



Knoxville Entrepreneur Center

2021-22

Made for Entrepreneurs

Knoxville Entrepreneur Center
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Knoxville Entrepreneur Center

Mission and Vision

Knoxville Entrepreneur Center believes in changing lives through entrepreneurship. Our goal is to make Knoxville the most founder-friendly city in America. To do that, we are building an entrepreneurial community that is accessible, diverse, and sustainable. Big ideas are welcome here!

Background

Knoxville Entrepreneur Center is a non-profit business accelerator located in Knoxville, TN. KEC was founded in 2013 to provide a front door for entrepreneurs in Knoxville and the sixteen (16) surrounding counties. We deliver business development services, operational support, and training through mentorship, accelerator programs, and partnerships with other local and statewide entrepreneur support organizations. By connecting startups with mentors, investors, and community assets, KEC serves as a resource for anyone looking to start or grow a business in East Tennessee.



KEC was originally funded with generous support from the City of Knoxville, the State of Tennessee (through Launch Tennessee), and four private foundations: Cornerstone Foundation, the Haslam Family Foundation, the Clayton Family Foundation, and the Boyd Family, whose ongoing support has been instrumental to KEC's growth and success.

Over the past nine+ years, we have expanded our base of support to include individuals and corporations who believe strongly in the power of entrepreneurship to transform communities:

KEC Supporters



Programming successes

The purpose of KEC is to encourage and support the creation of new businesses in this region. Through our efforts to build a collaborative entrepreneurial ecosystem, KEC provides entrepreneurs the resources they need to help start and grow their companies. On that measure, KEC has seen great success. Over the past nine years, our organization has become an invaluable resource to entrepreneurs throughout East Tennessee, and a strong driver of economic growth and cultural development in our region.

1. KEC serves as the ‘front door’ for entrepreneurs in Knoxville and beyond. Through events, outreach programs and classes, KEC has attracted tremendous interest from the community for our efforts to invigorate and empower local entrepreneurs. Since opening our doors in April, 2013, KEC interacted with well over 1000 aspiring or existing business owners, providing advice and guidance on the best path forward for their new enterprises. Our growing pool of talented mentors represents an investment by the business community in the future prospects for this region, and the 113 (through June 2022) teams that have graduated from our accelerator programs continue to set a strong example for others to follow. The result has been job growth and investment, both in the companies we have touched directly and in the broader community. The chart below more fully illustrates the impact that KEC is having, and highlights the need for continued support of entrepreneurs in East Tennessee:

METRIC	2013-Dec., 2022	DESCRIPTION
New Entrepreneurs	1256	Entrepreneurs that KEC consults with and coaches for at least one hour about their business ideas and plans.
Mentored	523	Entrepreneurs/businesses that participate in KEC mentoring or extended coaching.
Facilitated	417	Entrepreneurs/businesses that participate in KEC instructional programming.
Accelerated	113	Entrepreneurs/business that participate in KEC programming designed for venture-oriented startups with high-growth potential.
Jobs Created	462	Includes business owners, managers, employees, and FTE contractors of businesses started or improved as a result of KEC services.
Leveraged Private Investment	\$130.5M	Private capital raised by KEC affiliated businesses.

2. By establishing strong relationships with other institutions and organizations that also provide entrepreneur-facing services here, KEC has become the hub of a vibrant ecosystem working to increase opportunities for new business creation. We act as the bridge to other assets in our community, connecting entrepreneurs with the resources they need to be successful. Our work with organizations including Oak Ridge National Labs, the University of Tennessee, UT Research Foundation, and UT Research Park, SCORE, KAUL, TN SBDC and the Knoxville Chamber has allowed KEC to multiply the impact of funding provided to our organization. Whether through technology transfer, student initiatives or collaborative events, those partnerships have resulted in an even greater number of new businesses being successfully launched in our region. Drawing over 1000 attendees across multiple events, our fifth week-long celebration of entrepreneurship, Innov865 Week 2020, followed the great success of past events. That week highlighted the many existing and emerging entrepreneurial success stories in our region, and emphasized KEC's leadership role in developing a continuity of services for those companies.

3. KEC's successes reflect a vibrant and resurgent community that is inspiring a new generation of entrepreneurs here. Our 'Big Idea' 48 Hour Launch regularly draws 60-70 applications from all 16 counties we serve and beyond. Startups working with KEC are invigorating the region, creating opportunities to work in exciting, cutting edge businesses that will attract an innovative, diverse and talented pool of new workers to East Tennessee. Our experience working with these businesses over the past six years has taught us that entrepreneurs add both economic and social value to a community. As with many other communities nationally, there is a growing trend in East Tennessee toward a startup culture that embraces innovation and creativity, is less risk averse, and is becoming more accepting of failure.

Moving ahead: a 'Whole Community' approach to entrepreneurship

Continued success for KEC, and by extension for the region, will depend on our collective ability to continue addressing three areas critical to any startup community: 1) developing, retaining and attracting talented workers; 2) providing access to new sources of capital; and 3) establishing connections to the broader business community, and enabling opportunities for mentors, partnerships and customers to grow from those relationships.

Ultimately, engaging entrepreneurs successfully demands a "whole community" approach. Much as in early childhood development, it takes a village to raise a startup. No one organization can provide all the resources a startup community needs. KEC's approach to a strong regional partnership has allowed entrepreneurs here to find success through multiple channels, and has had a widely distributed impact throughout the counties in East Tennessee that will continue to grow as those relationships deepen.

We are working toward an entrepreneurial ecosystem where a broad variety of stakeholders, public and private, for-profit and not, have a seat at the table, each recognizing that it has a uniquely important role to play in ensuring that new businesses have the resources, support and access they need to prosper and grow.

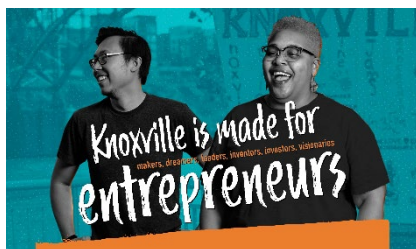
KEC COMPANIES IN THE WILD



Celebrating the community, transforming ourselves

2021-22 was a year of transition and renewed purpose for KEC. A new look, a new message, and several new people all contributed to a remarkable year of growth and transformation. You may have noticed at the outset of this report that our mission has changed, with a new emphasis on being ‘founder-first’. That change is intentional and significant. Founders are the driving force of an entrepreneurial community. They are the ones who inspire and encourage others. They are the ones who invest in the community and its people, and recruit others to invest as well. They are the ones who start businesses; again, and again, and again.... Founders change lives through entrepreneurship, and we as a community, and as an organization, need to be there to support and champion their work. Several new or growing initiatives at KEC are designed to do just that.

Made for Knoxville



and established institutions.

In late 2020, KEC was excited to launch the new “Made for Knoxville” campaign and website to elevate awareness of Knoxville’s diverse entrepreneurial ecosystem, and to inspire action. The goal is to connect and empower the diverse entrepreneurial community in the Knoxville region — ranging from “solo-preneurs,” makers, growth stage tech companies, investors,

This year, the Made for Knoxville campaign has continued to grow, being delivered through print ads (Knox.biz Journal), social media channels, and a dedicated website where we will collect, and share, stories of Knoxville’s great entrepreneurs and the role they play in building a vibrant, thriving community. We also added several live events, including a quarterly meetup, and a new podcast: “Big Ideas Welcome”.

Let Her Speak



Since our inception, KEC has offered programming and classes intended to encourage and support women entrepreneurs in our community. In 2016, Knoxville became the first location to license the Mad, Bad and Dangerous program from Girls Preparatory School in Chattanooga, TN. The 2-day community event attracted over 100 attendees, and was designed to teach women and girls entrepreneurial concepts and skills through a series of speakers and a marketplace.

Following that success, on a monthly basis KEC has hosted an ongoing Women in Entrepreneurship coffee. On the second Tuesday of each month, 30-50 women entrepreneurs and business leaders meet at KEC to discuss challenges and opportunities, learn from each other and from nationally recognized experts, and support the work being done by women in our community.

In 2018, KEC was proud to partner with a newly-launched program called **Let Her Speak**, a Knoxville initiative that aspires to give women a voice, to facilitate deeper conversations, and to take action within the community to inspire change and build a stronger support system for women in business. The first two Let Her Speak Summits have proved a huge success, and covered topics that included: Building Confidence; Finding a Mentor; and Creating Your Brand; Bullying and the Power to Speak up; Establishing a Support System for Female Professionals and Entrepreneurs; Work/Life Integration, and Bridging the Cross-Generational Gap.

After receiving an overwhelmingly positive response to the Summits, and requests to host more events more often, LHS also launched a bi-monthly Let Her Speak Happy Hour which tackles a different topic, discussion, activity, and community connection for each event. Looking ahead, Let Her Speak’s main goals involve expanding the diversity and range of women we reach with the program, expanding to serve additional counties, and building a full-year calendar of events and programming.

Growth & Grit

Two years ago, KEC hosted our first annual celebration of local companies that had been named to Inc. Magazine’s list of the 5000 fastest growing private companies in the U.S. for 2019. That event showcased 11 amazing businesses that represent the best of what our region’s entrepreneurial community has to offer. In 2021, that number had grown to 14 companies. By 2022, we were thrilled to see that number climb to 17. In that same year, we renamed the event Growth & Grit, in a nod to the determination and resilience it takes to continue growing a successful business. The



star of the show was clearly KaTom Restaurant Supply, which has been on the list for 13 consecutive years. We look forward to what 2023 will bring!

Program Highlights from FY22 (and beyond)...

As mentioned above, much of our effort has focused, and will continue to focus, on refining our programming to address three strategic priorities that are critical to any thriving entrepreneurial ecosystem: Access to Talent, Access to Capital, and Access to Markets. KEC sponsors have provided critical support for programs that serve each of these areas, including accelerators, code camps and Maker summits. Equally importantly, each of those initiatives has spawned new programs that continue to transform the way we work with entrepreneurs in our region.

ACCESS TO CAPITAL:



The Works is our growth accelerator for highly scalable technology startups. Over 12 weeks, The Works provides coaching and instruction on growth strategies, brand development and access to capital. The goal is to create investible companies that can grow quickly and become drivers of job growth and capital investment in our region. In August 2020, six companies graduated from The

Works and continue to set the pace for startups in our region.

The Works is just one of several ways that we work with partners in the community to ensure that our startups are well capitalized. In addition to pitch competitions such as **What's the Big Idea** and **Startup Day** (an annual event run by the Innov865 Alliance), we are pursuing alternative sources of capital that include impact funds, crowd funding, Opportunity Zone investments. Our efforts to develop a robust investor community and increase the amount of capital available to, and invested in, startups here are producing great results.

In the past year alone, there was nearly \$25M invested in companies that have worked with KEC, and we are actively engaged in creating a new fund that will serve even more of those companies going forward.

100Knoxville



Approximately 1 in 6 Knoxville residents is Black. According to the U.S. Census, Knoxville has the highest Black poverty rate among large cities in Tennessee, and among the highest Black poverty rates in the country.

Black-owned businesses are essential to addressing that poverty gap, decreasing wealth inequity, and creating new jobs in our region. Unfortunately, the numbers of Black-owned businesses currently in Knoxville are not encouraging:

- There are 97 Black-owned firms in Knoxville with employees. Average annual receipts are \$1,125,649. By contrast, there are 6,983 white-owned firms with employees. Average annual receipts are \$2,766,717.

- There are 2,145 Black-owned firms in Knoxville without employees. Average annual receipts are \$16,942. By contrast, there are 29,454 white-owned firms without employees. Average annual receipts are \$54,485

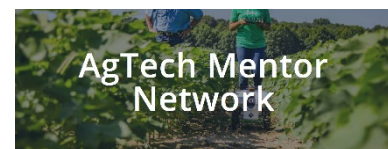
100 Knoxville sets out on a path to grow minority business through the deliberate investment of assistance, capital, corporate engagement, and other resources. The focus is on minority firms with paid employees, as well as promising minority businesses with no paid employees. By rallying our community around the goal of growing Black-owned businesses in Knoxville by \$10,000,000 in 5 years, we can help our community thrive today and for generations to come.

The program is designed around a series of '5X5X5' cohort-based sprints intended to accelerate revenue growth. The 5X5X5 references three aspects of the program: 5 companies, each receiving a \$5,000 grant, participate in a 5-week sprint. They are paired with mentors, and in future classes, will also receive tailored instruction from a local business coach. The first 5X cohort launched in March, 2021, funded by a generous grant from TVA. Several of those entrepreneurs have doubled or even tripled revenue and job creation since graduating. A second cohort launched in September, 2021 with funding from Pilot Flying J and Truist Bank. Additional funding allowed us to run 4 5X cohorts in 2022, and in several cases, graduates of the program have come back as mentors to new participants!

In addition to the individual cohorts, 100Knoxville aspires to offer ad-hoc mentorship, connections and support for businesses that apply to the 5X but were not selected. Funding from our partners in the community will accelerate that effort as well, and continue our work to empower Black entrepreneurs through inclusive economic development.

AgTech Mentor Network

The Tennessee AgTech Mentor Network, a partnership between the Knoxville Entrepreneur Center, AgLaunch, and Launch Tennessee, is the latest addition to the thriving ecosystem focused on supporting AgTech startups and companies in Tennessee. The goal of the network is to create a meaningful feedback loop for startups, engaging industry veterans, startup experts, and farmers that will lead to additional investment and create more viable AgTech companies in the state.



The program will build upon existing entrepreneurial support programs by the three partners and will prepare startup founders to validate and scale their technology with Tennessee farmers. It will also complement the work KEC and AgLaunch will be doing under a new SBA contract, and through a new organization called AgLaunch Engine, to build a Regional Innovation Cluster focused on ag-tech and agri-food entrepreneurs in Southern Appalachia.

ACCESS TO MARKETS:

Inflection Point

Our newest effort to support growth-oriented technology companies, Inflection Point is an extension of our previous GrowthWorks and GrowthCo programming. The Inflection Point program consists of a 13-week intensive planning process, monthly and quarterly sessions with mentors and subject matter experts, an updated Local Executive Access Program (LEAP), and fractional executives to assist those growth-stage companies. Inflection Point will accept only 4-6 companies in each class to ensure that KEC, its mentors, and its subject matter experts can provide a personalized experience to each entrepreneur.

The logo for 'inflectionpoint' is written in a lowercase, sans-serif font. The word 'inflection' is in a dark blue color, and 'point' is in a lighter blue color.

Five companies were part of the inaugural class that kicked off in January 2021, and another five in the second cohort that started in October 2021. KEC plans to welcome 2 new Inflection Point classes each year; bring alumni from different classes together for networking, knowledge sharing, and learning opportunities; and develop other programs under the Inflection Point umbrella to support area entrepreneurs during their growth journey.



The Works 2022 was the 12th accelerator program that KEC has run, and as we reflected on that progress we recognized the need for a stronger programmatic emphasis on our alumni – companies that have a product or service in the market, that are growing quickly, and that need help continuing that momentum. Our response has been to create **LEAP – Local Executive Access Program**. LEAP has become a collaborative initiative that curates relevant introductions among top corporations and the most promising startups across Tennessee with the goal of generating partnerships and business transactions. The LEAP alliance is a contingent of entrepreneurs, startup community supporters and investors that collaborates with Tennessee startups and corporations throughout the year. This group works directly with corporations to identify areas ripe for innovation and specific internal challenges needing transformative solutions. Based on that insight, the LEAP team selects startups most appropriate to present specific plans for engagement. Corporations then take the lead on any desired follow-up.

To date, LEAP sessions have included Pilot Flying J, Radio Systems Corporation, Bush Brothers, JewelryTV, Tractor Supply, Ascension Health, and Disney. Those meetings lead to a number of follow-up conversations and several pilot projects, and we've been asked to accelerate efforts to schedule additional LEAP sessions in the coming year as a response to the 'Access' gap identified in the recent Techstars Innovation Economy assessment.

Corporate support for KEC last year also allowed us to further efforts to support and celebrate the maker community here. Over the past three years, KEC has hosted meetups at various maker spaces, rebranded Knoxville as **The Maker City**, built a web presence and newsletter, and coordinated efforts of the Mayor's Maker Council. The highlight of those efforts was our fourth Maker City Summit, which saw over 400 attendees and participants. The focus on this year's Summit was making the maker community a welcoming place for all, with a particular emphasis on diversity and inclusion for makers.



An important extension of that work has been KEC's efforts to develop a class specifically designed to teach makers how to build a business out of their craft. In partnership with Etsy, the global craft marketplace, we have rolled out **Etsy Craft Entrepreneurship**, a five-session bootcamp (which went virtual for 2020 and continued through 2021, but was back in person in 2022!) that helps makers open successful Etsy shops. We were incredibly excited to leverage our funders' initial investments in this class into an additional \$60,000 grant from the TN Department of Economic and Community Development to bring these classes to underserved rural communities, including successful classes in Cookeville, Sevier, Erwin, Lenoir City and Jefferson City.



Over the past 5 years that we have been running the program, we have taught 16 classes and created over 250 new Etsy shops. Six of those classes have been in rural communities; 58% of those participants come from low-moderate income households, and 81% have been women.

Our future plans for the Etsy Craft Entrepreneurship program include training additional instructors to expand the number and range of classes available; and working with Etsy and Centro Hispano in Knoxville in hopes of offering the classes in Spanish.

Proof

KEC has partnered with the Proof Group from Chattanooga to run two programs intended to support and accelerate hospitality and consumer product goods businesses in our region. The first program, Proof Restaurant Recovery, was designed to help restaurants survive, and even thrive, during the economically challenging slowdowns/shutdowns caused by the COVID pandemic. 26 restaurants participated in our initial two cohorts.



Next up was the Consumer Goods Accelerator, a collaborative effort between KEC, the Biz Foundry in Cookeville, and Sync.Space in Kingsport, that provided an immersive, growth-oriented sprint for 9 consumer goods businesses that currently have a product in the market. Four of those companies, LuLu Liquor Cakes, Lirio Chocolate, Alt Route Meals, and Tomato Head Humus, are located in Knoxville.

ACCESS TO TALENT:

Code@KEC

A longstanding component of our approach to talent-creation is a program designed to ensure that middle and high school students throughout the region are provided an opportunity to learn about, and even practice, the art of software development. Through our **Code@KEC** initiative, over the course of 6 camps this past year, nearly 230 students had the chance to work with experienced developers to write code, build robots and understand the logic that underpins it all. Many of those students were from underserved communities that have little or no access to STEM education or computer sciences.



In the coming year, KEC will revisit our efforts to develop a pool of talented software developers through a rebooted internship program in collaboration with **KnoxDevs and the Knoxville Technology Council**. That program will again seek to pair nascent coders with technology startups for a 4-month paid internship. Our hope is to eventually support up to 15 interns annually. Companies that participate in the program will be required to cover half of the intern's stipend, and KEC will commit the other half.

Over the past few years, KEC has also partnered with **Yo!STEM**, a program dedicated to exposing students from underserved communities to the growing STEM world through hands on activities. Through their STEM Saturdays program, Yo!STEM focuses on providing K-6th graders hands on experiences with science and technology – making slime, building robots, flying drones, and generally having fun doing it! We hope to continue building on that relationship going forward.

BrandCamp

Growing out of our work with teams in The Works accelerator, and their consistent need for 'brand therapy', KEC set out to develop a standalone program just for branding and content creation.

Originally developed four years ago, **BrandCamp** was a multi-week program for content creators that builds on KEC's successful history of programs intended to develop a media-savvy entrepreneurial community in East Tennessee:



For 'Students' - **BrandCamp** is designed to train and prepare next-generation content creators for careers in marketing, branding, video editing, social media management, and data analytics through hands-on, team based, project learning. We eventually extended that programming to become a part of the practicum for students at the UT Knoxville College of Communications.

For 'Startups' – **BrandCamp** is designed to help Knoxville companies crystallize their brand and marketing efforts to maximize Company growth.

Following on the theme of growth and transition at KEC, for FY22, **BrandCamp** also received a makeover of sorts. In the fall of 2020, we ran our first full cohort of **BrandCamp** companies that did not involve interns or students. Instead the program directly engaged founders of those businesses in the process of both content creation and brand identity. Over the summer of 2022, we grew **BrandCamp** into a multi-session online course that could support up to 25 participants in each session. The class completely sold out, validating the need for more entrepreneurs to be able to access this kind of training. We are looking to create a self-paced, video-based version of the class, and expect to run several more in the coming year.

Summary

Through our work to date, KEC has proved to be a valuable investment for the Knoxville community, and we are deeply grateful for the **funding from Federal, State and local grantees that has included the US Department of Agriculture, the TN Department of Economic and Community Development, the Tennessee Arts Council, the First Tennessee Foundation, Clayton Foundation, and Pilot Flying J** that has allowed us to continue our important work:

- Educating and inspiring the next generation of entrepreneurs through a continuum of programs, classes, and mentorship
- Developing and retaining a diverse, talented, tech-savvy workforce
- Further establishing Knoxville's position as THE Maker City by supporting the maker community and the work of the Mayor's Maker Council
- Targeted accelerator support and access to capital for companies with high growth potential
- Networking and other community events to connect entrepreneurs with additional resources

We're excited for the coming year and all the new opportunities it will bring. We never know what great founder, or what big idea, will walk through KEC's door next, but we're ready and waiting to turn them both into the 'new new thing'!



Some of the many **KEC** Programs made possible with **YOUR** Support



KEC's flagship program, The Works is a 12-week startup accelerator for scalable technology companies focused on software, hardware, and lifestyle content developers.



A partnership between the KEC, AgLaunch, and Launch Tennessee, and the latest addition to the thriving ecosystem focused on supporting AgTech startups and companies in Tennessee.



Our newest effort to support growth-oriented technology companies, Inflection Point is an cohort-based extension of our previous GrowthWorks and GrowthCo programming.



CO.STARTERS is a nine-week business development program that helps aspiring entrepreneurs put ideas into action, and turn a passion into a sustainable and thriving small business.



Innov865 Week is a week-long series of events, culminating in a Startup Day pitch competition, that celebrates and showcases Knoxville as a great place for entrepreneurs to start and grow businesses.



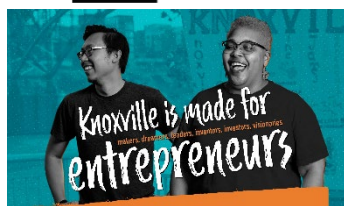
What's the Big Idea 48-Hour Launch is a weekend-long business competition that brings together bright minds over one weekend to participate in an intensive period of prototyping, community building, planning, incubation, and launching.



Born out of a growing partnership with Etsy, the global online marketplace, the Mayor's Maker Council is developing a year-long series of programs, workshops and networking events designed to build an informed and collaborative City, one that fully embraces the maker movement. Having been designated the first Etsy Maker City in the United States, the Maker Council is looking to cement our region's status as The Maker City, and THE place to make in Tennessee.



A monthly forum for women entrepreneurs hosted at KEC that offers speakers, workshops, networking, and mentorship.



Made for Knoxville campaign that will connect and empower the diverse entrepreneurial community in the Knoxville region — ranging from “solo-preneurs,” makers, growth stage tech companies, investors, and established institutions.