

Growing Companies  
in  
Rural Pennsylvania

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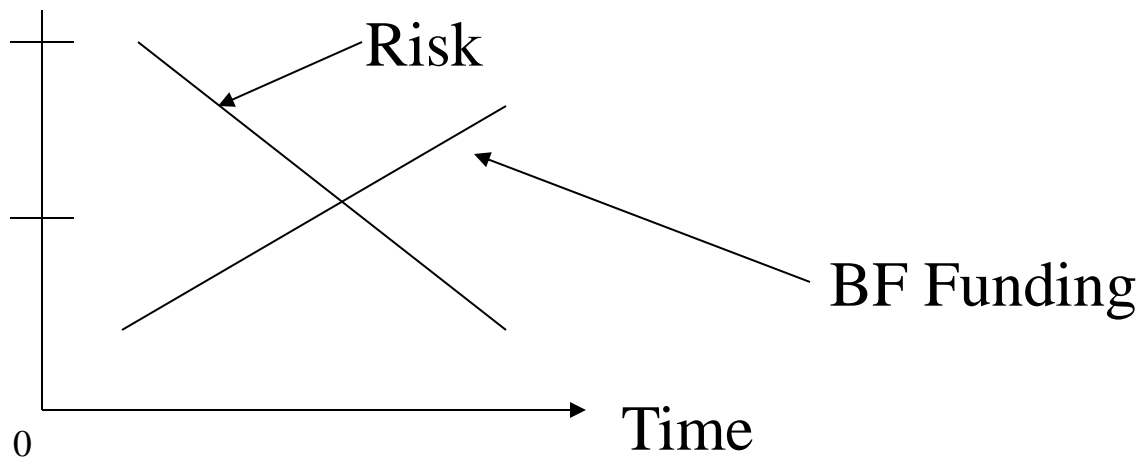
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# CNP Regional Overview

- 34-County Region is largely Rural with Erie, Harrisburg, Williamsport, Altoona and Johnstown as largest cities
- 23 of Counties are Classified as Economically Distressed by EDA
- 24 of Counties Classified as Rural by CRPA
- Scarcity of Investment Capital
- Lack of Successful Entrepreneurial Models/History

# BFTC/CNP Investment Philosophy

- **Phase 1 (Tech Feasibility)-24 Companies**
- **Phase 2 (Market Feasibility)-12 Companies**
- **Phase 3 ( Business Feasibility)-3 Companies**
- **Phase 4 (Established Companies)-4 Companies**



# Principal Gaps in Rural PA

- Capital
- Management
- Pre-Seed Money to Grow Companies

# Operational Assistance

- Transformation Business Services Network Funded by CNP is Unique
- 9 Individuals with over 225 yrs. of Industrial Exp. (4 “Cashed-Out” Entrepreneurs)
- Network also Uses Consultants (e.g. Legal)
- Over 11,000 hours of direct support last yr.
- Capability Valued Highly by Companies

# CNP's Strategy

- Overcome Scarcity of Investment Capital by Relationships with Capital Providers
  - Actively Promote Angel Networks
  - Build Relationships with VC's
  - Develop Venture Capital Fund Locally

# PVP NMVC Application

- JV of BFTP/CNP and ZSCC of Boston, MA
- Proposed 34-County Region is Service Territory of BFTP/CNP
- 17 Counties Fully NMVC Qualified with 102 Census Tracts also Qualified in 16 other Counties
- Seeking Investor Commitments to Launch \$ 25 M Fund

# JV Participants

- BFTP/CNP is Well Established in Region
- ZSCC is Nationally Recognized VC Firm with Exceptional SBIC Return History
- Long Standing Relationship of JV Participants
- GP will Contract with ZSCC for Management Services



# Fund Principles

- Funding Profile Fits Region
  - 50% Early-Stage
  - 50% Later Stage
- Need to Develop Co-Investors
- Fund Personnel Based in Several Locations in Region
- Use Established Operational Assistance Network