

Innovate ND Program Manual

2023 – 2025 Biennium

Innovate ND Program Overview

A state funded voucher reimbursement program to help North Dakota entrepreneurs further their business by supporting customer and market research. Each participant is eligible for up to \$22,500 in reimbursable expenses to be paid through the Entrepreneur Center. There are two phases offering \$7,500 and \$15,000, respectively in reimbursable expenses. The participant has up to three months per phase, for a total of six months to complete all requirements of the program. More information may be found on the Commerce website:

<https://www.commerce.nd.gov/economic-development-finance/finance-and-incentives/financial-packages/innovate-nd>

Program Goals

Support entrepreneurs in North Dakota through coaching and funding. The goal of the program is to:

- Grow the entrepreneurial ecosystem in North Dakota to enhance economic development and economic diversity in the state.
- Educate and assist participants on the lean business model canvas, value proposition, and customer identification.
- Assist participants to validate their product and market by tracking metrics such as investment, sales, or customer interviews.
- To support the development of new, innovative businesses with clear potential for primary sector certification.

Program Definitions:

The North Dakota Department of Commerce (Commerce)

Innovate ND Entrepreneur Centers (Center):

- The North Dakota Women’s Business Center, Bismarck
- Jamestown Regional Entrepreneurial Center, Jamestown
- NDSU Research & Technology Park, Fargo
- UND Center for Innovation, Grand Forks

Coach: A coach from one of the four Centers will be assigned to lead work with the participants and guide them through the program with coaches from the other centers offering secondary support.

Participant: the business participating in the Innovate ND program

Panel: The committee comprised of industry experts, the Centers, and Commerce that determines eligibility into Phase 1 of the program, acceptance onto phase 2 of the program, and how the participant may utilize the eligible expenses for reimbursement.

Program Rules:

- Funding is available on a first-come, first-served basis.
- Applicants are not guaranteed acceptance into Phase 1, nor guaranteed acceptance into Phase 2 upon completion of Phase 1.
- Participants must demonstrate all requirements are met before expenses will be reimbursed. All expenses must be approved as eligible, and the participant must show proof of payment prior to expense reimbursement. Expenses deemed ineligible by Commerce and the Panel will not be reimbursed.
- Participants must complete all phase requirements within the 3-month timeframe for each phase. The participant’s start date is the date of the email from Commerce advising them of their acceptance into each phase. In the event a major life event occurs that prevents the participant from meeting the specified timeframe of the phase, rare exceptions will be made to place the participant on hold until the life event passes. Please note, this will be rare and at the discretion of Commerce.

- Participant agrees to complete an annual survey at the time they are accepted into the Phase 1 and for up to three years after completion of the program.
- Participant agrees to provide a bi-weekly update to be reviewed with the Coach and shared with Commerce, Center, Panel members, and others. Items to be included:
 - Help Wanted/Asks
 - Highlights
 - Lowlights
 - Product Updates
 - Objectives and Key Results
 - Critical Interviews, Key Connections, and Networking
 - Press
 - Kudos

Phase 1: Qualifications to apply for Phase 1:

The business:

- Is headquartered in North Dakota.
- Is registered and in good standing with the North Dakota Secretary of State's Office.
- Is scalable with potential to become a certified primary sector business.
- Must demonstrate in their application they have reached the following levels in their application and pitch to the Panel:
 - Founding Team: Founder(s) with a team of different skillsets and aspirations to scale.
 - Problem: Team has identified a specific problem and the problem is large enough to have significant market potential or have significant market share.
 - Value Proposition: Team has clarified what they believe is the unique value proposition for their target audience.
 - Customer Validation: Team has evidence to support they have potential customers that are willing to pay for their solution.

- Product: Team has a basic prototype or proof-of-concept that solves the problem and/or has a product development roadmap.
- Go-to-Market: Team has a basic understanding of their industry and can identify the target customer, the total addressable market, and their initial go-to-market strategy with supporting key metrics.
- Business Model: Team has identified an initial revenue model and can point to similar products in the market as evidence their revenue assumptions are reasonable.
- Business Roadmap: Team has identified a 12-month roadmap for their business with milestones and key assumptions.

How to enroll in Phase 1:

The application is available on Commerce's website:

<https://www.commerce.nd.gov/economic-development-finance/finance-and-incentives/financial-packages/innovate-nd>.

Commerce determines if the entrepreneur meets the parameters of the program and if so, Commerce will schedule the applicant for a pitch with the Panel, who ultimately determines if the participant is approved for Phase 1. If the Panel approves the Participant for Phase 1, the Panel Assigns a Coach from one of the Entrepreneur Centers and determines which of the eligible expense categories the dollars within Phase 1 should be used toward. For example, the Panel may determine within Phase 1, the Participant should utilize the funding for prototype development.

Phase 1 Requirements:

Upon acceptance into Phase 1, the participant must meet all requirements to be eligible for expense reimbursement and eligibility to pitch for Phase 2:

- Complete a minimum of 20 customer interviews.
- Meet with the coach(s) bi-weekly and review the business updates (Help Wanted/Asks, Highlights, Lowlights, Product Updates, Objectives and Key Results, Critical Interviews, Key Connections, and Networking, Press, and Kudos).

- Meet with local Small Business Administration (SBA) partners at least once.
- Continue development of the Lean Business Model Canvas.
- Complete all requirements within 3 months.
- Complete and submit the expense report with accompanying documentation for each expense, including an invoice and proof of payment such as a bank statement, credit card statement, or cancelled check (front and back).

Phase 2: Qualifications to apply for Phase 2:

The participant completed all Phase 1 requirements, and the Phase 1 expense reimbursement has been approved by Commerce.

The participant will be scheduled to pitch with the Panel. The pitch should include their updated plan and key insights they learned through the customer interviews. The Panel determines if the participant is approved for Phase 2 and which of the eligible expense categories the dollars within Phase 2 should be used toward.

Phase 2 Requirements

Upon acceptance into Phase 2, the participant must meet all requirements to be eligible for the final expense reimbursement:

- Complete a minimum of another 20 customer interviews.
- Meet with the coach(s) bi-weekly and review the business updates (Help Wanted/Asks, Highlights, Lowlights, Product Updates, Objectives and Key Results, Critical Interviews or Key Connections/Networking, Press, and Kudos).
- Meet with local Small Business Administration (SBA) partners at least once.
- Continue development of the Lean Business Model Canvas.
- Complete all requirements within 3 months.
- Complete and submit the expense report with accompanying documentation for each expense, including an invoice and proof of payment such as a bank statement, credit card statement, or cancelled check (front and back).

Eligible Expenses

Participants must complete and submit the expense report with accompanying invoices and receipts to the Centers by the end of each phase. Commerce has the discretion to accept or reject the expense report based on the rules and requirements of the program. Invoices and receipts:

- Must show the business name where the product or service was purchased.
- Must prove payment occurred.
- Must have itemized documentation showing what product or service was provided.
- Must show the date of the purchase. Date of the invoice or receipt must be within the program timeframe.

Reimbursable expenses may include – at the discretion of the Panel at time of acceptance into the phase.

- Professional services such as legal, accounting and marketing.
- Prototype development or first small batch inventory.
- Registration fees or association membership fees.
- Travel for customer interviews, trade shows, or conferences:
 - Airfare
 - Hotel
- Costs associated with establishing business processes, distribution services, web development, software development, social media, and web domain.
- Access to needed equipment that is not readily available and is not used for ongoing operational purposes. Office equipment is not eligible.
- Any other expenses the Panel deems eligible.