

ITEM 20. KNOWLEDGE EXCHANGE SPONSORSHIP – SBE AUSTRALIA 2016

FILE NO: S118695

SUMMARY

An application for sponsorship under the Knowledge Exchange Sponsorship Program from the not-for-profit organisation, Springboard Enterprises Australia (legal entity is SBE Australia Limited), has been received. SBE Australia produces a program which supports women entrepreneurs leading high-growth businesses. The application has been evaluated and support of \$35,000 (cash) and \$2,000 (value-in-kind venue-hire) is recommended.

On 9 December 2013, Council adopted the Economic Development Strategy – a 10 year strategy which aims to strengthen the city economy and support business. It identifies that supporting entrepreneurs to become employers is an effective way to grow jobs and job diversity in the economy.

The draft Tech Startups Action Plan is consistent with this strategy. It identifies how the City can support entrepreneurs, with a focus on new businesses based on technology and designed for fast growth - that is 'tech startups'. Community feedback on the draft Tech Startups Action Plan is currently being analysed and a final document is expected to be presented to Council in mid-2016. The draft action plan identifies the need to increase the number of female entrepreneurs launching and scaling high-growth businesses, as an economic priority.

SBE Australia is a not-for-profit organisation which supports women entrepreneurs leading high-growth businesses. Each year, SBE Australia conducts a 'bootcamp' program for up to 10 companies designed to accelerate their growth. This program includes business skills and knowledge, coaching, mentorship and connecting these entrepreneurs to local and international venture capitalists, angel and corporate investors, business and government executives.

Since 2012, SBE Australia has worked with 26 companies which have seen a 65% success in raising capital, realised over \$64M investment capital and over 33% have a presence in US and UK markets.

In 2016, SBE Australia will create a new education and coaching program to meet the needs of women entrepreneurs in earlier stages of the company lifecycle. It will also implement a new corporate innovation program and masterclasses on specific issues for women entrepreneurs. These new programs provide a revenue opportunity for the organisation, enhancing its sustainability.

SBE Australia has been supported by the City since its launch in 2012, and has demonstrated its ability to produce successful programs and provide appropriate sponsorship benefits to the City.

SBE Australia proposes that the City remain a Cornerstone Sponsor enabling it to strengthen its accelerator program, as well as implement these new programs.

RECOMMENDATION

It is resolved that:

- (A) Council approve a cash sponsorship of \$35,000 (excluding GST) and \$2,000 value-in-kind for venue hire to SBE Australia as Cornerstone Sponsor 2016; and
- (B) authority be delegated to the Chief Executive Officer to negotiate and enter into a sponsorship agreement with SBE Australia Limited.

ATTACHMENTS

Nil.

BACKGROUND

1. On 9 December 2013, Council adopted the Economic Development Strategy – a 10 year strategy which aims to strengthen the city economy and support business.
2. The Strategy states that the City will develop and deliver programs, seminars and forums to enhance the skills of business owners, increase their awareness of business opportunities and trends and discuss strategic issues.
3. The Strategy also states that supporting entrepreneurs to start and to grow businesses will potentially create more jobs, boost Sydney's economy, strengthen global connections, and make the city a more desirable place to live, work and visit.
4. As a priority within the Strategy, the City has developed a draft Tech Startups Action Plan, which aims to create an environment in which entrepreneurs can start and scale innovative, high-growth businesses.
5. High-growth businesses use technology and innovation (tech startups) to tackle a large and often global markets. Their rapid growth (or ability to 'scale') means that they can bring swift employment and economic benefits locally.
6. On 10 August 2015, Council resolved to put the draft Tech Startups Action Plan on public exhibition. The community's feedback is currently being analysed and a final document is expected to be presented to Council in mid-2016.
7. Sponsorship of SBE Australia meets the objectives of the Economic Development Strategy and the draft Tech Startups Action Plan. It is recommended that this activity take place in advance of the final action plan.
8. The action plan states the City will identify and address the barriers to women launching and scaling tech startups. In particular, it states that it will provide support for women to access entrepreneurship and business skills and knowledge, mentoring and investment.
9. SBE Australia is a not-for-profit organisation which each year accepts up to 10 women-led, high-growth businesses into its accelerator program, held in Sydney, which includes:
 - (a) an intensive 'bootcamp' of knowledge exchange between US, Australian and other global investors, business leaders, sector experts and entrepreneurs to boost the investment attractiveness of women-led businesses;
 - (b) a two-month mentorship coaching program to help entrepreneurs refine their investor pitch and make business connections;
 - (c) participation in collaborative events with partners in the broader entrepreneurial sector, eg, Head Over Heels, Blue Chilli, ATP Innovations and SCALE, to further assist entrepreneurs to gain knowledge and develop networks; and
 - (d) involvement in focus groups to highlight issues facing women entrepreneurs and develop recommendations.

10. Each woman who completes the SBE Australia Accelerator Program becomes part of an extensive global alumnae network, sharing knowledge and skills in order to grow their business into a global business.
11. SBE Australia facilitates connections between women entrepreneurs and mentors from Sydney's corporate, government and startup sectors in order to maximise their investment attractiveness.
12. Twenty-six high-growth businesses, led by women entrepreneurs, have participated in the Australian program since its launch in mid-2013. Almost a third of the women who have completed the program originate from Sydney, including: Canva Co-Founder Melanie Perkins, who raised one of Australia's largest early stage venture capital predicted to reach a value of \$1 billion, and Flamingo Ventures' Founder and Chief Executive Officer Dr Catriona Wallace who opened a \$1 million capital raising in June 2014, which closed well oversubscribed at \$2.1 million in only three weeks. Flamingo Ventures' now has offices in Sydney, Los Angeles and New York City.
13. In May 2016, SBE Australia will profile the companies in the accelerator program, and Sydney's growing tech startup ecosystem, to a delegation of international visitors, predominantly from the United States. This delegation will include venture capitalists, angel and corporate investors, business and government executives. There will be a four-day program of events, tours and meetings to showcase the talent, programs and investment opportunities available in Sydney.
14. In 2016, SBE Australia will provide a series of new programs for women entrepreneurs with companies with high-growth potential:
 - (a) a business skills and coaching program (in Sydney business incubators or co-working spaces) for early-stage companies;
 - (b) a new corporate innovation program which connects SBE Australia alumni companies (both Australian and US) with local companies so they benefit from engaging with each other, their customers and developing innovative products and services; and
 - (c) entrepreneurship masterclasses, eg, investment strategies, term sheets, intellectual property.
15. SBE Australia is also planning a 'Global Women and Girls Entrepreneurial Summit' in 2017 in Sydney to celebrate, encourage and inspire women entrepreneurs around the world.
16. SBE Australia is also developing partnerships in Sydney with Head Over Heels, ATP Innovations, Blue Chilli, Fishburners and Tank Stream Labs to develop these and other programs.
17. SBE Australia also recently signed a Memorandum of Understanding with Advance.org, the global network organisation of Australian ex-pat business leaders, to share networks and collaborate on programs to benefit women entrepreneurs.
18. The SBE Australia international supporter base includes Minerva Tantoco, the first Chief Technology Officer of New York City. This provides an opportunity for the City of Sydney to develop a relationship with this global city, which is particularly relevant given the City is developing its own digital strategy.

19. Key corporate sponsors of SBE Australia include Ernest and Young, Corrs Chambers Westgrath, Microsoft and Haystack. SBE Australia's confirmed and in-negotiation sponsorships range from \$33,000 to \$100,000, placing the City of Sydney at the lower end of the sponsorship contribution.
20. The application has been assessed under the City's Knowledge Exchange Sponsorship program, one of the 15 programs under the Grants and Sponsorship Policy adopted by Council in September 2014.
21. The program recognises that for the city to thrive, we must support and create an environment that fosters collaboration and learning.
22. The program supports the exchange of ideas and knowledge, the showcasing of local expertise and encourages dialogue on local and global issues. Under the program, eligible projects can be supported to a maximum of \$40,000 cash and applications can be received ad hoc throughout the year.
23. The application has been assessed as contributing to the following program outcomes:
 - (a) adoption and implementation of best practice approaches by organisations and individuals;
 - (b) strong networks where participants share resources and acquire new knowledge and skills;
 - (c) improved capacity in organisations and individuals to develop and maintain sustainable business ventures; and
 - (d) increased recognition of Sydney as an innovative and creative city.
24. Under the Knowledge Exchange Sponsorship program, eligible organisations include not-for-profit and for-profit organisations as well as social enterprises. SBE Australia is a not-for-profit organisation.
25. If Council resolves to support SBE Australia, the sponsorship benefits for the City of Sydney include: logo acknowledgement on all promotional material for the program in Australia, including webpage, digital fact sheets and videos, alumnae case studies, newsletter, event invites and event signage, social media and media releases. The City will be invited to launch the accelerator program and provide a welcome at other events.
26. Evaluation of the sponsorship will include: a report including results from a participant survey, number of local and international participants, participant feedback, website analytics and media mentions. The evaluation requirements will be included as part of the City's standard sponsorship agreement.
27. In 2015, the City of Sydney sponsored SBE Australia to the value of \$30,000 (\$25,000 cash sponsorship and \$5,000 value-in-kind for venue hire).
28. In 2016, SBE Australia requested that the City of Sydney provide sponsorship of \$42,000 (\$40,000 cash sponsorship and \$2,000 value-in-kind for venue hire).

29. It is recommended that, in 2016, the City provide sponsorship to SBE Australia to the value of \$37,000 (\$35,000 cash and \$2,000 value-in-kind for venue hire) so that participants can: share knowledge; build relationships to enable mentorship and collaboration; and increase their skills in order to develop their high-growth business.
30. The increase in sponsorship supports SBE Australia to expand its programs to reach women in earlier stages of their entrepreneurial journeys, increase opportunities to make connections, and attend masterclasses in specific areas. Some of these new programs will enable SBE Australia to generate income and ensure the ongoing sustainability of the organisation.
31. The City will be a Cornerstone Sponsor of SBE Australia, enabling it to hold its accelerator program as well as implement these new projects.

KEY IMPLICATIONS

Strategic Alignment - Sustainable Sydney 2030 Vision

32. *Sustainable Sydney 2030* is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This sponsorship is aligned with the following SS2030 strategic directions and objectives:
 - (a) Direction 1 - A Globally Competitive and Innovative City – supporting business community to start and to grow innovative businesses will potentially create more employment, boost Sydney's economy, strengthen global connections and make the City a more desirable place to live, work and visit.
 - (b) Direction 6 - Vibrant Local Communities and Economies – innovative businesses can grow into global businesses resulting in swift economic and employment benefits locally.
 - (c) Direction 7 - A Cultural and Creative City – supporting the creation of entrepreneurial businesses and innovative products and services is supporting the expression of innovation and creativity which in turn contributes to a cosmopolitan, vibrant and active city.

Economic

33. Supporting entrepreneurs to develop global businesses will contribute to the City having a vibrant, diverse and creative economy.

BUDGET IMPLICATIONS

34. Funding of \$35,000 cash (excluding GST) and \$2,000 value-in-kind venue hire is available in the 2015/16 Research, Strategy and Corporate Planning business unit budget.

RELEVANT LEGISLATION

35. Section 356 of the Local Government Act 1993.

KIM WOODBURY

Chief Operating Officer

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