

Gap Analysis and Needs Assessment Report

Support to Jamaica's Innovation Ecosystem for
Promoting Innovative Firms
IADB Technical Cooperation Program JA-
T1164

Prepared by Alan Beard

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Introduction

Objective of the Report

The purpose of this report (the “Report”) is to assess the current seed capital sources and corporate partnerships available to entrepreneurs in Jamaica and identify missing elements and instruments that affect the sustainability and efficiency of the Jamaican entrepreneurship ecosystem. The findings were collected after initial meetings between the consultants (Ignacio de Leon and Alan Beard) from October 7-10, 2019 in Kingston, Jamaica, wherein we met with a number of entrepreneurs, private equity, venture capital and angel investors, as well as traditional bankers and officials from Development Bank of Jamaica (“DBJ”). In addition, we met with several incubators and accelerators, some of which provide in-kind and cash funding support. The consultancy carried out a number of conversations, informal focus groups, and has reviewed pertinent literature and documents to obtain the information necessary to create this Report. The results of the findings were compared against expectations and needs of local entrepreneurs and investors, as well as experience and global best practices.

Methodology

By assessing pertinent literature on seed capital, entrepreneurship, and incubators and accelerators in Jamaica and Latin America, including previous GAP Analyses reports and entrepreneurship ecosystem assessments, the Report was further enhanced by addressing comments and concerns made by the DBJ and the IDB on the previous draft.

The following reports and documents were used:

- Jamaica’s Entrepreneurship and Innovation Ecosystem Reports 1 and 2 (Michael V Julien, 2018)
- Exploring Firm-Level Innovation and Productivity in the Caribbean Report
- Innovation Assessment Report
- MIF Evaluation – Development of Venture Capital
- Impact of Early Stage Funds in Latin America
- Corporate Venturing in the Caribbean (2016)
- GEM 2016 and 2019 Survey Reports (as suggested by Michael Steele)
- Technical Assistance for the preparation of a proposal on Access to Finance for MSMEs in CARIFORUM Member States (Boost Caribbean)
- Making Corporate Venture Capital Work (Sloan School of Management)
- European Business Review (2018)

In addition, we have incorporated finding from the kick-off meetings in Jamaica and from the survey questionnaire completed by 11 public and private Jamaican organizations and entities that consider themselves incubators or accelerators. Notes from the interviews and meetings, the methodology used in the survey, and

the list of representatives that completed the survey are attached in the Appendixes at the end of this Report.

Summary of Identified Gaps

We identified several gaps in current capabilities:

1. Banks and traditional financial institutions do not play any meaningful role in early stage companies beyond the normal access to the banking system (i.e., bank accounts, treasury operations, etc.). While they can provide advice and mentoring within the context of traditional banking, these institutions are limited to serving companies that have significant track record (e.g., 2-3 years of financial statements). Of course, banks most certainly have an important role as entrepreneurs scale up.
 - a. For Jamaican entrepreneurs outside of the Kingston region, it appears that even rudimentary banking functions are difficult based on anecdotal information from our meetings in country.

2. There does exist a network of seed capital providers within the ecosystem but based on the information obtained it is inadequate to support the existing entrepreneurial environment. (Since the line between angel and seed capital is blurred and there appears to be a dearth of both in Jamaica the Report will focus on both categories since they are essentially addressing early stage enterprises and deal with either pre-revenue startups or further developed business plans with only modest revenues. In traditional markets angel investors are typically in the range of US\$10,000 to US\$250,000; seed funds are in the range of US\$50,000 to a couple of million dollars; and larger venture capital or private equity tends to focus on investments over those amounts.) There two active early stage investors that we identified within the ecosystem are: First Angel, which has 13 deals to date, and Alpha Angels, which has three active deals. One of the highest profile incubators that connects investors with qualified and early stage entrepreneurs, Branson, appears to be in transition and its future is clouded. In addition to traditional angel and seed capital the existing DBJ Technical Assistance Voucher Program can cover some of the capital needs regarding technical assistance (e.g., expert advice, training, etc.). But the ability to obtain limited working capital to carry out operating functions to build a business is obviously hampered without direct cash infusions.
 - a. We noted some interesting seed capital funding that had produced promising results with entrepreneurs using a combination of in-kind contribution such as office space and computers, access to business networks and cash investment (e.g., Innovative 10X).

3. Investment for entrepreneurs further along in their development from private equity exists with a number of well-developed players. However, understandably the private equity players have little interest in the hand holding required and the smaller dollar amounts needed to be a catalyst for early stage entrepreneurial activity. The amounts of investment, typically above US\$500,000 and more comfortably US\$1 million, are beyond the capabilities/need of early stage Jamaican companies. As we discovered, the need for these early stage companies could range from US\$50,000 to US\$500,000. This money is needed for initial working capital related activities specific to the start-up. In addition, none of the investors we spoke to had interest in investing until well beyond some clear trend lines for revenues and profitability were established. In other words, the company or opportunity had to already be selling into the marketplace with some demonstrated market acceptance and credible scalability.
 - a. Investors generally indicated there are a limited number of attractive transactions for them to evaluate for possible investment in Jamaica; and
 - b. They saw the transactions coming from incubators/accelerators to have limited value, where the businesses and their management teams were perceived as not ready to receive investment due to lack of pitch skills, lack of management ability and business knowledge, and lack of understanding of key items that the investor class generally looks for.
4. The growing use of the Jamaican stock exchange to permit entrepreneurs to access the capital markets is very encouraging. However, the ability for early stage companies to tap into this funding source is problematic since it requires sufficient track record and resources to be listed. Clearly intermediaries (e.g., PROVEN Management Limited) can raise capital using this method and then deploy it into the entrepreneurial ecosystem, but as previously stated this method generally only works for later stage enterprises.
5. Universally from both the entrepreneurs and the investors, corporate governance appears to be a significant problem in Jamaica. While there are always inherent problems with third party investors and entrepreneurs, culturally this appears to be more of a serious barrier in Jamaica. The basic concept of giving up some control and freedom by accepting other peoples' money, as well as having to provide transparency was identified as a major problem within the ecosystem.
6. Under the existing Terms of Reference for the CCLIP, there are considerable administrative and functional requirements in establishing a

Seed Capital Fund, Sidecar Fund and other early stage investment to leverage early stage investors, and corporate entrepreneurship services. While the DBJ obviously has considerable expertise in administering these types of programs, it is not clear if there is a team of seasoned experts to form the basis of a fund management team that can identify potential angel/seed/VC fund recipients, carrying out the necessary analysis, providing the hands-on oversight and governance, collaborating and negotiate terms with the both the potential recipient, as well as with other potential investors. This is an intensive process that should be carried out by seasoned professionals. These individuals may exist within DBJ, and certainly within the financial services industry in Jamaica, but we did not meet with them during our trip. It was also clear that most of the investment professionals we did meet were not interested in managing the early stage investment process – at least not without some incentives and additional personnel.

- a. Can this team be assembled within DBJ and trained quickly to be effective? Investors interviewed and surveyed suggested that the DBJ does not have the resources to do this in the short-term.
7. The only meaningful corporate entrepreneurship services we have identified in Jamaica were those offered by Innovative 10X, which has a larger distribution business under which its management purposefully seek innovative concepts and entrepreneurs and then provides office space, mentoring, introductions and capital. Following a similar model, it is likely some of the other incubator/accelerators could do something similar. For example, the Science Research Centre would appear to have the capacity and ability expand its offering to either incubate from within or partner with interested companies in the clean technology space.

In conjunction with the overall assessment, efforts were also made to analyze the particular needs of female entrepreneurs and female-managed and female-owned start-ups. While all of the above observations are equally applicable to female entrepreneurs, it is clear from the limited number of female participants we met with, as well as from our literature review, that female entrepreneurs have additional cultural barriers and challenges to making their case for support within the investment community.

Private Sector Demand Assessment

The Jamaican entrepreneurship and innovation ecosystem include a number of organizations that provide services and resources to entrepreneurs. Such services and resources include capacity building, access to markets and foreign investment, research and development, incubation and acceleration, technology solutions, funding, coaching, etc. These resources and services are provided by public and

private sector organizations and entities, academia and universities, as well as through planned private initiatives. While these resources are useful to entrepreneurs, there are several key missing elements that have been identified through interviews and review of reports on entrepreneurship in Jamaica and the Caribbean.

Trust and Culture

Stakeholders and entrepreneurs have indicated that there is general mistrust between different groups within the ecosystem. While distrust between the investor class and the entrepreneur is discussed in later sections, it is worth mentioning here that there is also distrust between small enterprises and start-ups and public institutions¹. This distrust stems from the negative perception of government and bureaucracy, high levels of perceived corruption within the government, as well as perceived incompetence within the public sector. The most recent evidence that fueled these perceptions was the recently suspended Start-up Jamaica program initiated by the government to support entrepreneurs in the digital space.

This challenge creates even more demand from the entrepreneur class for private sector-based solutions. Private sector actors can connect the government and the entrepreneurs by being the driving force behind new initiatives and by reducing the bureaucracy when providing services and resources. Additionally, because some of the unfriendliness is created because of the lack of understanding or misunderstanding of regulations or systems, there is demand for training and educating small businesses and entrepreneurs in these matters.

Intellectual Property (IP)

IP protection, education, and valuation are important aspects of a successful entrepreneurship and innovation ecosystem which is limited in Jamaica. A number of entrepreneurs have expressed demand for the ability to commercialize and protect their intangible assets, while a number of stakeholders have expressed concerns about the limitation of expertise in this area.

These IP challenges indicate that there is a need for qualified specialists on IP in Jamaica to educate or assist entrepreneurs through incubators and accelerators. Additionally, there is a need for financial service providers that are willing to manage the risks associated with unsecure innovative ventures and that are able to access the commercialization potential of intangible assets of start-ups and small businesses. Furthermore, there is a demand for additional resources to support R&D generation. The Seed Capital Fund could provide capital that incubators and accelerators can use for IP related services.

¹ Innovation Assessment Report (Beecher 2018)

Financing Options

The reoccurring challenge faced by entrepreneurs in Jamaica is limited financing options. Although early stage capital providers do exist, there is a large demand expressed by entrepreneurs, especially for those in the embryotic stages that cannot yet meet the due diligence criteria of either commercial banks or later stage investors. Additionally, entrepreneurs also express concern in giving up equity to early stage investors because of the obligations it may put on them, including but not limited to creating boards of directors and maintaining relationships with investors, as well as more onerous and costly financial reporting (e.g., audits). These challenges create demand for seed capital funding that can bypass some of the more stringent equity stake requirements and are specifically tailored to this demographic of embryotic stage entrepreneurs. Investment vehicles that fall into this category are primarily grants and contingency grants (i.e., funding that is subordinated to other sources of capital and payment is only required upon obtaining success as defined in the agreement between investor and recipient. The Seed Capital Fund could assist by providing incubator and accelerators with funds that could then be circulated within the entrepreneurship and innovation ecosystem.

Incubator Demand Assessment

Incubators and accelerators have expressed a number of issues, concerns, and limitations, which, if improved can enhance their performance. One of the underlining demands is access to more financing solutions that would help sustain and expand their activities. Such financial assistance would help strengthen the skills and expertise required to assess and select candidates, build industry-specific expertise, better prepare entrepreneurs for investment, and improve or develop management metrics in the form of key success factors, and improve governance².

Another issue faced by incubators and accelerators is the inability to develop a strong pipeline of projects and start-ups—at least as defined by the Jamaican investment community. According to a Boost Caribbean survey, the reason for this is not the lack of SMEs, but the lack of visibility and consciousness by the SMEs in the market of the existence, role, and usefulness, of these incubators and accelerators. To address this, there would need to be a marketing and communications channel connecting these organizations with entrepreneurs. There should also be stronger linkages with the existing Jamaican investor community, who based on our interviews saw little value in the deal flow originating from the incubator/accelerator community. This is somewhat perplexing since several of the people we met with acknowledged participating in investment forums and advisory boards?

² Boost Caribbean technical Assistance Report

Innovation and Scalable Technology

Innovator Class

Even though, traditionally the majority of entrepreneurs in Jamaica have been between the ages of 25 and 45³, going forward, a new group of innovators and entrepreneurs is emerging. This group includes younger, innovation driven entrepreneurs that generally have secondary or tertiary education. The focus of this group is on creating, scaling, and commercializing innovative technologies and providing innovative solutions to the market. Driving and enabling this group of entrepreneurs are positive aspects within the Jamaican entrepreneurship culture that make entrepreneurship a prestigious and highly regarded career choice and provide positive media coverage on successful start-ups. Furthermore, factors such as a perceived opportunities and perceived capabilities in Jamaica are well above the Latin America averages and efficiency-driven countries averages⁴.

Industries

According to the provided feedback from investors during our in-country interviews and financial institutions is that Jamaica has an advantage in several key industries:

1. The entertainment industry, particularly in music.
2. Niche financial services, software creation and development.
3. Agribusiness with a focus on more exotic fruits, vegetables and packaged/processed foods.
4. Distribution and regional as well as international logistics.
5. Niche apparel and fashion design.
6. Consumer goods and services for the local market and the greater Caribbean.

This list is not meant to be exhaustive or comprehensive, however, it is consistent with a number of participants' comments in the entrepreneur ecosystem, particularly the investors. By focusing on these existing areas of strengths, it is far more likely Jamaican entrepreneurs will find success scaling up than trying to develop new clusters of knowledge and skill sets.

Technology Innovation

Fostering the use and development of innovative technologies is an important aspect in a sustainable and complete business ecosystem. Use of such technology facilitates market expansion, creates value, and generates new and innovative services and solutions to meet market demand.

³ GEM 2016/2017 Survey

⁴ GEM 2016

According to the Barriers to Innovation and Firm Productivity in the Caribbean study analyzing barrier to innovation in the Caribbean, Jamaica had one of the highest percentages of innovative firms (10%) and potential innovative firms (16%). The study suggests that Jamaican firms have relatively high potential for technological innovation, however barriers limit firms' ability to innovate. In order to improve technological innovation within the country, thereby creating a stronger environment for the ability of firms to use scalable technologies, the barriers to technological innovation must be analyzed and incorporated into the demand analysis because these barriers generate demand from the Jamaican firms for solutions and services that allow these firms to overcome them⁵.

The major barriers to technological innovation include costs and financing. Subsequently factors that improve technological innovation are firm size (the larger the firms the more likely it is to engage in technological innovation) and spending to innovation per employee. Tackling these challenges can be done by through the incubators and accelerators. These institutions can provide the necessary resources to firms and reduce barriers. These resources may include access to capital and financing, training that would improve a firm's ability to access financing, as well as instruments that could lower cost barriers either by subsidizing parts or aspects of innovative activities.

Corporate Venturing

Definition

Corporate Venturing, otherwise known as Corporate Venture Capital, is defined by the Sloan School of Management (MIT University) as equity investments in start-ups made by corporate entities. The largest global players in corporate venturing include technology giants such as Google, Intel, and Salesforce. In theory, the goal of corporate venturing is to provide a win-win solution for both start-ups and large corporations as start-ups gain access to valuable corporate resources, industry insights, advice, as well as pertinent contacts and sales leads while the corporation has the possibility of getting above average returns as well as a number of strategic benefits that come from the start-up capabilities.

Corporate Venturing in Jamaica

In Jamaica, corporate venturing best practices involve a strategic approach aimed at generating both social and financial returns. Social aspect of corporate venturing has been introduced in an effort to improve the social and environmental factors in the country. The theory is that the corporations and other funders should provide resources to fast growing businesses that deliver a positive impact, directly or indirectly into the local community and its economy.

⁵ Exploring firm-level Innovation and Productivity Report

The 2017 article “Corporate Venturing for Social Impact in the Caribbean” mentions two prominent examples of corporate venturing in Jamaica: Eppley Limited and Branson Center (both of whom we met in our kick-off meeting).

Eppley had started a pilot program that enables macro, small, and medium enterprises to leverage their commercial relationships with larger companies so that they can access capital more effectively and without barriers imposed by banks and other traditional financing providers. This allows Eppley to create value from these existing business relations and benefit its program participants. It also improves coordination between the entrepreneurs and other larger corporations.

Branson Centre has been in operating in the country since 2011 with the goal of generating new jobs, supporting entrepreneurs, and improving the overall economy in the long-term. While Branson did have the goal of benefiting its partner – Virgin Holidays, its industry-agnostic approach has contributed to strengthening the community’s position holistically.

Possible Challenges

Sustainability

One of the major observed challenges of corporate venturing is sustainability. With Branson’s future uncertain and limited resources elsewhere, it is important to regenerate a sustainable environment within the Jamaican ecosystem, perhaps with the assistance of the seed fund, and incentivize new corporate players to invest in new entrepreneurs and in the innovative solutions they provide.

Barriers

Start-ups often encounter a number of barriers that may prevent them from benefiting from or engaging in corporate venturing. One of the key challenges is finding the right entry point to collaboration with large companies. A possible solution to this is helping start-ups understand how large corporations act and who the key individuals and managers are whom they can approach. Additionally, start-ups may find that large corporations have slow, often hindering internal processes, difficult to break into cultures, and internal bureaucracy, all of which they do not want to be a part of. Finally, from the corporate side, large corporations often find it difficult to deal with small and inexperienced firms, especially when it comes to items such as intellectual property, technological readiness, financial stability, and internal culture.

Best Practices in Corporate Venturing

In a 2018 study conducted by the European Business Review, best practices for creating a better corporate venture environment for both start-ups and large corporations are:

- Engaging is scouting missions to identify potential candidates

- Conducting hackathons, business challenges, and other events for money prizes
- Investing in technological infrastructure that would enable the sharing of resources and communications
- Promoting strategic partnerships and sharing best practices
- Considering employees of large corporate firms as possible candidates for incubation and acceleration programs

Best Practices

Overview

The goal of seed capital funds in Latin America is to ensure that financing is available for start-ups, entrepreneurs, small businesses, and other pertinent individuals or entities and that these entities have access to both early stage and growth stage funding. This goal can be achieved through a variety of financial instruments including security offerings where investors provide capital in exchange for an equity stake or through convertible notes with terms set between the investor and entrepreneur prior to investment in the company.

Lessons Learned

Based on previous reports and assessments, the key take-away is that there is no one seed capital fund strategy that works best in any specific environment, country, or situation. An ecosystem that has worked well cannot be simply copied into a new environment. The solutions must be tailor fitted to the specific entrepreneurship and innovation ecosystem to be most effective. That said, there are a number of recurring data points highlighted in the reports that can be transferred for the purpose of this Jamaica-specific Report.

1. **Strategy, mission, and goal definitions:** Clearly and officially defining the strategy and mission has worked well in previous ecosystems⁶. Such strategy should be planned for both short, medium, and long-term, should be monitored and reevaluated over time based on a performance metric, and be flexible to change.
2. **Importance of networks:** One of the most valuable activities that seed funds, incubators and accelerators, and other organizations engage in is connecting entrepreneurs with other organization, be it funders, accountants, lawyers, government workers, large corporations, or other entrepreneurs. These connections were shown to have strong direct and indirect benefits short and long-term⁷.
3. **Early stage financing:** Sources of early stage financing play a vital role in development of start-ups and growth in innovation. These sources may be seed capital provided by funds, incubators, or through other means,

⁶ Julien, 2018

⁷ Impact of Early Stage Equity Funds in Latin America

crowdfunding, angel investors, grants etc. Lack of early stage financing and lack of availability of capital can be one of the major barriers for innovators and entrepreneurs.

4. **IP capitalization:** In order to capitalize on their ideas and on new, innovative technologies or solutions, entrepreneurs need an environment in which they can protect their intangible assets.

Developments in Jamaica

Over the past several years Jamaica has worked to address a number of issues and advance its entrepreneurship and innovation ecosystem. Jamaica has implemented the BIGEE program, aligned its ecosystem with its national goals and objectives, increased the levels of investor funding and crowdfunding, built up its system of incubators and accelerators, improved its innovation capacity through international cooperation and emphasis on external collaboration, especially within universities, established an international patent registration through the Patent Cooperation Treaty, and improved availability of funding for innovative capacity building through training and fiscal incentives for private sector players.

Gender Gap Best Practices

Actively involving women in both management and ownership of companies has been the standard best practice globally as female participation in the economy, especially in the start-up sector, can greatly benefit the overall economic development and boost GDP growth. In the Caribbean, female participation in both management of companies and ownership is relatively high compared to international standards⁸. Furthermore, a larger presence of women in management and ownership of a firm was often associated with smaller size, younger age, domestic ownership, and limited access to financing.

The analysis of data collected and assessed by the “Exploring Firm-Level Innovation and Productivity in the Caribbean” report suggests that women-managed start-ups have a more difficult time accessing capital and other resources than other types of businesses. This is derived from the data showing that women-managed business performance is lower than male-managed even though women-owned business is on par with male-owned or male-managed business performance. The study concludes that a best practice that can be derived from this data is to promote policies aimed at promoting firm growth and access to financing for businesses managed by women are likely to be the most effective in narrowing the gender productivity gap.

⁸ THE GENDER GAP IN THE CARIBBEAN: THE PERFORMANCE OF WOMEN-LED FIRMS

Assessment of the Current Entrepreneurship and Support Offerings in Jamaica

Overview of the Incubator Sector

Summary

Jamaica has a large number of incubators of different sizes and scopes that provide a range of services to entrepreneurs and start-ups. Because of the flexible definition of what an incubator is, the range and quality of the services can vary dramatically. The most common services provided by the Jamaican incubators are availability of co-working space, which start-ups and entrepreneurs can exchange for vouchers or purchase directly, and lecture-oriented business and entrepreneurship training.

Geographically, most of Jamaica's incubators, namely Technology Innovation Center, Hacker Hostel Limited, Heart Trust, Innovate10X, BESDIA, Branson Center, are located in the Kingston area. Entrepreneurs outside the region find it difficult to access this kind of support, particularly when considering the amount of travel time required to reach Kingston. Of the 12 incubators and accelerators surveyed during the kick-off meeting, only Morrison Entrepreneurship Center was outside of Kingston.

Few incubators, primarily private incubators, provide more specific resources and services to entrepreneurs. One such incubator, Innovate10X, focuses on helping entrepreneurs and start-ups find the right partners and scopes out their network for scalable business ideas. It also provides coaching and mentorship. It even may make an angel investment in a business it deems as scalable and well positioned for the market. Innovate 10X is essentially a corporate entrepreneurship program which has a formal incubator within the group.

Universities and business schools are additional sources of resources for entrepreneurs and start-ups. These organizations provide programs as part of their curriculum and hold competitions that involve monetary prizes for the selected candidates. Similar to most private incubators, universities also provide office space as well as basic business training including business model creation and other activities.

Key Findings

There is a gap between the training provided by incubators and the practical training entrepreneurs say they require. Entrepreneurs, particularly ones that are beyond proof of concept and are already selling their product or service are seeking specific, detailed knowledge, tailored to a problem they are having with their business. Training and coaching provided by many Jamaican incubators is academic and theoretical in nature and many entrepreneurs in more advanced

stages find it insufficient. Additionally, many incubators do not provide adequate training on management and investment readiness (i.e., corporate governance), both of which are skills essential when seeking funding from investors.

Overall our impression is that many of the incubators in Jamaica function more as renters of office space than as proactive mechanisms designed to advance an entrepreneur or a start-up to the funding stage. There appears to be basic business information made available to the entrepreneur but based on our limited discussions with participants in the ecosystem there was general frustration that specific business mentoring and specific applied knowledge (e.g., accounting and legal questions) was lacking. Venture capital and private equity investors uniformly mentioned that they rarely rely on incubators, especially those outside their corporate network, to generate deal flow.

The lack of incubators that are able to provide sufficient useable resources to entrepreneurs and start-ups to advance them to the funding stages may be a critical factor in the volume of deal flow that investors see in Jamaica. Having spoken with a number of investors, from early stage angel investors to later stage private equity firms, the main consensus is that one of main issues is limited deal flow. Despite the number of incubators in the country, only few businesses from these sources appear to be of interest to them.

Overview of the Angel Investment Sector

Angel investments in Jamaica mainly come from a limited network of investors and quasi incubators such as Innovative 10x. Angel investors mentioned that there is a general lack of managerial skills, soft skills, and presentation skills when dealing with entrepreneurs and start-ups.

Firms focused strictly on angel investment are limited. One such organization, First Angels is a network of 38 investors that has been operating for 5 years in the country and has a 15-investment strong track record. The representatives of this firm mentioned that start-ups are high risk and that there is a gap between the start-ups coming out of incubators and what investors are seeking. While incubators cannot take away the natural risks associated with a start-up, they could ready entrepreneurs to better understand the risks from an investor's perspective, helping start-ups develop more effective and investor-ready strategies and business models.

Another key finding is that there is an unwillingness to give up control and equity ownership from entrepreneurs as well as a general distrust between the entrepreneurs and investors. This adds to the risks associated with early stage investments and further complicates the ability of entrepreneurs and start-ups to access capital.

Because of the risks associated with start-ups, venture capital firms, private equity firms, and other financial institutions do not have the appetite for angel, and other types of early stage investing.

Overview of the VC and PE Ecosystem

Deal Flow

As previously mentioned, there is a gap between what the investment class seeks in terms of opportunity and the readiness of start-ups coming from incubators and accelerators. Entrepreneurs are not prepared to pitch their business models at the level required for VC and private equity funding. The incubators themselves have limited resources and do not perform enough handholding for these entrepreneurs to get them ready for the funding stages.

Access to Finance in Early Stages

While early stage funders are present in the country, finding early stage funding for entrepreneurs can be difficult. This early stage investment or cash infusion is an important factor that allows the start-up to ready themselves for further, larger funding, allows them to experiment in the market, allows them to purchase advisory, consulting and other professional services required to create their product portfolio, and protect and commercialize their idea through patents and copyright agreements. While the size of the need is beyond the scope of this Report, the limited interaction of the consultants found that more advanced entrepreneurs were pleased with the initial support for the BIGEE program but felt that once they had progressed they couldn't find the support they needed for specific and applicable business advice.

Although there may be regulatory institutions in place that allow local banks to lend to and take risks on start-ups, most, if not all banks perceive start-ups as too high a risk to provide early stage capital. Similar to investors, banks cite lack of investment readiness, lack of ability to pitch the business model, and lack of managerial skills as several of the issues that affect their unwillingness to lend at this level. Additionally, the return generated on the loans that the banks would provide would not be enough to compensate for the risk the banks would be taking on.

Expertise within the VC Ecosystem

One of the data points that has come up from the trip to Jamaica, as well as from the desk review is the lack of specialized professionals that can effectively manage early stage capital funds. According to the DAI Global Report, there is a demand from top Asset Management firms and professional to learn how to manage the investment and divestment cycle in start-up companies, including and foremost the acquisition of business development services and more operational skills. It appears that most of the current professionals in Jamaica are gravitating to the

more lucrative later stage investment vehicles. Despite the need, there is a lack of 3rd party professionals and experts readily available to fill this market locally.

Corporate Governance

A noticeable disconnect between the investors and entrepreneurs occurs when the entrepreneurs either are unable or unwilling to accept corporate governance and corporate formalities that are generally common in the U.S. Some of these governance mechanisms are simple business procedures such as the meetings of owners or members of the company required to make or vote on certain business decisions. Investors generally want a stake in the company and its management when they invest equity, however, many entrepreneurs find it difficult to relinquish controls. This disconnect makes the cooperation between the investor class and the entrepreneurs more difficult and diminishes trust between the two parties.

Recommendations

Seed Capital Fund

It is important to recognize that angel, seed, VC and private equity all fall along a continuum of investing in early stage enterprises. While the focus of this report is on seed capital and corporate entrepreneurship, with limited funds and a modest amount of transactions that would ultimately be financed with the US\$1.8 million seed capital fund it is our recommendation that combining the various investment programs within the Terms of Reference for the CCLIP to create a DBJ-led fund manager to carry out all the investment activity in the various classes of early stage investment would be the most efficient and effective way to deploy the capital. A private fund manager would identify and cultivate investment targets, analyze them based on agreed upon criteria and then make recommendations to an Investment Committee, which would ultimately consist of DBJ executives and certain selected private sector participants. In order to bolster cooperation between the public and private sectors, as well as to create synergies, serious consideration should be given to introduce private sector investment professionals into the mix for the investment committee of this larger consisting of all three of the categories. (This would directly address the apparent disconnect we have identified between the current Jamaican investment community and the incubators and accelerators.) As we have discovered from our conversations many firms already existing in Jamaica do a number of pro-bono projects in the country and would be willing to assist as part of the committee, providing private sector resources to incubators and accelerators and their clients, and positively contributing to the entrepreneurship and innovation ecosystem. Furthermore, involvement from the private sector could be catalytic in nature as the connections made between entrepreneurs and investors could have a multiplier effect on the ability of these entrepreneurs to monetize their ideas, understand the demand within the market, generate innovative solutions, and learn and adapt best practices.

Based on DBJ's decisions, the fund manager would then implement their instructions and carry out all the requirements to deploying the capital to the respective entrepreneurs, incubators and accelerators. The main goal of the fund manager would be to assess a large number of potential transactions and narrow them down to a manageable size of potential candidates, which would then be presented to the investment committee for a final approval. The candidates would be narrowed down based on a number of business, economic, and social covenants and criteria in order to ensure that the gender gap issues discussed previously is addressed and that sustainability is embedded.

The main recommended purpose of the larger fund with its three silos should be to support the ability of incubators and accelerators to raise financing for entrepreneurs. Improved availability of financing would enhance the entrepreneurial and innovation ecosystem by providing the necessary funding to commercialize ideas and new technologies, by improving access to business-specific services such as legal services, tax services as well as consulting and advisory, and even by improving the relationship between the investors, financiers, government, and the entrepreneurs. The secondary purpose of the larger fund should be to provide funding to those incubators that focus on assisting entrepreneurs with their business specific services, whether its patterning a technology, establishing a legal entity, or getting GAAP accounting training. With more money available to entrepreneurs for such services, they will be more willing and better able to realize their ideas and business potential.

Investments

Given the budget from IDB of US\$1.5 million for a Sidecar Fund to leverage angel investors and another US\$1.8 million for a Seed Capital Fund, as well as another US\$225,000 of event and award monies, clearly the focus of the overall funding is on supporting existing players involved in incubation, acceleration and innovation. The limited funds set aside for direct investment through various phases in the entrepreneurial life cycle of startups are meant to augment the existing ecosystem. (The venture capital fund represents another US\$4.9 million, making a total of US\$8.425 million for direct investment in startups). The recommendation derived here is that going forward the DBJ may want to consider combining these resources and funds under a single umbrella and fund manager. Given the modest resources currently at the disposal of the DBJ, it may be of interest to consider a private sector solution to managing such a fund. A third-party fund manager can be brought on through a competitive international tender process, where the candidates that demonstrate the best knowledge of the environment and the industry would be selected.

The structure of the third-party fund manager would provide the flexibility of deploying capital through a fund with less of the administrative burden of running the program through a government agency. Yet with DBJ controlling all the

significant decisions through an investment committee and a board, the primary goals of the IDB funding could be achieved more efficiently and effectively. This approach has certainly been used by other Development Finance Institutions such as Germany's KfW through the Geothermal Development Facility (GDF) which my firm manages. With the same goal of being a catalyst to early stage geothermal development in both Africa and Latin America, KfW has used both a quasi-government approach in the former and a private sector alternative for the latter. While the comparison isn't perfect, the demonstrated results of both approaches show the private approach has yielded more early stage investment opportunities and funding than the quasi-government approach, which was established a few years earlier. Nevertheless, KfW has been able to maintain appropriate controls and make all of the investment decisions.

A private fund manager would be responsible for creating and/or refining all the operating procedures and manual, soliciting potential investment targets (through a combination of Internet, boots on the ground, and liaisoning with the existing entrepreneurial ecosystem), through a transparent and competitive process selecting the investment recipients, providing analysis to the investment committee and board with its recommendations, implementing the decisions of the board and then negotiating final agreements, funding and monitoring of the investments. The process could use an Expression of Interest (EOI) solicitation to attract potential projects with mentoring from incubators and accelerators. Once the EOI closes, the applicants would be ranked and based on agreed upon criteria those that meet a minimum standard would be allowed to apply for the Call for Proposals (CFP). The EOI would require a limited amount of information to apply, which should allow good concepts that may not be fully developed to compete, whereas the CFP would require a more comprehensive business plan. Incubators/accelerators could focus some of their efforts on assisting in the preparation of the specific business plans to enhance the applicant's ability to attract early stage investment. CFP applicants would be ranked and based on the fund criteria, those that meet a certain level, established by the board, would be approved and move to negotiation and funding. Depending upon demand, this process could take place a couple of times a year. The use of an Internet site to manage the information flows would be part of the fund manager's value add to both facilitate the investment and drive down costs. This has been something very effective in the GDF, where all information is received electronically (also hard copies are required) and algorithms are used for initial screening.

The types of funding support could range from prizes (i.e., grants) during competitions in the US\$10-25,000 range, to technical assistance in the US\$50,000 to US\$100,000 range. These types of investments would truly be angel or seed capital with the only expectation that the recipient move the startup beyond proof of concept without any expectation of repayment. The first "investment" would be designed to support entrepreneurs and start-ups at an early stage where some implementation of the business plan has occurred, with capital infusions of between

US\$100,000 and US\$250,000. This could be in a form of a contingency grant (repaid only in case of success), or by other means such as subordinated debt with some convertibility into an equity position. The key goal would be to provide entrepreneurs and start-ups with the seed money they need to capitalize on their ideas, conduct market studies, surveys and other pertinent research to explore the demand for their value proposition, and begin to push their product or service into the marketplace. In addition to capital, it is recommended that this first stage would also include additional technical assistance for entrepreneurs from the incubators and accelerators to both accomplish their immediate objectives and prepare them to scale their business. To the extent this assistance is specific and tailored to the needs of the recipient it will be even more effective. These types of investment could be made in parallel to other angel investors as anticipated in the Sidecar Fund, or as stand-alone opportunities. In fact, the funds standard legal documentation could provide for participations from other interested investors with one set of documents, if that is desired. Or alternatively, the fund manager should have the flexibility to invest alongside other angels using their documentation.

Follow on investment from the fund would be focused on success created in the ecosystem described above, or other entrepreneurial opportunities that may not have been able to attract the attention of existing private equity and venture capital firms. This later stage investment could be done without the EOI structure and applicants could apply at any time based on certain published criteria (e.g., years in business, revenues generated, contract(s) awarded, etc.) The venture capital funding would be within the US\$250,000 to US\$1 million range and it is anticipated that this funding would be used to scale an idea or product that has shown success during the first stage. To create sustainability, it is envisioned that such financing would be done through a convertible debt structure, where the fund would earn interest on the facility, and would have the option to convert it into an equity stake in the company.

Part of the mandate of a private fund manager would be to seek other sources of funding from foundations, other Development Finance Institutions, institutional funds and impact investors. Rather than having the fund manager compensated along normal lines with a carried interest and management fees, this could be a fixed price contract with variable pricing based on tasks completed (e.g., EOI's, CFP's, and VC investments made) and success tied to numbers of investments made. Performance could be assessed by designing and clearly defining original goals and mission statements and comparing results to that metric. This compensation may not attract traditional investment professionals but based on preliminary conversations with some of the investors we met with, there did appear to be interest in teaming with professionals that could bring this kind of expertise and structure to the Jamaican entrepreneurial ecosystem.

Appendix I: Notes from the Jamaica Kick-Off Meeting

Institution	Contact person	Summary
UWI – Mona	<p>David Mc Bean – Executive Director of Mona School of Business & Management</p> <p>Ashti Rose Davis, Vincent Hosang Program Coordinator</p> <p>Janice Henlin – Director Marketing</p> <p>Indianna Mont Coy, Professor.</p>	<ul style="list-style-type: none"> • There are approx. 30K students, middle class. The Business school has around 4K students. Mona has reputation of research on hard sciences (med; engineering). The University set off a new strategy in 2016 to make its research more innovative and entrepreneurially driven. The University vouches to “expose students to the entrepreneurship scholarship, engage them in entrepreneurial thinking and involve them in the best available practices with respect to entrepreneurship and business innovation.” There is an undergrad degree on Entrepreneurship. There is a journal on entrepreneurship. • UWI encourages students to do social work through their business studies (e.g., to help companies produce their business plans). • The school organizes a yearly competition (Vincent Hosang), which involves 6-8 week training. Number of participants is approx. 40 companies, and 80 students. However, in terms of developing solid deal-flow, results are meager (10 commercialized startups in 2018). The program applies the Lean Canvas method. Prizes are 300K, 250K and 200K Jamaican dollars. The top four represent UWI in the National Business Model Competition and then the International Business Model Competition. • Post VH activities involve: 6-month incubation (they get assistance with getting an advisory board; identification of immediate goals); 12-week acceleration is offered to 4 businesses. Quality of the advisory, however, is dubious, according to another interviewed person. • Problems. (a) Students get their grade; then they forget their business proposals. There are no metrics to measure impact of training. That means little follow up after they finish their entrepreneurship program (b) Authorities display little collaboration with other units (MECC). They perceive MECC to be a mere co-working. They mentioned their interest in “working with a more coordinated approach” with MECC (Mona’s Commercialization Centre). (c) No marketing of incubator activities.

UWI – Mona	Prof. Daniel N. Coore – Director of UWI Entrepreneurial Committee	<ul style="list-style-type: none"> • This conversation focused on technology transfer (TT) • UWI has no unified policy toward TT. Now consideration is given to expand the TT services offered by the Business School to other schools (notably, medicine and engineering). • There is no action plan yet, although there is awareness of its need.
UWI – MECC – Mona	Sharon Smith – Director Mona Entrepreneurship and Commercialization Centre	<ul style="list-style-type: none"> • MECC offers space, business services and entrepreneurial support that include training, coaching and mentoring. MECC has had 55 clients in 8 years. • Director Smith emphasized the need to promote TT but no clear strategy exists.
First Angels	Sandra Walter, Angel investor.	<ul style="list-style-type: none"> • FA has been operational for 5 years. They have a track record of 15 investments in two rounds. One company has been close to exit (but not single company has exited yet). 38 angels belong to the FA network. Maximum investment thus far was US\$255K. • Conversation spun around the lack of entrepreneurial soft skills among entrepreneurs coming out of official programs. (“Startups don’t have tools to operate as CEOs”). They are not ready to use resources effectively. Banks perceive them to have high risks. • FA is considering setting up an accelerator program. • Equity policy: FA claims 2 seats in a board of 5. They do not ask for control (>49%)
CMU – Caribbean Maritime University	Fritz Pinnock, President	<ul style="list-style-type: none"> • They presented us with a US\$3 million Caribbean Port Incubator Project • They also showed us their progress developing capabilities in augmented reality, 3-D printing and other high tech. Yet, there is no indication that any business has been incubated around these technologies (or else).
UTech	Giovanni Moritz – Program Coordinator Simone Rhone	<ul style="list-style-type: none"> • UTECH has 10K students who are required to study a subject on entrepreneurship. • They presented us with an incubator Strategy Plan 2018–2021. • No incubation is currently done. UTECH has a building dedicated to build up entrepreneurial capabilities, but most of it is used as rental space for third party clients.

		<ul style="list-style-type: none"> • UTECH has a Business Model Competition sponsored by the School of Entrepreneurship. Three contestants receive monetary prizes.
Science Research Centre	Cliff Riley Executive Director	<ul style="list-style-type: none"> • The SRC runs the Caribbean Climate Innovation Center (CCIC) – established in 2014 with physical centers in Jamaica and Trinidad and Tobago, the CCIC supports clean technology entrepreneurs from across the region through provision of accelerator and incubation services. The program is supported by the Climate Change initiative (World Bank) • Services include: Co-working, shared or private office space; Prototype Development; Business Development Training; Mentorship – Face-to-Face & Virtual; Access to markets and technical facilities; Access to Finance; Consultancy; and Peer-to-peer networking and connections to the regional cleantech ecosystem. • The CCIC has established a strong brand; however, financial sustainability to fund the CCIC’s administrative positions presents a major barrier to sustainability, with a need to start generating revenue to sustain administrative positions and CCIC programming.
Innovate10X	<p>Sheldon Powe – Founder and CEO</p> <p>Jason Scott – Commercialization and Markets Manager</p> <p>Clive Beckford – Senior Enterprise Architect</p>	<ul style="list-style-type: none"> • Their Innovation Lab provides space to selected teams of entrepreneurs with a scalable business idea. They also coach them and invest equity in them. Their business model is not renting space but finding the right partner. • Total investment = US\$250K.
Business Bankers	<p>Ryan Parkes – Chief Business Banking JN Bank Limited</p> <p>Dino Hinds – Founder, MFS Limited.</p>	<ul style="list-style-type: none"> • The formal banking sector posits a challenge upon entrepreneurs due to (a) Regulatory compliance; (b) Debt financing, no equity financing and (c) Working capital predominates. • They take collateral, including IP. • Equity loans are increasingly important because of the macroeconomic situation (a) Capital markets are fast developing; (b) Interest rates have plummeted, lots of liquidity, and (c) More expertise on entrepreneurship.

		<ul style="list-style-type: none"> • There is an increasing generational gap in terms of financial culture. Older investors prefer full control of the company; younger ones prefer to delegate. • Finding strategic partners is hard for SMEs • SMEs lack management skills and protocols; very little financial education. • Lots of technical work needed to do equity investing.
PROVEN	<p>Nerisha Farquharson – Vice President</p> <p>Christopher Yeung – Assistant Vice President</p>	<ul style="list-style-type: none"> • Proven is a private equity company, with track record (raised US\$20M); Listed in the Jam Stock Exchange; Market Cap US\$160M. • Their portfolio investment is focused on financial services (75%); Real Sector (20%) and Real Estate (5%). • They do not invest in startups; only companies with revenue stream. • They provide complementary capabilities but leave target companies discretion to develop their own model.
Jamaica Business Development Corporation	<p>Harold Davis – Deputy CEO</p> <p>David Harrison – Incubator and Resource Centre</p>	<ul style="list-style-type: none"> • Clients are filtered and allocated to different tiers according to their readiness. Tier one (early stage); tier two and tier three (ready for scaling). • They provide these clients with physical space, product development, design, marketing services and project management.
JIPO	Marcus Roffe	<ul style="list-style-type: none"> • Meeting focused around the impact of IP on entrepreneurs interested in doing IP commercialization. • Patents are cheap to register but drafting them in order to introduce applications is expensive and usually needs to be outsourced from the U.S. • Trademarks predominate. • Copyrights are becoming more frequent.
Startup Jamaica	<p>Margery Newland</p> <p>Lauri Ann Ainsworth – Communications Director</p>	<ul style="list-style-type: none"> • Accelerator for companies in the mobile application and digital media space, funded by the World Bank and other donors. However, the program was shut in February 2018. Reasons: (a) Poor institutional collaboration undermined BC’s capacity to deliver services; (b) Focus was too narrow; (c) Existence of many incubators diffused Startup’s effectiveness; (d) lack of a mechanism to funnel investments into companies.
Government agencies – JAMPRO –	Various interviewees	<ul style="list-style-type: none"> • The meeting highlighted institutional flaws around the implementation of incubation policy.

MICAF – NCST – SRC – EGC – MEGJC		<ul style="list-style-type: none"> • Incubators lack proper government support, which is very weak, uncoordinated. In fact, some present officials did not know what other agencies were doing in terms of incubation. • The participants viewed the BIGEE as a source to deploy a more coordinated approach towards implementing incubation/acceleration capabilities. • The participants highlighted the role of DBJ as the obvious focal point to enhance coordination among institutions.
CNU Morris Entrep. Centre	Hazel O'Connor	<ul style="list-style-type: none"> • Set up in 2016, in Central Jamaica. It provides business education in sectors such as agriculture, hotels. Very small (3 staff). Provides working space for approx. 30 companies. They have an acceleration program (12 business, early stage, pre-revenue). Services also include mentorship, business coaches, and facilitation. Two programs: one for any applicant offers general advisory work and applies to all fields. The second program is an intensive 04 month • Have faced difficulties in finding angel investors.

Appendix II. Survey Questions and Methodology

Field

Number SECTION 1: DETAILS

- | | |
|----|-----------------------------------|
| 1 | 1.1 Name |
| 2 | 1.2 Address |
| 3 | 1.3 Main Phone number |
| 4 | 1.4 Info or general email address |
| 5 | 1.5 Primary Contact |
| 6 | 1.6 Primary contact mobile number |
| 7 | 1.7 Primary Contact email address |
| 8 | 1.8 Website |
| 9 | 1.9 Facebook |
| 10 | 1.10 Twitter |
| 11 | 1.11 Linked In |
| 12 | 1.12 Instagram |
| 13 | 1.13 Years in Business |
| 14 | 1.14 Accelerator or Incubator |

- 15 1.15 Legal Structure
- 16 Private Company
- 17 Social Enterprise
- 18 Charity
- 19 Non-Profit
- 20 Informal
- 21 Subsidiary
- 22 Other

23 1.16 Parent Organization

SECTION 2: STARTUP TYPES AND SELECTION

24 What sectors can the business
be from? (choose as many as
2.1 apply)

- 25 Digital
- 26 General Technology
- 27 STEM Businesses
- 28 Traditional Business Sectors
- 29 Creative and Cultural
Industries
- 30 Any type of Innovation
Business
- 31 Other

32 2.2 Can any business join or is
there an application process

33 If there is an application do
you take any of the following
into account?

- 34 Legal Structure
- 35 Revenue Model
- 36 Stage of Business
- 37 Gender of Entrepreneur
- 38 Age of Business
- 39 Other

- 40 2.3 Accelerators only: How many entrepreneurs are chosen for each program?
- 41 2.4 Incubators only: What is the total capacity of the space?
- 42 2.5 Incubators only: If you work on space, what percentage occupancy do you currently have?
- 43 2.6 Do you have more startups/entrepreneurs applying than you have room for?
- 44 2.7 If so how do you decide which ones you will choose? (If not then answer N/A)
- 45 2.8 If there are more applicants than you accept, what percentage do you accept on average?
- 46 2.9 Do you accept entrepreneurs outside of Jamaica?
- 47 2.10 Do you offer long distance or online programs?
- 48 2.11 Are any of your entrepreneurs starting or running social enterprises?
- 49 2.12 If so what percentage

SECTION 3: ENTREPRENEUR DEMOGRAPHICS

- 50 3.1 Do you track info about the entrepreneurs?
- 51 Age
- 52 Education
- 53 Ehtnicity
- 54 Gender
- 55 Prior Experience
- 56 Stage of Business
- 57 3.2 If you track any of the above can you provide data?

SECTION 4: AWARENESS AND OUTREACH

- 58 4.1 List of outreach activities?
- 59 Advertising

60		Introductory events
61		Social media
62		Networking
63		Other
64		None
65	4.2	How do entrepreneurs find you if not through your outreach?
66	4.3	Do you run events for the outside community?
67	4.4	If so please describe what type and who they are directed at
68	4.5	Do you offer any help or guidance for companies not accepted into your program or space?
SECTION 5 : TRACKING PROGRESS		
69	5.1	Do you stay in touch with companies after they have finished your program or left your space?
70	5.2	If yes, for what reason
71	5.3	If yes, do you track their progress in any way after they have left or finished?
72	5.4	If any, which accomplishments do you track?
73		Investment
74		Revenue
75		Profit
76		Employees
77		Exports
78		Other
79		None
SECTION 6: INCUBATOR SPECIFIC		
80	6.1	What services are part of your offer
81		Offices, desks, hot desks or other co-working space

- 82 Entrepreneurial Education or training
- 83 Mentoring
- 84 Networking
- 85 Outside speakers
- 86 Access to investors
- 87 Investment by the incubator
- 88 Other
- 89 None

SECTION 7: ACCELERATOR SPECIFIC

- 90 7.1 How many months is your program?
- 91 7.2 Do you invest in the companies that participate?
- 92 7.3 If so, please describe the amount of money invested and the percent of the equity taken.
- 93 7.4 Do you hold pitch days?
- 94 7.5 If so, are they pitching directly to investors?

SECTION 8: EDUCATION AND TRAINING

- 95 8.1 Do you provide training?
- 96 8.2 If yes, is it based on an outside method?
- 97 Lean startup
- 98 Business model canvas
- 99 S4S 10 Questions Method
- 100 Mass Challenge
- 101 Other
- 102 None
- 103 8.3 Is your training based on a formal curriculum?
- 104 8.4 If so, please describe
- 105 8.5 Do you teach business model analysis?

- 106 8.6 If so, please describe what and how you teach it
- 107 8.7 Do you teach any of the following
- 108 Marketing
- 109 Finance
- 110 Sales
- 111 Human Capital Mgmt
- 112 Exporting
- 113 Channel Development
- 114 Pricing Models
- 115 Revenue Models
- 116 Cash Flow Management
- 117 Other
- 118 8.8 How many hours of training do you provide in total
- 119 8.9 Are your trainers in house?
- 120 8.10 If so how are your trainers trained?
- 121 8.11 If not do you engage outside trainers?
- 122 8.12 If you engage outside trainers how do you determine their qualifications?
- 123 8.13 Do you provide mentoring?
- 124 8.14 If yes please describe how your mentoring works?
- 125 8.15 Are your mentors in house?
- 126 8.16 As you mentors formally qualified in any way?
- 127 8.17 What other services that you think of as educational, mentoring or training do you provide?
- 128 8.18 Do you provide any online services or resources? Please describe

SECTION 9: YOUR BUSINESS MODEL

- 129 9.1 Do you receive funding from any of the following...

- 130 Your parent entity
- 131 Corporations
- 132 Venture firms or other investment entities
- 133 Directly or indirectly from the government
- 134 University
- 135 Other
- 136 None
- 137 9.2 Do you charge for your services?
- 138 9.3 If so, what do your charge for, and how much do you charge?
- 139 9.4 Is there a fee to join?
- 140 9.5 If you receive money from the government please provide details of what program, agency or department you receive funding from
- 141 9.6 Are you self-sustaining or do you depend on outside funding as part of your model? (Please describe)

SECTION 10: CHALLENGES

- 142 10.1 What is the biggest issue you face as an incubator or accelerator?
- 143 10.2 Is there something the government could do to help?
- 144 10.3 How do you think it can be solved?
- 145 10.4 What is the biggest issue you face with the entrepreneurs?
- 146 10.5 How do you think it can be solved?
- 147 10.6 What is the biggest issue the entrepreneurs face?
- 148 10.7 How do you think it can be solved?

Appendix III: List of Interviewees

- University of the Caribbean Commonwealth
- Hacker Hostel Limited
- Heart Trust
- CDIAM
- Morris Entrepreneurship Centre
- Innovate 10X
- BESDIA
- Branson Center
- 7 Utech Technology Innovation Centre
- Mona School of Business Management
- MECC