

## S.135 (K.1-K.2)/H.398: Climate Economy Business Accelerator

### ***What do we mean by the “Climate Economy?”***

The Climate Economy means, in part, the work being done by businesses whose products and services aim to reduce, mitigate, or prepare for the negative impacts of climate change on human systems.

### ***What kind of businesses fit within this definition?***

Climate Economy businesses align closely with many of the industries that the Vermont Legislature formed VSJF in 1995 to support. They include:

- Clean energy development and distribution
- Thermal and electrical efficiencies in buildings, workplaces, and homes
- Evolving public and private transportation systems
- Efficient building construction
- Energy and efficiency innovations in the working lands economy
- Ecosystem services related to sustainable working forests
- The recycling, reuse, and renewal of resources
- Resilience technologies such as soil sensing devices

### ***What is a Business Accelerator?***

The Vermont Sustainable Jobs Fund and its partners will provide startup and early stage climate economy enterprises with intensive business coaching, training and support and access to capital needed to succeed. We will do this through the development of a Business Accelerator, recruiting participants from Vermont, New England and across the nation. An Accelerator is a program that selects a cohort of start-up and/or early stage business entrepreneurs and their management team to participate together in a time-limited series of trainings (typically over 3-4 months), mentorships, and investment opportunities. The accelerator program exposes promising businesses to the lessons learned by successful entrepreneurs and investors. It helps them clarify the market for their product, evaluate the needs of their management team, define their business model, and articulate their unique value, all with the intention of making them more attractive to the investment capital they need to start and grow. Towards the end of their participation in the Accelerator, we will introduce these entrepreneurs to potential investors.

### ***What is the difference between a Business Accelerator and a Business Incubator?***

A business “accelerator” and “incubator” are often — *incorrectly* — thought to be the same thing. And, while both offer entrepreneurs good opportunities early on in their development, there are several key differences.

- Accelerators “accelerate” the growth of an actual start-up or early stage company, while incubators “incubate” disruptive ideas with the hope of building out a business model and early stage company.
- Accelerators focus on scaling a business quickly while incubators are often more focused on innovation over a longer time horizon. **The goal of the accelerator is to help a startup do roughly two years of business building and investment raising in just a few months.**
- Accelerators typically do not have long-term co-work space available. A typical incubator has shared space in a co-working environment, a month-to-month lease program, and some connection to local mentors and investors.

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### ***What are the Origins of this Initiative?***

For the past two years, the Vermont Center for Rural Development convened stakeholders statewide to develop a practical [Action Plan](#) based on the premise that confronting climate change through innovative economic development can be a competitive strategy, one that will build a national reputation, create jobs and attract youth and entrepreneurship to our state. The Council's plan included a recommendation to:

*“Establish a Climate Economy Network Development Initiative to provide seed funding and technical assistance for entrepreneurship to attract, support, cultivate and nurture a new generation of business creators and help them successfully grow their enterprises in Vermont.”*

The **Vermont Sustainable Jobs Fund** (VSJF) has stepped up to lead this initiative, building on the results-based planning, network development, and business assistance skills developed through its ongoing efforts to grow the state's food system and forest products economy. An Advisory Board to help VSJF develop this new initiative has been formed and has met several times over the last 11 months. Interviews with 30 business owners, investors, potential partners, other accelerator program managers around the US, and potential cohort businesses has confirmed the value and need for this initiative.

VSJF has been in discussion with [Village Capital](#), a successful accelerator program model based in DC, about gaining access to their proven curriculum which we could then adapt to meet the needs of Accelerator participants from our region. In conversations with Green Mountain Power and Burlington Electric Department, both have offered to physically host a cohort at one of their facilities. VSJF has secured some funding support from VLITE and a private foundation and is seeking state general fund support (\$150,000 requested) in order to fully launch the Accelerator in 2017.

### ***What is the Climate Economy Business Network?***

VSJF will also create a statewide Network of existing climate economy businesses for the purpose of strengthening a sense of community, exploring opportunities for collaboration, and building a national reputation for this new sector. If we want the state of Vermont to become **THE** place where young entrepreneurs want to come and build businesses that export solutions for a changing climate worldwide, then we need to build a Network of more mature businesses already in the sector with whom they can immediately connect with, learn from, and potentially collaborate with. The Network's doors will be open to businesses in any economic sector that have climate change mitigation as a key part of their mission. We will grow this Network of businesses around an existing core of engaged leaders such as, Green Mountain Power, Sun Common, Northern Reliability, and others.

VSJF will serve as a convener, host, matchmaker, facilitator, and strategic planner: bringing these entrepreneurs together to share ideas, get feedback from technical and financial experts, interact with market leaders, explore joint efforts, and generally shape a common agenda for growing climate economy businesses here in Vermont. We will plan regular meet-ups and other networking and professional development events designed to build relationships, trust and reciprocity.

Through this network development approach, VSJF will reach out to and connect with other important networks (e.g., Energy Action Network, Clean Water Network, VT Resilience Network, Vermont Environmental Consortium, VT Technology Alliance) and organizations (e.g., VCET, BTV Ignite, VT-SBDC, VBSR, BDCC/Ecovation Hub) in order to maximize the alignment of people, technology and financial resources towards a shared purpose of building Vermont's reputation as a hotbed of creative, innovative entrepreneurial activity dedicated to solving real problems and creating business solutions that enable the human species to adapt to a changing climate.