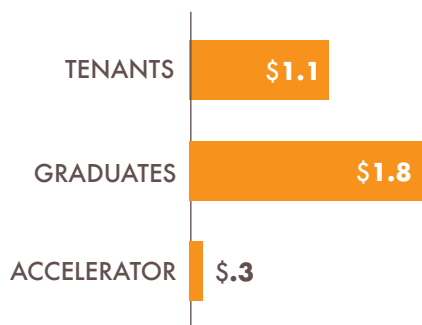
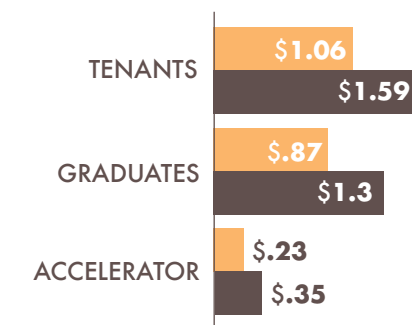




TOTAL REVENUES 2014
(IN \$MILLIONS)



2014 EXPENDITURES (IN \$MILLIONS)



“Were it not for the Accelerator, I would have moved my business to Detroit years ago.”

Christopher Pressey
Owner and Creative Director, Christopher Pressey Design
2014 New Business of the Year Finalist



The Accelerator: A Catalyst for Economic Growth An Economic Impact Report to the Community

On March 9, 2015 the Downtown Windsor Business Accelerator (Accelerator) celebrated 4 years since being officially incorporated. It has been an incredible journey of resilience and determination, which is symbolized as much by the Accelerator as by the startups that reside within its walls.

Since opening its doors, at 720 Ouellette Ave, the Accelerator has become the entrepreneurial hub of the region. Currently the Accelerator houses over 30 organizations and to date we have celebrated 12 companies graduating from our space¹. Moreover, the Accelerator has created programs and partnerships that are greatly expanding the region's entrepreneurial ecosystem. For example, our high school entrepreneurship outreach program, Accentchin, is expected to introduce entrepreneurship to thousands of high school students over a two-year period.

In order to gain a better perspective of the economic impact the Accelerator has had on the region we recently surveyed our current and past clients. The survey was anonymous to encourage a high response rate and we received a total of 16² valid survey responses from our current tenants and 12 valid survey responses from former Accelerator tenants. The survey focused on employment and economic data for the past year, 2014.

The following economic impact numbers only capture the information provided by the survey respondents. The actual impact is estimated to greatly exceed these numbers. In addition, the following figures do not include any information regarding the non-for profit organizations that are housed at the Accelerator, which will be discussed later in a separate section of this document.

Job Creation

The companies that presently operate out of the Accelerator, and responded to the survey, reported employing 86 full-time employees and 68 part-time employees. That makes the total number of jobs created by the startups presently working out of the Accelerator 154. Former Accelerator tenants that responded to the survey reported having 31 full-time staff and 48 part-time staff, bringing the total number of jobs created to 79.

The total number of jobs created by current and former Accelerator companies is over 230.

It is important to note that jobs created by the innovation sector, which business incubators/accelerators fit under, create disproportionately more jobs than other sectors. According to Economist Enrico Moretti, the innovation sector has the largest multiplier of all, three times that of the manufacturing sector³. We are estimating the spillover effect job effect to be over 350⁴ in Windsor and the broader region.

¹ Since the inception of the Accelerator we have had close to 40 companies come through the Accelerator and use our space and services, but we count as graduates only companies that have spent over a year at the Accelerator and have moved out because they needed more space or pursuing bigger opportunities in a different city.

² The survey was sent to startups only and therefore does not capture economic data from the non-for profits that are housed in the Accelerator.

³ According to Moretti each new high-tech job in a city, results in five additional jobs created outside of the high-tech sector in that city, both in skilled occupations (lawyers, teachers) and in unskilled ones (waiters, carpenters)

⁴ We used a multiplier of 2.5,

Revenues Generated by Current and Former Accelerator Clients

In 2014, the revenues of the startups currently residing at the Accelerator were over \$1.1 million. The data collected from former Accelerator tenants was an impressive \$1.8 million.

The combined revenues of current and former clients was close to \$3 million in 2014.

Gross Expenditures

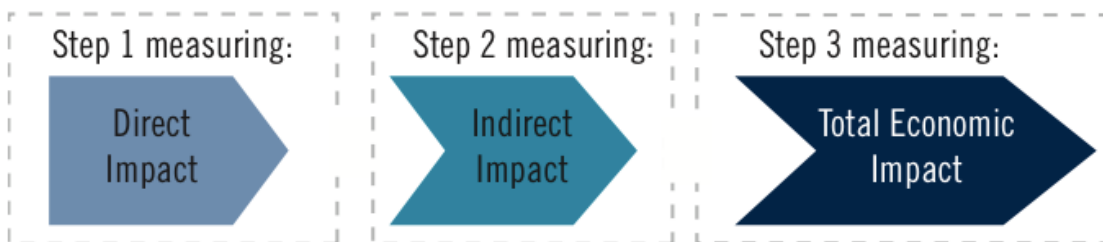
The average gross expenditure per company presently operating out of the Accelerator was \$96,000. This works out to a total of \$1,060,700 in expenditures in 2014. 30% of expenditures were directed towards salaries. The average gross expenditure for former Accelerator clients was very similar with a little over \$96,000 reported by the companies that responded to this question. 43% of expenditures were tied to salaries for former Accelerator firms, indicating that as startups mature they are able to generate more revenues and invest more in staffing.

Between current and former Accelerator clients, total expenditures were close to \$2 million⁵ in 2014.

Accelerator Operations

As a brand new organization the Accelerator has been able to accomplish a great deal with limited staff and resources. For the first 2 years of operation the Accelerator had one full time position, the Managing Director, and currently the Accelerator has 3 staff members. As the Accelerator has evolved we have been able to generate revenues by growing our client base significantly, securing entrepreneurial youth grants, and obtaining private donations from our mentors and supporters, with revenues for the past year⁶ surpassing \$300,000.

In an effort to capture the total economic impact the Accelerator has on the local economy we will use the following model⁷.



Direct impact measures changes in the economic activity during the first round of spending.

Indirect spending refers to an effect where, depending on the value of the multiplier, an initial incremental amount of spending leads to increased spending, increasing income further and, hence, further increasing consumption.

A multiplier is a factor that measures a change in a variable in response to a change in some other variable. Multipliers vary widely by industry and area (1.0 – 3.0), and tend to be higher for large urban regions because more of the spending stays within that region. Economist Enrico Moretti suggests that the

⁵ This number captures information strictly from the companies that answered this question; not all survey respondents provided a response to every question. It is therefore logical to assume that actual expenditures exceeded the \$2 million mark.

⁶ Figure based on financials presented at the Accelerator's last AGM

⁷ Based on Economic Impact Report by University of Toronto

innovation sector (business incubators/accelerators fit under this category) has the highest multiplier of all, three times larger than that of manufacturing. For the purpose of our study we will conservatively use a multiplier of 1.5.

Impact	Direct (in millions)	Indirect (in millions)
Current Accelerator Tenants		
Expenditures (including salaries)	1.06	1.59
Debt Capital Raised ⁸	0.4	1.6
Former Accelerator Tenants		
Expenditures (including salaries)	0.87	1.3
Accelerator Operations		
Expenditures	0.23	0.35
Total	2.56	4.84

Over the past four years, the Accelerator has also provided incredible support to many local non-for profits. The Accelerator has provided close to \$100,000 in offices, as well as boardroom and meeting room space to local non-for profits⁹. As a result these organizations are able to spend more money on hiring additional staff and expanding programming.

Having our own space that everyone knows and is available to our clients and partners 24/7 is a huge advantage of the Accelerator. In the past we have hosted many events that were Accelerator related such as our Windsor Women Accelerate networking series, as well as making the space to collaborative organizations such as Windsor Endowment for the Arts.

The Accelerator has also provided volunteer opportunities to clients from various local organizations such as: WEST, NCCE, YMCA, the University of Windsor VIP program and individuals who have personally contacted us looking for volunteer organizations. In addition, over 60% of the businesses operating out of the Accelerator and 50% of our graduates provide volunteer opportunities. Many of these volunteer experiences have assisted individuals in gaining future employment.

The impact of the Accelerator is therefore much greater than simply the numbers presented in this report. The Accelerator has become the region's entrepreneurial hub and we have developed incredible programs and partnerships that are growing the entrepreneurial ecosystem in our region.

Programs and Partnerships

Through our high school entrepreneurial outreach program we expect to introduce entrepreneurship to thousands of students in our local high schools. Our first high school entrepreneurial summit had over 300 students attend.

The Accelerator is also working on a program that focuses on youth at risk. We are targeting 14 youth at risk for this one-year program. The participants in this program will be provided with the entrepreneurial training as well as micro financing of up to \$3,000 to start a business.

The Accelerator's partnership with the University of Windsor Law Faculty has led to the Law, Technology and Entrepreneurship Clinic (LTEC) being located at the Accelerator. This partnership provides Accelerator start-ups with invaluable legal advice free of charge, while benefiting the law students through real world experience and the potential to find a potential future clients.

⁸ For debt capital we are assuming the loan at 5% interest with a 10-year payback period.

⁹ These include: WEtech, WYC, RDEE, Junieur Achievement



In collaboration with Enactus, the Accelerator hosts the City Thrive programs which focuses on assisting individuals who are currently on assistance to start their own business. We are now hosting our 7th City Thrive cohort and a number of the program graduates have become Accelerator tenants.

The Accelerator has created the first women's entrepreneurial networking series in Windsor. Windsor Women Accelerate (WWA) is a networking series that aims to connect successful local female entrepreneurs to aspiring female entrepreneurs. Over 200 women have participated in our events to date and in May, 2015 we will be hosting our 5th WWA event.

The economic impact the Accelerator has on the local economy is substantial, but more importantly the success of the Accelerator and its clients have proven that entrepreneurship is a viable option in Windsor. This will encourage more people locally to pursue entrepreneurship and it will transform Windsor into a destination for startups looking to tap into the US market. The Accelerator is the entrepreneurial hub of the region and will play a crucial role in determining the future economic landscape of our region.

Appendices

Current Accelerator Clients

- ✓ A1 Fingerprinting
- ✓ Alforquan Newspaper
- ✓ Christina Woods – Writer/Author
- ✓ Christopher Pressey Design
- ✓ City Thrive
- ✓ Cool Bus
- ✓ Divine Personnel
- ✓ Distant Edu Serve
- ✓ Indeenius
- ✓ InspireHub
- ✓ JoyBay Enterprises
- ✓ Junior Achievement
- ✓ Knightsbridge
- ✓ LTEC
- ✓ Leading Edge Accounting
- ✓ McCall Administrative
- ✓ Matthew Chan
- ✓ Noxtrom Digital Media
- ✓ Powerball Technologies
- ✓ Pursue Sports
- ✓ Razzlewood Inc.
- ✓ Sevillano Legal
- ✓ Synarbor
- ✓ The Benefits Company
- ✓ Ticketwave
- ✓ Virtually/Personally
- ✓ WEtech Alliance
- ✓ YKNOT Windsor-Essex
- ✓ Welker and Associates
- ✓ Windsor Express
- ✓ Windsor Independent
- ✓ Windsor Youth Centre

Accelerator Graduates

- ✓ Wissam Aoun Intellectual Property Law
- ✓ Maxmold
- ✓ 2nd Chance CPR
- ✓ PromoShop
- ✓ TellBob
- ✓ Stonethro
- ✓ WETF
- ✓ Your Choice Paralegal Services
- ✓ OTEP
- ✓ Ronna Hope Warsh Leadership Coaching and Consulting
- ✓ Enlighten Counseling Services
- ✓ Inapp



Full complement of additional companies that have used the Accelerator space for a limited period of time (less than a year): Alpesh Consulting; Armadillo Inc; Astral Ventures; Beautiful You; Big Dipper; Brand It; Code Culture; Coolweb; Core Microwave; County Crier; Daedas; Delirium Media; Dig In Research; Greengems Energy; InWindsor.ca; Midian Brewery; MyWClub; PanPartners; RDEE¹⁰; Schwenger Engineering; Scott Kersey; Magenta; Roudtail; Updraft Media; Whimsical Events by Jackie; Windsor Power Group; WindsoriteDot.ca; and Zaptaview.

¹⁰ RDEE actually stayed at the Accelerator over a year, but they are a non for profit therefore we do not count them as a graduate. We also offered them a discounted rate to assist them to locate downtown.