

**ITEM 13. KNOWLEDGE EXCHANGE SPONSORSHIP - SPRINGBOARD
ENTERPRISES AUSTRALIA**

FILE NO: S118695.003

SUMMARY

An application for sponsorship under the Knowledge Exchange Sponsorship Program from the not-for-profit organisation, Springboard Enterprises Australia, has been received. Springboard Enterprises Australia produce programs specifically to enable growth, acceleration and connection of Australian female entrepreneurs with a global network of investor professionals. The application has been evaluated, and support of \$35,000 (cash) plus \$7,500 (VIK venue-hire) per year for three years is recommended, however Council should note that this will be the final sponsorship agreement from the City to Springboard Enterprises Australia.

On 9 December 2013, Council adopted the Economic Development Strategy, a 10-year strategy that aims to strengthen the city's economy and support businesses. The Tech Startup Action Plan (adopted by Council on 27 June 2016) is consistent with this strategy; it identifies how the City can support an environment in which entrepreneurs creating innovating companies designed for fast growth can thrive.

To achieve these outcomes, the City delivers programs, and supports those delivered by others, to ensure access to expertise, knowledge, information and entrepreneurial skills in the community, including women-led businesses.

Springboard Enterprises Australia currently fills a gap by providing knowledge to women on how to access capital funding for sustainable and scalable global business growth. Another differentiator is that they are a not-for-profit organisation and do not take equity in the companies they support. Participants in their programs are also offered a highly subsidised fee to participate in the program.

Springboard Enterprises Australia proposes to launch an Early Stage Masterclass Program that aims to help more women-led companies succeed by preparing them to grow and scale. The Masterclass also readies participants to complete the Springboard Bootcamp program that supports companies to become investor ready and for global expansion.

Since launching their first program in late 2012, 36 women entrepreneurs have completed the Springboard Enterprises Australia Accelerator program. 85% of participants have been successful in raising capital since completing the Bootcamp programs, with more than \$125 million in capital raised and over 200 new jobs created. 60% are now exporting with overseas sales and/or offices, and 33% have a USA and UK presence. There have also been two Initial Public Offerings (IPOs) on the Australian Stock Exchange (ASX), and three company sales.

For the past five years, the City of Sydney has been a supporter and sponsor for the Springboard Accelerator Program. Springboard Enterprises Australia proposes that the City now become a three-year Cornerstone Partner of the Early Stage Masterclass Program, which supports new growth. This will help to further develop the Sydney ecosystem as a vibrant hub of women's entrepreneurship. However the City will no longer support this program once the three year contract has concluded.

RECOMMENDATION

It is resolved that:

- (A) Council approve a final cash sponsorship of \$35,000 (excluding GST) and \$7,500 value-in-kind for venue hire per year to Springboard Enterprises Australia as Cornerstone Sponsor of the Early Stage Masterclass Program for three years from 2016/17, 2017/18 and 2018/19;
- (B) Council note that this will be the final sponsorship agreement with Springboard Enterprises; and
- (C) authority be delegated to the Chief Executive Officer to negotiate and enter into a sponsorship agreement with Springboard Enterprises Australia.

ATTACHMENTS

Nil.

BACKGROUND

1. The Tech Startups Action Plan states the City will identify and address the barriers to women launching and scaling tech startup businesses, in particular, to provide support for women to access entrepreneurship, business skills and knowledge, mentoring and investment.
2. Springboard Enterprises Australia is a not-for-profit organisation that accepts up to 10 women-led, high-growth businesses each year 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 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.
3. Each woman who completes the Springboard Enterprises 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.
4. In 2017, Springboard Enterprises Australia has developed an Early Stage Masterclass program to support these companies and help ensure their growth and sustainability. While the focus of the Accelerator Program is to help businesses get investor ready and continue to grow and scale globally, this earlier stage program will focus these companies on developing a solid plan to attract customers and sales to enable them to get to the next stage.
5. The Early Stage Masterclass program will consist of a three-hour class held one evening per week over eight weeks, and the first 2017 Sydney-based pilot program will feature 10 to 15 women. The learnings gained from the pilot program will contribute to the development of a full program that will include 15 to 20 women per session. It is envisioned that two classes per year will be held in Sydney, with one additional class held in another capital city by 2018. Springboard Enterprises Australia hope that this new program will be expanded to a third capital city by 2019.
6. The expected outcomes of the Early Stage Masterclass program for participants are:
 - (a) having a solid knowledge and understanding of their business, financials, intellectual property, and strategy;
 - (b) having increased confidence in themselves and their company;
 - (c) having a good investor pitch;
 - (d) increased capacity to attract new clients/customers; and

- (e) to feed into the Springboard Enterprises Australia Springboard Accelerator program for the next phase of growth.
- 7. Less than 15% of all venture capital investment is in women-led companies, and less than 6% of this is in women-led global tech companies. Underfunded companies statistically fail at much higher rates than those that are adequately funded. Springboard Enterprises Australia actively works to bridge this gap by helping women-led companies in this sector access the resources, expertise, networks and capital they need to grow big, global sustainable businesses.
- 8. In 2015, the City of Sydney sponsored Springboard Enterprises Australia to the value of \$30,000 (\$25,000 cash sponsorship and \$5,000 value-in-kind for venue hire) and, in 2016, the City provided \$37,000 (\$35,000 cash and \$2,000 value-in-kind for venue hire) to support the Springboard Enterprises Australia Accelerator Program.
- 9. The City's support of Springboard Enterprises Australia's new Early Stage Masterclass program will enable them to expand their programs to reach women in earlier stages of their entrepreneurial journey, connect emerging innovative companies with established corporations and offer masterclasses in specific areas of interest to women entrepreneurs. Springboard Enterprises Australia also hopes to generate income through these new programs to ensure the ongoing sustainability of the organisation.
- 10. Springboard Enterprises Australia's application for sponsorship has been assessed under the City's Knowledge Exchange Sponsorship program. 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.
- 11. 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.
- 12. Under the Knowledge Exchange Sponsorship Program, eligible organisations include not-for-profit and for-profit organisations as well as social enterprises. Springboard Enterprises Australia is a not-for-profit organisation. A panel of staff assessed the application, including the Economic Strategy Manager, City Business Coordinator Capacity Building and Grants Manager.

13. If Council resolves to support Springboard Enterprises Australia, the sponsorship benefits for the City include: acknowledgement on all promotional materials, opportunities to attend numerous high-value networking events, access to observer tickets for City of Sydney staff in Springboard Enterprises Australia programs, including during the sponsorship period, and tickets for appropriate City of Sydney officials to attend the Springboard Enterprises Australia annual Investors Forum and exclusive Winners Circle Dinner in New York.
14. Evaluation of the sponsorship will include: a report including survey data results from program participants on their experience, knowledge they gained and outcomes from involvement, marketing metrics and qualitative and quantitative data collected regarding women-led businesses sectors. The evaluation requirements will be included as part of the City's standard sponsorship agreement.

KEY IMPLICATIONS

Strategic Alignment - Sustainable Sydney 2030 Vision

15. 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 the 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

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

BUDGET IMPLICATIONS

17. There are sufficient funds allocated for this grant within the current year's budget for Knowledge Exchange Grants held within the City Business and Safety Business Unit's 2016/17 operating budget, and provision will be made for the second and third year of sponsorship in the draft 2017/18 budget and future year forward estimates.

RELEVANT LEGISLATION

18. Section 356 of the Local Government Act 1993.

CRITICAL DATES / TIME FRAMES

19. Springboard Enterprises Australia's program is proposed to run from April 2017 to December 2019.

ANN HOBAN

Director City Life

Lana Zegura, City Business Coordinator, Capacity Building