



# Innovation Places

## Guide to Project Design & Selection

CTNext and Innovation Places exist to support entrepreneurship, new business formation and growth, and the creation of new jobs at new businesses. Every project we fund must have a strong, direct connection to this core mission.

Innovation Places is a place-based initiative, with a focus on innovation ecosystem development and a preference for geographic density among portfolio projects. By supporting multiple innovation assets in overlapping areas of influence, we aim to create emergent benefits not possible in isolation.

Ideal projects magnify the benefits of all other initiatives in an Innovation Places' portfolio, while drawing upon and enhancing the ecosystem's footprint of existing assets. Every new project thus nurtures and grows the ecosystem in a permanent way.

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### Key Questions for Every Project

In reviewing any project proposal, please ask yourself:

1. How many new businesses will this project help to create or scale up?
2. How many near-term job opportunities will arise from this project?
3. Does this project meaningfully amplify and/or expand access to existing assets in your entrepreneurial ecosystem? Which ones, specifically?
4. Is this project catalytic, i.e. will it continue to provide meaningful benefits to your entrepreneurial ecosystem years after all grant dollars have been spent?
5. Is there a demonstrated market need? Is there private sector buy-in?

**Projects without highly compelling answers to at least two of these questions should not be considered for funding.**

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### Core Principles of Project Design

**Entrepreneurial Involvement** – Are local entrepreneurs asking for this project, or have they identified a need which it addresses? Who are the entrepreneurs that support this project, and can you name them? Are entrepreneurs well represented on your IP's board and project selection committees, and are you conducting regular outreach to local entrepreneurs not on your board before every new project round?

**Diversity & Inclusion** – Innovation Places is a program aimed at fostering new economic opportunities in Connecticut’s cities, and our initiatives should be reflective of the diversity in our cities’ populations. Are minority and female entrepreneurs well represented on your IP’s board and project selection committees? Are the projects in your IP’s portfolio supportive of minority and female-led startups? Is your IP well-connected and in regular communication with minority business organizations in your city?

**Emergent, Additive Benefits** – No Innovation Places project should ever be thought of in isolation. Every initiative in your IP’s portfolio should support all of the others, generating emergent benefits that would not exist due to one project alone. The work your IP does this year should be different from the work you did last year, opening new doors for new kinds of projects in the year to come. Think of the innovation assets your community already possesses. How can these be added to or built upon? What is your entrepreneurial ecosystem missing, and how can Innovation Places help to build it?

**Geographic Density & Placemaking** – One of the best ways of creating emergent benefits is through geographic density. All four Innovation Places are located in cities, where the population density is high. Key anchor institutions like universities, hospitals, major corporations and co-working spaces are already located there, and people associated with these institutions interact with one another at lunch and after work in restaurants, coffee shops, bars and other gathering places (at least, pre- and post-COVID). These unplanned collisions among innovators, entrepreneurs and talent are characteristic of the most successful “innovation places.” How can your Innovation Place cultivate this kind of creative density? Are the projects you are funding located within walking distance of one another? Are they accessible to mass transit? Is there significant foot traffic in these areas, and how could you grow it? Is your community a place where locals and visitors are excited to live, work and play? If not, what can your Innovation Place do about it?

**Long-Term Sustainability** – Innovation Places is not a permanent program, and not a permanent source of funding for any initiative. All IP funding is intended to be catalytic, getting new initiatives off the ground that will then find long-term, sustainable funding from other sources. Proposals that would require constant levels of annual grant support should not be funded in the first place, and neither should proposals that would stop providing benefits to your ecosystem after all grant funds are expended. Projects funded over multiple years should receive less funding in each successive year, with the ultimate goal of financial independence.

**Talent Development & Recruitment** – What kinds of talent and worker skillsets are the startups in your community looking to hire? Be sure to differentiate between the talent needs of new startups specifically versus overall labor market needs. There may or may not be overlap in this regard. Innovation Places is not an all-purpose workforce development program. Is the existing labor market in your ecosystem supplying the talent that startups need in adequate numbers, and if not, is there a market shortage that an IP project could help to address in a catalytic, ongoing way? Project proposals which put participants directly into new jobs or into new jobs near-term (i.e. within 6 months of project participation) are vastly preferred to projects with a long-term or indirect connection to new employment. Proposals to cultivate long-term interest in key skillsets among K-12 students have value and may be considered, but only at lower levels of investment (ex: sponsorships of \$5,000 or less).

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## Things Innovation Places Does NOT Fund:

- 1. Individual Ventures** – Innovation Places is not a venture capital investor (though our parent organization [Connecticut Innovations](#) is), and neither does it award grants to individual startups (such as [CTNext's EIA Awards](#)).  
*Innovation Places initiatives may feature an individual company as a primary project partner, but this must always be in support of a project or service that benefits multiple startups in your ecosystem (for instance, a privately-owned incubator/accelerator).*
- 2. Projects Without 100% Private Cash Match** – To ensure every IP initiative is responsive to market demand, and to leverage limited public dollars, each IP project grant must be matched by a 100% or greater private investment. In special circumstances, highly compelling projects of great value may be considered that do not meet the match requirement.
- 3. Ongoing Annual Grants** – Innovation Places funding is intended to be catalytic seed investment. Projects that would require constant levels of annual grant support should not be funded, and neither should proposals that would stop providing benefits to your ecosystem after all grant funds are expended. Projects funded over multiple years should receive less funding in each successive year, with the ultimate goal of financial independence. Each year's portfolio of IP projects should aim to add self-sustaining and permanent new assets to your entrepreneurial ecosystem, each year building on the next. Ask yourself this: if all Innovation Places funding ceased tomorrow, would this project still provide ongoing value to your ecosystem?
- 4. Proposals Without a Strong and Direct Connection to Entrepreneurship** – Innovation Places is about creating new businesses, and through them, new job opportunities. To accomplish this, we support a wide variety of initiatives, aiming for one project to reinforce the next, generating emergent benefits and building on top of existing community assets to create a vibrant, ever-growing ecosystem that generates, supports and attracts entrepreneurs. Innovation Places is NOT an all-purpose program for all public needs, however meritorious or well-intentioned. Our program was created by the State of Connecticut in partnership with municipal governments for an express purpose: fostering entrepreneurship and related job opportunities. Through this work, we hope to generate economic growth.

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## A Note on Events

Networking and social events are the lifeblood of any thriving innovation ecosystem. Facilitating, encouraging, and hosting such events should be a regular activity for all Innovation Places and their staff. However, as much as possible these events should be inexpensive (ex: pizza and beverages), and/or sponsored and paid for by other stakeholders in your innovation ecosystem.

Marquee events like conferences and Demo Days can create lots of PR value and networking opportunities, but as the price tag goes up, is a corresponding amount of lasting value also created? If proposing funding for a high-dollar event, be sure to have a very compelling strategic rationale behind it.