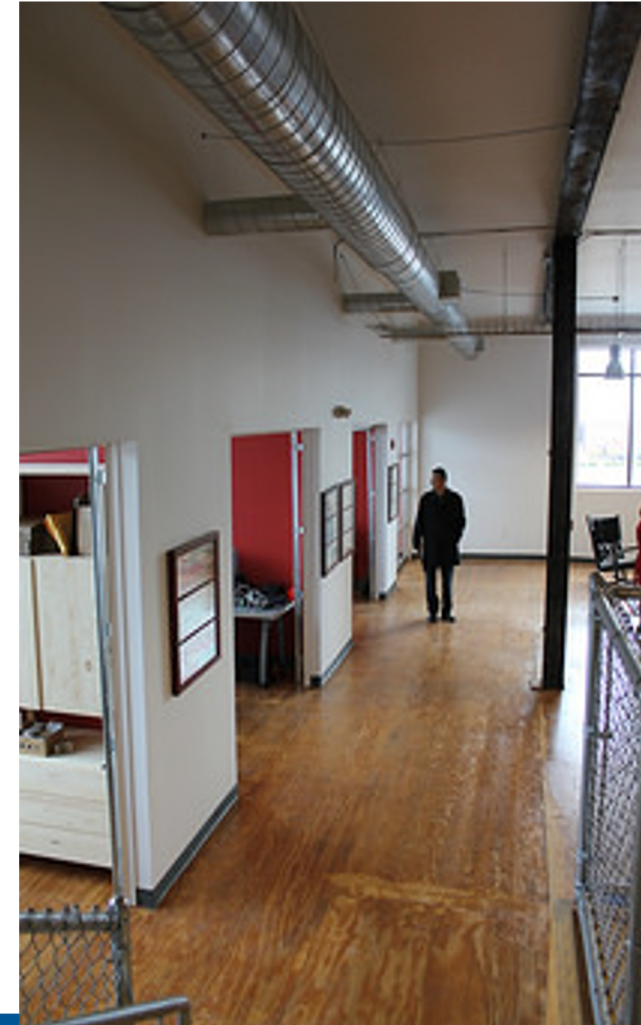
- Decreasing cost to build software products
- Agile development techniques

Charter member of Global Accelerator Network

#6 ranked accelerator nationally



Office Space

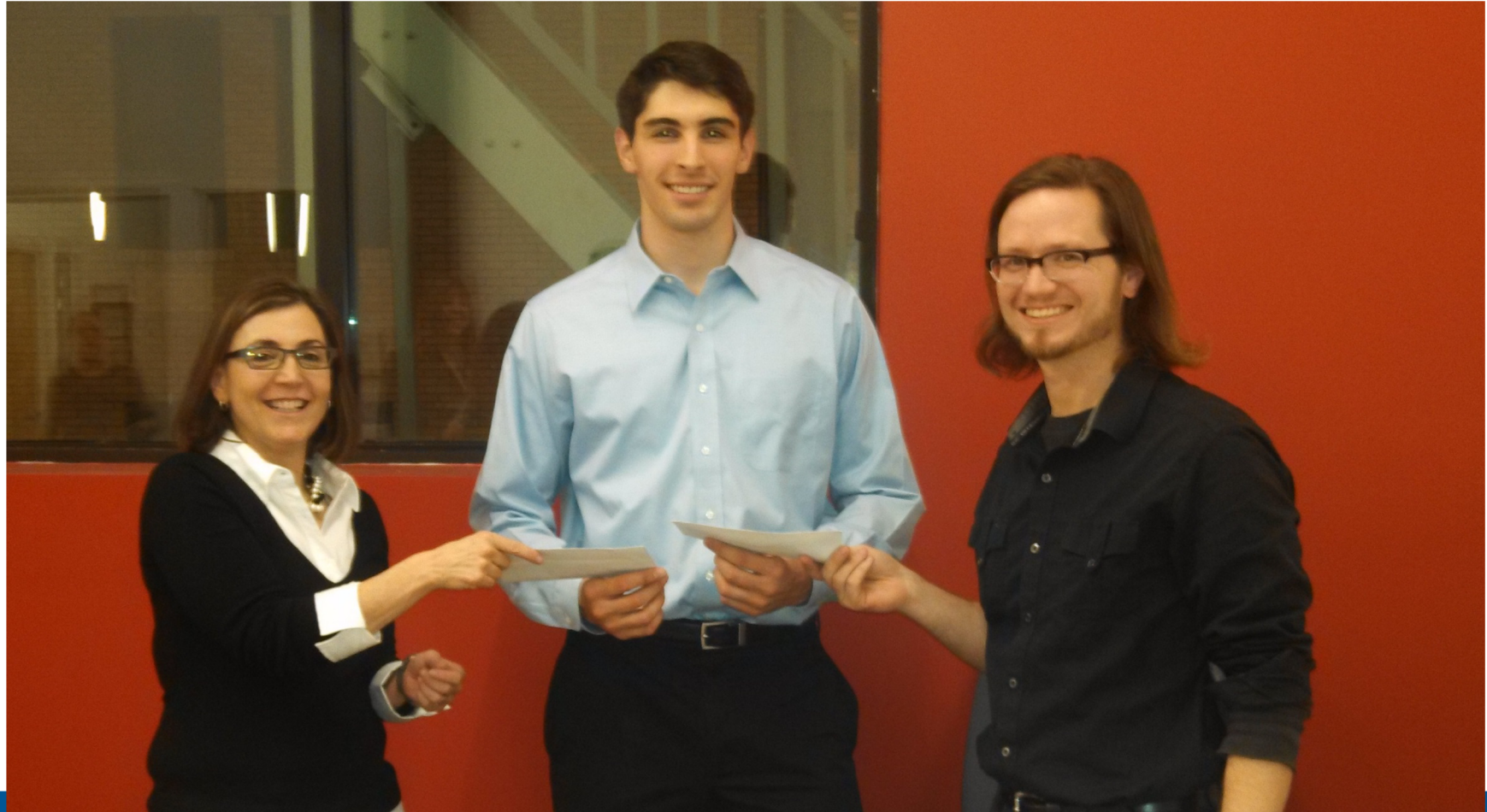


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Funding



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Educational Sessions



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Mentors & Advisors



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Network, Community & Collaboration



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Demo Day & Sneak Peak



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What do accelerators look for?

- Product: Able to have a fundable plan by program end
- Market: Unique, compelling solution with strong market potential
- Team: Passion, commitment and capabilities of the team
- Capital Efficiency: ability to achieve significant milestones in short period of time

Want More Info? Sign up for a 1-on-1 chat!

Matt Verlinich

<https://ScalableInnovation.org/contact>