The year 2014 was an exciting year of accomplishment for the Innovation Center and its clients. The Innovation Center began in 2009 and over the past five years we have assisted more than 120 early-stage entrepreneurs. In 2014 we held our first graduation ceremony for clients and recognized four businesses that had accomplished a great deal on their way to sustainable, successful operations. In late 2014, we identified eight businesses that had met the requisite conditions established for graduation. These relatively small numbers speak to the challenge of becoming a graduate of our program. As we write this report, we have a current client roster of twenty-seven and there are six entrepreneurs enrolled in our pre-incubation program. Our clients represent future jobs for the Coastal Bend Region and diversity in the area economy. The Innovation Center added two additional full-time positions in 2014 and continues to utilize the talent and energy of a select group of students from Texas A&M University-Corpus Christi.

The success we have experienced with the Wendy Kennedy Inc. (WKI) model that we use for pre-incubation pushed us to find a very powerful and flexible model for our incubation program. The “Growth Wheel” model, developed in Denmark and currently used by many of the leading incubator programs in the world, is a very flexible and powerful coaching model. Our Incubator Manager and Program Manager have both received the training to become certified coaches for both models. We have begun holding quarterly meetings with all incubator clients using the Growth Wheel model to help them focus on next steps, skill gaps and other opportunities and challenges. This is designed to move our clients down the road to sustainability more quickly and to help them hold themselves accountable for working on their business in addition to working in their business.

With the new programs and the ability to customize offerings as needs dictate, we now have the ability to assist innovative businesses at any stage of development. Partnerships with the Small Business Development Center at Del Mar College, SCORE, the Texas Manufacturing Assistance Center, Texas A&M-Corpus Christi, area Economic Development Corporations, Chambers of Commerce, and municipal governments combine to offer a great variety of support services for small business in the Coastal Bend. We are privileged to be part of this team of people dedicated to starting and
The Innovation Center also works to develop and expand the entrepreneurial ecosystem in the markets we serve. We assisted with the establishment of the South Coast Angel Network in 2014 and this young organization has already invested over $502,500 in its first six months of existence. Capital access is absolutely essential to small business formation. The Center’s staff is participating in the planning of new entrepreneurial education course offerings and the creation of a student idea competition at the University’s College of Business. These programs will begin in the fall of 2015.

The Lunch and Learn programs of the Center have been expanded this year and are developed to compliment the many educational programs offered by the Tropical Texas Regional Center of Innovation and Commercialization (TTRCIC), U.S. Small Business Administration (SBA), and Del Mar College’s Small Business Development Center (SBDC).

The year 2014 was, by any measure, a year of accomplishment for the Innovation Center, its clients, and the University. The unmanned aerial vehicle Lone Star UAS Center of Excellent & Innovation began range operations and is engaged with interested entities, in the United States and internationally, to develop and define the role of UAV in civilian and military airspace. Speaking of “international”, Incubator Manager David Fonseca was asked to go to Denmark to talk to a group of business people interested in entering United States markets. The Danish government funded Fonseca’s trip and from there, we went to Moscow, Russia at the request of the National Business Incubation Association to present at an incubator management conference in Moscow. The Innovation Center was awarded a grant from the U.S. Department of State to host a two-week educational program for successful entrepreneurs from the Pacific Alliance Countries of Chile, Peru, Colombia and Mexico. The training, conducted in February of 2015, was well-received by all attendees. Thanks to our partners, clients, and friends in the region that helped to make 2014 the best yet. We also thank the Economic Development Administration and the State of Texas for their financial support and the Texas A&M University-Corpus Christi administration, faculty, and campus services personnel for their assistance, advice and support.
The purpose of the pre-incubation program is to guide startup companies in the process of exploring their business ideas in terms of viability. Through this program, the Innovation Center helps clients validate ideas, recognize challenges and opportunities, identify customer segments, define competitive advantages, and design a business strategy. At the end of the program, companies have discovered more focused directions for their ventures, how far they are from entering their markets, and are able to start building their plan of attack to approach their lead customers in their first phase of business development.

“The pre-incubation program was a powerful experience that challenged me to think differently and to contemplate my directions for my business....More importantly, it connected me with experienced and innovative thinkers who gave me a fresh perspective and helped me find new ways of thinking about my business and its role in our community. I will forever be grateful to the Innovation Center for this tremendous opportunity.”
–Lorena Parada-Valdes, The Language Bridge, LLC

“We’ve been going full speed ahead since we started our business, focusing predominantly on the daily realities of running a business. The pre-incubation process forced us to slow down to consider new ideas, processes what we’ve accomplished thus far, and delve into the core of our business in ways that we hadn’t done previously. The synergy created by the pre-incubation staff and participants allowed us to attack ideas and issues from new angles.”
–Crystal Trujillo, STEM Adrenaline, LLC
The incubation program is designed to assist clients in the early stage of development. The incubation process is a customized approach to fill gaps and needs of our clients in four main activities of a business venture: business concept, customer relations, operations and organization. Once accepted into the incubation program our clients will have access to our support programs and entrepreneurial partnerships.

“The students at the Innovation Center have dug up information I never would have found myself, causing me to think in a new direction because of information they were able to give me.”

—Anita Mallory, Anita Mallory Designs, LLC
Once clients have developed a product and a customer base, they qualify for the acceleration program. Through this program the Innovation Center helps clients unlock their full potential and prepares them for long-term market success. Through the acceleration program, the Innovation Center provides clients with need-specific resources that help them push their business ventures to the next level.

“The Innovation Center has helped to open a plethora of opportunities to speak with mentors, with SCORE representatives, to bounce off ideas, to just communicate with other people for your plans, and be able to hear some sound business advice.”

–Gracie Martin, Ensemble Group
The post-graduate program is designed for companies that have graduated from the Innovation Center’s programs. Support programs and entrepreneurial partnerships are made available to our post-graduate clients. Our graduates serve as role models for the participants within the business incubation program and are examples of our success at supporting an innovative business within the Coastal Bend business community.

“We got valuable marketing research from marketing class students. The Innovation Center helped to connect us with SCORE representatives, who helped us to finalize our business plan. The Innovation center also helped us on how to handle little business details in order to have a successful product.”

—Juan Olivares and Jose Olivares, Breathe Max Inc.
The soft-landing program is designed to support business ventures that relocate or branch into the Coastal Bend region. This includes, but it is not limited to, foreign companies as well as those from other regions of the nation. We offer to conduct feasibility studies to help these companies test the market in terms of competitiveness, demand, and regulations before making further investment.

“The Innovation Center has helped with market research and finding local service providers which are critical to our business. Through the business coaching and mentoring services we now have direct contact information for some substantial new clients.”

–Warren Thetford, Balboa Map Company
As of December 31, 2014, Coastal Bend Business Innovation Center has assisted 126 companies. In 2014, we served 8 Pre-Incubation, 20 Incubation, 4 Post-Graduate, 2 Acceleration, and 1 Soft-Landing.

Industry Cluster:
- 44% Green: Education, Water Treatment, Efficiency, Alternate Energy, Eco-Tourism
- 22% Manufacturing: Consumer Products, Sports
- 17% Others: Service and Consultation, Healthcare, Unmanned Aerial System
- 17% Technology: Cloud-Based Applications, Healthcare, Software Development, System Engineering
the Innovation Center has completed researched on 92 major projects of clients.

- 3 PROJECT MANAGEMENT
- 1 INVESTMENT PACKAGE
- 18 STRATEGIC PLANS
- 7 FEASIBILITY MARKETING STUDIES AND BUSINESS PLANS
- 11 PROGRAM DEVELOPMENT
- 15 WEBSITE DEVELOPMENT
- 17 SPECIALIZED RESEARCH
- 20 GRAPHIC DESIGN
In the last two years, 35 interns were hired by clients of the Innovation Center. 126 client companies with 1004 projects and searches were engaged. 17 different countries were represented by student workers who get involved with real world business situations. From inception to 12/31/2014:

- Involved in eight pre-incubation classes to work with very early stage entrepreneurs.
- Assisted clients of the Innovation Center participating in the Coastal Bend Business Competition Plan in 2014 – the first, second, and third place winners were clients of the Innovation Center.
- Assisted the development of the new initiative of the Coastal Bend Business Plan Competition Committee Innovation Competition.
- Collaborated with the University’s technical writing class to assist with search engine optimization for our client Coltarus, our partner Corpus Christi Hispanic Chamber of Commerce, and the Innovation Center’s own site.
- Assisted in the Capstone program for graduate students of the Master of Accountancy – more than 17 clients of the Innovation Center and approximately 80 accounting students have participated in the program since inception.
- Collaborated with the Texas A&M University-Corpus Christi research faculty for commercialization opportunities. Currently assists the research commercialization project of the Conrad Blucher Institute - Weather on Wheels app.
When Ensemble Group was established in 2002, Gracie Martin was a “one-woman show,” but that didn’t hinder her from building a successful business. As the number of clients grew so did her staff. With Martin at the helm, Ensemble Group works to build trust with each and every client—something that they believe builds a foundation for client growth and lasting relationships.

Each client brings a new set of challenges; however, Ensemble Group works to provide custom-built systems and solutions that are designed and tailored to meet each client’s needs. Ensemble Group provides many services, including: web application development, web design, mobile design, content management systems, WordPress Management, e-commerce, and management of social media (Facebook, Twitter, LinkedIn, Google +, blogs, etc.).

According to Martin, Ensemble Group’s greatest asset is exceptional employees: “they are super heroes in disguise.” Currently Ensemble Group has five full-time and two part-time employees. Some of their full-time employees are alumni of Texas A&M University-Corpus Christi and originally started interns, moved to part-time employees and have recently become full-time employees.

The core principles of Ensemble Group are integrity, honesty, hard work, client relationships and having fun while providing the best customer experience possible. Martin believes that for each project, the team should go into the process ready to learn and be open to new ideas. Ensemble Group is constantly working to challenge its team to go a little further, learn something new and take that extra step. Ensemble Group joined the Innovation Center in 2009 and graduated from the incubation program on Feb. 17, 2015.
2014 CLIENT HIGHLIGHTS

ARANA WATER TECHNOLOGIES

joined the Innovation Center in 2012. Arana’s patented water treatment (and sterilization) technology utilizes a multiple-process approach to pre- and post-treat water in combination with filtration methods to cost effectively deliver treated, sterilized and filtered water. It is then ready for drinking, returning to surface water, or for recycling in the petroleum production and refining industries. In 2014, Arana signed three contracts to construct systems for recycling oil field water (two portable water treatment systems contracts and one fixed location system contract), started chemical-free food and produce sterilization R&D projects, and began work on filing another patent related to water treatment. Arana also has several negotiations in progress for remediation of a polluted river in Mexico, pre-treatment of water for a project in Myanmar and waste water treatment for nine fish processing plants in Vietnam. Arana was awarded first place in the 2014 Coastal Bend Business Plan Competition.

TEXAS SURF MUSEUM

joined the Innovation Center in 2014. Texas Surf Museum compiles a record of Texas surfing history and culture, preserves artifacts, and educates the public on surfing history and culture, especially in Texas. In 2014, it became a non-profit entity and received a 501(c)3 designation from the IRS. It started education programs, hosted a three-day field trip for 160 students (grades 2-8) from the Corpus Christi Montessori School, and began planning a 2016 exhibit about surfers from 1960-70 in Mexico.

TEXAS SEA LIFE CENTER

joined the Innovation Center in 2010. Texas Sealife Center rescues injured or stranded coastal and aquatic wildlife, provides supportive care and rehabilitation, and releases wildlife back into their natural habitat. In 2014, Texas Sea Life added three new hospital tanks for sea turtles, completed a flight cage for birds, received a $15,000 donation for sea turtle rescue and rehabilitation, completed an outdoor tortoise exhibit, and had $10,000 worth of electrical work donated.
joined the Innovation Center in 2010. Anita Mallory Designs offers quality fashion jewelry and accessories at competitive prices to customers through home parties, while providing an excellent business opportunity, part-time or full-time, to its Independent Stylists. In 2014, Anita Mallory curated a gorgeous collection of 44 pieces of jewelry, sourced from around the world, had its first catalog designed and printed, recruited Independent Stylists in California and Texas. It partnered with, and styled actresses for, a new reality TV show filmed in downtown Corpus Christi soon to air, became a member of Fashion Group International NYC and Dallas, and members of FJATA (Fashion Jewelry and Accessories Trade Association). Anita Mallory Designs also had its first jewelry parties held in September – December 2014, developed its website (www.anitamallory.com), moved into a state-of-the-art warehouse and corporate offices, and donated thousands of dollars’ worth of jewelry to various local charities and fundraisers for worthwhile causes. Anita Mallory Designs is currently a pending member of the Direct Selling Association.

joined the Innovation Center in 2009. Breathe Max is the creator and distributor of nasal dilators that help provide maximum breathing comfort for people of all ages. In 2014, Breathe Max has developed its packaged product, increased online sales by 50 percent, and began exploring the possibility of having its product displayed in big department stores like Walmart.

* Economic Impact Report by Dr. Jim Lee, TAMU-CC Chair of Department of Decision Sciences and Economics
BillCutterz joined the Innovation Center in 2010. BillCutterz is building a rapidly expanding profitable business based on its Saverz Solution strategy. BillCutterz aspires to be the “Go To” company for all consumers who want to save money on their monthly service bills. In 2014, BillCutterz grew in terms of company size, got picked up by numerous bloggers (20+) explaining the program, and was featured in a University case study book by College of Business Dean John Gamble for its unique business model. It also increased number of enrollments by 50 percent year over year and revenue by 300 percent.

KEYLATE SOLUTIONS joined the Innovation Center in 2013. Keylate Solutions is dedicated to developing technologies that advance the chelation (ionic bonding) of oxygen radicals in solution, for the disinfection of viruses, bacteria, molds and parasites, and oxidation breakdown of water contaminants. In 2014, it developed a water treatment chemistry line to address municipal water concerns, eliminate bacteria, algae and biofilm in water treatment systems, reduce ozone demand, reduce bacteria and mold in post-harvest storage of produce, and bacterial infection of citrus trees. Keylate Solutions was awarded second place in the Coastal Bend Business Plan Competition.

* Economic Impact Report by Dr. Jim Lee, TAMU-CC Chair of Department of Decision Sciences and Economics
joined the Innovation Center in 2014. Balboa acquires aerial and satellite multispectral imagery and applies advanced computer image analysis techniques to provide information about vegetation species and health. In 2014, Balboa Map joined in development work with Pulse Aerospace Inc. for use of drones in precision agriculture. It also joined with Total Midstream Integration, LLC to sync multiple mapping technologies for use in oil, gas, and precision agriculture applications.

joined the Innovation Center in 2014. Ensemble Group is a website design and web application developer which uses the latest web technologies to help clients better market themselves on the Internet including web and social media presence. In 2014, Ensemble Group launched new product lines, new partnerships, and new social media services.

joined the Innovation Center in 2009. Coltarus is a highly effective systems engineering company whose specialty is leveraging open source software solutions for small to medium sized businesses. In 2014, Coltarus developed partnerships with Lenovo, Dell, and BitDefender. The partnerships enable Coltarus to become a value-added reseller and product specialist for these companies.

* Economic Impact Report by Dr. Jim Lee, TAMU-CC Chair of Department of Decision Sciences and Economics
joined the Innovation Center in 2014. CC Tutors offers premier private tutoring, standardized test preparation, and college consulting services in Corpus Christi, Texas. In 2014, CC Tutors started to develop web applications to help high school students with the college application process. The company recently met with the Director of the Innovation in Computing Research Labs (iCore), and its application was chosen to be one of the capstone projects for a computer science class.

joined the Innovation Center on 2011. Toby Globy Eco Action program is an award-winning environmental education curriculum supplement for classroom use. In 2005, the City of Laredo implemented this program into their schools and Toby Globy was awarded the Governor’s Texas Commission of Environmental Quality Environmental Excellence Award. It was also awarded a grant by Citgo for a one year water conservation initiative in 2014.

joined the Innovation Center in 2013. Maricela Sanchez Art provides upscale, aesthetic dog gates and crates and home décor accessories. In 2014, the company sold products to clients within 20 states in the continental United States, plus Toronto, Canada and Hawaii. Clients include designers, lifestyle experts, and people who love their pets.

joined the Innovation Center in 2009. Sub-See Adventures offers submarine diving trips in the clear waters off the Caribbean shores of Ocho Rios, Jamaica. In 2014, Sub-See Adventures successfully completed its capital funding and is now taking tourists on eco-tours in Jamaica.

joined the Innovation Center in 2012, starting out as a research project. Hydro Enviro Clean has licensed a patented clean and green method for binding heavy metals in soil, water and crude. The process also inhibits the oxidation process during treatment. In 2013 the patent was exclusively licensed and the initial Angel round of funding of 100K was secured. In 2014 all validation and field tests were completed and the first commercial sale was established. Also in 2014 Hydro Enviro Clean, LLC was nominated for the 2014 Eagle Ford Excellence Awards in the Environmental Stewardship category, presented by STEER – the South Texas Energy and Economic Roundtable.
Thrid Coast Controls joined the Innovation Center in 2011. It is dedicated to building custom controls for HVAC systems. In 2014, Third Coast Controls gained major customers such as Citgo, Valero, and Bay Area Fellowship, doubled its revenue, and increased its customer base by 50 percent.

Third Coast Controls

InnerGeo joined the Innovation Center in 2010. InnerGeo is a renewable energy power system developer, which focuses on geothermal heat to create one of the cleanest and most cost effective processes for generating electrical power. In 2014, InnerGeo obtained a patent for a key part of its process and hired a CEO.

InnerGeo

InnerGeo (EIDOLON Brands, LLC), originally based in Victoria, Texas, joined the Innovation Center in 2012. At the time, SCOR Golf was providing golfers with customized, precision golf wedges – the high loft scoring clubs. SCOR Golf completely re-engineered this end of golfers’ sets because the traditional clubs had not been significantly modified since the 1950s. Because of the foundation built on their success, in 2014, EIDOLON Brands secured a long-term worldwide licensing agreement with Perry Ellis International to reintroduce the legendary Ben Hogan brand back to the golf equipment industry. The new Ben Hogan Golf Equipment Company was launched at the golf industry’s annual trade show in January, 2015, and is enjoying status as one of the biggest stories in the golf equipment industry. The company’s new Fort Worth 15 irons and TK 15 wedges are presenting disruptive technologies to the industry, and are being reviewed enthusiastically by the golf press and golf professionals. The company has relocated its headquarters to the historic Fort Worth home of Ben Hogan, but its roots are deeply set in the Coastal Bend.

SCOR Golf

Weather on Wheels joined the Innovation Center in 2014. Weather on Wheels is a new app developed by the Conrad Blucher Institute at Texas A&M University-Corpus Christi to help make U.S. highways safer. This app is strictly focused on road travel and makes it easy to access weather predictions along a planned route. The first version of the app was released in Fall 2014 and has now been tested by over 700 users in more than 15 states. A full launch is upcoming later in Spring 2015. The app was presented at the January 2015 annual meeting of the American Meteorological Society. This project is providing a great opportunity for University science and technology students to work with business and marketing students and create new technology with potential to be broadly used.

Weather on Wheels

Conrad Blucher Institute
THE BEST REASON TO START AN ORGANIZATION IS TO MAKE MEANING TO CREATE A PRODUCT OR SERVICE TO MAKE THE WORLD A BETTER PLACE

- GUY KAWASAKI

Bill Cone – Director
David Fonseca – Incubator Manager
Melissa Windle – Administrative Assistant
Chau Hoang – Program Coordinator
Juan Garzon – Business Coordinator
Sandra Billish – Receptionist
Selvy Letlora – Graduate Assistant
Natalia Chaves – Graduate Assistant
Laura Pulgarin – Graduate Assistant
Steven Tran – Graduate Assistant
Tina Lentz – Research Assistant
Alyssa Garza – Research Assistant
Gozde Akisik – Research Assistant
Marcela V. Mercurio – Research Assistant
OUR FINANCES 2014

EXPENSE AND REVENUE BREAKDOWN

EXPENSE

- SELF-GENERATED
- EDA
- STATE

11% 14% 75%

REVENUE

- SALARIES and WAGES 35%
- TRAVEL 20%
- EMPLOYEE TRAINING and CERTIFICATIONS 16%
- FACILITIES MAINTENANCE and CLEANING 8%
- OFFICE FURNITURE and EQUIPMENT 5%
- UTILITIES 3%
- OTHER EXPENSES 12%
- SCHOLARSHIP 1%
Educational and Activity Highlights

Educational Workshops

March 27, 2014
CHUCK KENNEDY
3D Printer Workshop:
A workshop about the benefits of 3-D printing.

June 23, 2014
JOHN BELL
Lunch & Learn:
The focus of this workshop was on Dos and Don’ts of licensing agreements and franchising.

October 30, 2014
DR. JOHN GAMBLE
Workshop on Business Models:
The workshop helped to analyze current business models and identify new and more successful ways of doing business. Business models have become the highway to innovation for businesses ranging from Fortune 500 companies to start-ups. Participants learned and applied practical processes that challenge the status quo and lead to the planning and design of innovative strategies.

February 26, 2014
DEBRA RODRIGUEZ AND HEATHER MORETZSOHN
H1B Visa Workshop:
Updates were given on current U.S. immigration law as it applies to small business in the United States. The workshop provided advice for small business employers on immigration compliance (E-verify, I-9), best practices for all employers, and updates on H1B Visa law for International Students.

April 3, 2014
SCORE CORPUS CHRISTI
Social Media-Small Business Seminar:
This workshop focused on how to grow business using social media. This combination of lecture, small business case studies and hands-on computer implementation gave the attendees tools and techniques to market their business online.

September 25, 2014
SUSAN OCHOA SPIERING
Intellectual Property:
The session reviewed the major differences between patents, trademarks and copyrights. Attendees also learned how protection in each area is obtained and why a business would want to have registration coverage in a particular area.

November 19, 2014
JAMIE RHODES AND MICHAEL GIRDLEY
Angel Investing Educational Workshop:
An educational workshop about how to evaluate early-stage companies, term sheets and overview of technology, investing and market status.

Major Events

October 8, 2014
DAYMOND JOHN
A&M-Corpus Christi’s Distinguished Speaker Series event featured Daymond John, an entrepreneur and angel investor from ABC’s Shark Tank. The event was made possible through collaboration of different entities, including the Innovation Center, which served as a major sponsor.

October 9, 2014
ENTREPRENEUR NIGHT
The Innovation Center co-hosted Entrepreneur Night 2014 with the Small Business Development Center of Del Mar College. Entrepreneurs and small business owners had the opportunity to network and learn about the opportunities that area economic development entities have for them.

November 7, 2014
3-DAY START-UP IN COLLEGE STATION
Four A&M-Corpus Christi’s students were selected among 150 applicants to participate in the 3DS in College Station. Jeremy Cripe, a student and pre-incubation client at the Innovation Center, was selected among the seven finalists.
Co-working Space has been designed to provide an inspiring, creative, independent, and comfortable working environment for student innovators and professional freelancers to explore ideas in entrepreneurship while gaining access to educational workshops and achieving visibility within the community.

The Innovation Center assisted with the organization of the South Coast Angel Network. Having an organized, structured, angel investor group has filled an important piece in our area entrepreneurial ecosystem. It acts as a forum where entrepreneurs are introduced to potential angel investors.

The Innovation Competition is a competition coordinated and supported by the Coastal Bend Business Plan Competition Committee. The Competition encourages entrepreneurs to showcase their ideas. The Competition is open to all Coastal Bend residents, including students 18 years and older from all colleges and universities in the Coastal Bend region.

ESTABLISHED IN JULY 2014
30 ACTIVE MEMBERS
15 PITCHES
6 COMPANIES INVESTED
$502,500 INVESTED
TO ACCOMPLISH GREAT THINGS
WE MUST
NOT ONLY ACT
BUT ALSO
DREAM
NOT ONLY PLAN
BUT ALSO
BELIEVE
— ANATOLE FRANCE
IF YOUR DREAMS
DON’T SCARE YOU
THEY AREN’T
BIG ENOUGH
EXCELLENCE IS A HABIT

BE SOMEONE
WORTH
REMEMBERING
YOU MUST EXPECT
GREAT THINGS
OF YOURSELF
BEFORE YOU CAN
DO THEM
— MICHAEL JORDAN

THE EXPERT
IN ANYTHING
WAS ONCE A
BEGINNER

NOBODY
WHO EVER GAVE HIS
BEST
REGRETTED IT
— GEORGE HALAS

DREAM BIG
BECAUSE
DREAMS MAY COME
TRUE
BE INNOVATIVE  GAIN KNOWLEDGE  DEDICATE YOURSELF  COLLABORATE AND SUCCEED