Outline

- Introduction to NC IDEA
- MICRO & SEED Overview
- MICRO & SEED Timeline
- Application Tips
- Appendix

Mission

OUR VISION

Empower North Carolinians to achieve their entrepreneurial potential.

OUR MISSION

Strengthen the economy of North Carolina through a strategic combination of grants and programs, deployed directly and through a network of partners, in furtherance of our Vision to help people achieve their entrepreneurial potential.

- Independent Private 501(c)(3) foundation
- Competitive grants for entrepreneurs
- Support and leverage a network of strategic partners

Impact of NC IDEA MICRO and NC IDEA SEED

- **405 grants awarded to 380 companies**
  - 71% companies still active or acquired
- **3.6K+ jobs created**
- **$680M+ in total funding**
  - 79 companies raised more than $1M in funding
  - 34 companies raised more than $5M in funding
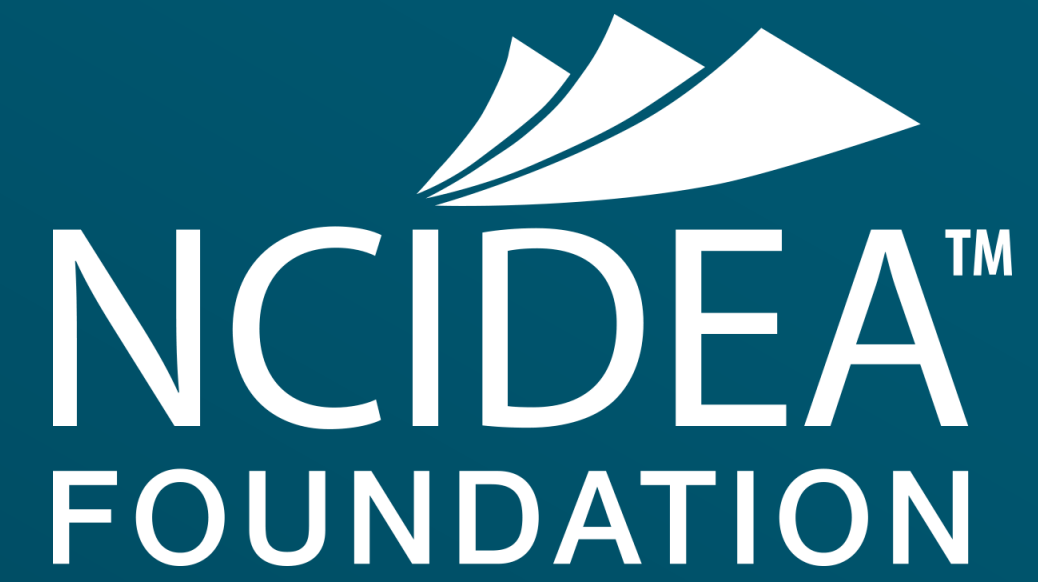
MICRO & SEED Overview

MICRO & SEED

NCIDEA™ MICRO
$10K

NCIDEA™ SEED
$50K

Non-dilutive grants supporting NC founders leading early stage growth-oriented companies on a path to be a multi-million dollar company or be investable

- Address large, rapidly growing market opportunities
- Possess sustainable competitive advantage
- Offer a unique value proposition

MICRO & SEED Eligibility Guidelines

- Companies headquartered in and conduct majority of corporate operations in NC

- Founder(s) residing in NC

- All publicly facing materials identifying the business as a North Carolina company

  - Includes website, social media, and other marketing materials and channels

MICRO & SEED Eligibility Guidelines

Out-of-scope companies

- Visit ncidea.org for a complete list

- Examples:
  - Not-for-profits
  - Trucking, hauling, and storage companies
  - Event venue and management companies
  - Traditional staffing agencies
  - High capital requirements and a long runway to commercialization
  - Consulting practices or agencies
  - Local, service-oriented small businesses (i.e. restaurants, catering businesses, retail stores, and cleaning companies)

Funding Paired with Mentorship

NCIDEA MICRO

Awards funding paired with mentorship and guidance to validate assumptions and develop a business model.

$10K

- Need to demonstrate proof of concept OR
- Validate some part of the business

Funding to Grow and Scale

NCIDEA™ FOUNDATION

NCIDEA™ SEED

Awards early stage companies the critical funding needed to scale faster.
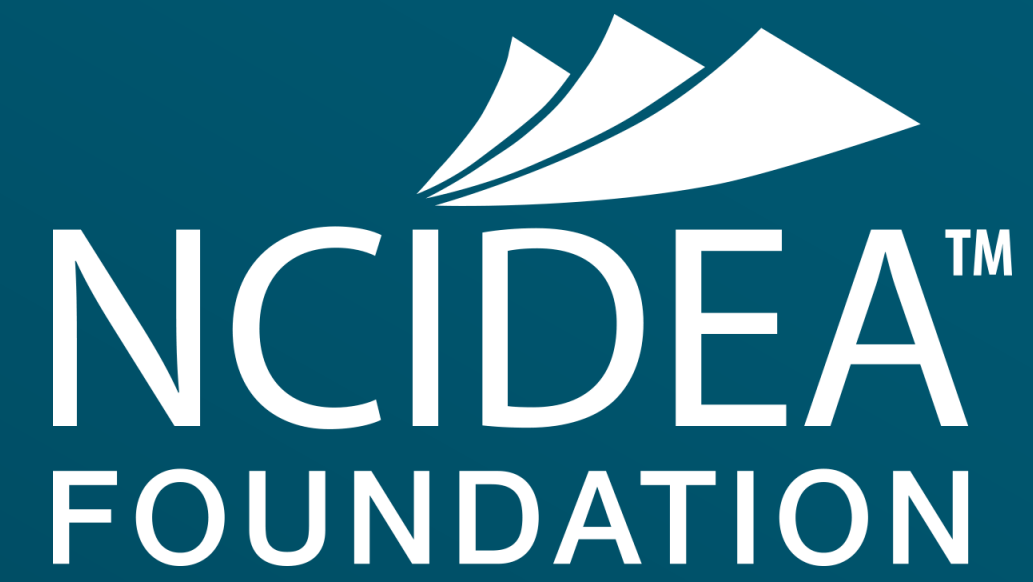
$50K

- Awarded to innovative startups with a proven concept even if they are not yet profitable
- Advances startups to extend runway by gaining customers or attract future funding or investment

MICRO & SEED Grant Cycles

- ## Two grant cycles per year
  - Spring and Fall
  - MICRO and SEED applications open/close at same time

- ## MICRO
  - 15 grants awarded per cycle (30 per year)
  - 193 grants awarded since Spring 2018
  - 60 (31%) MICRO grantees progressed to at least SEED semi-finals
    - 25 (13%) MICRO grantees awarded SEED grants in future cycles

- ## SEED
  - 6 grants awarded per cycle (12 per year)
  - 212 grants awarded since 2006

MICRO & SEED Eligibility Comparison

	MICRO	SEED
At critical inflection point where grant funds can be effectively used to begin scaling	Not yet. Working to… • Demonstrate proof of concept OR • Validate some part of the idea/business model	Yes. Company has… • Proof of concept • Market traction (paid or unpaid) • Clear use of funds and milestones over grant period to scale
Full-time founder in NC	Within a year of grant	At time of grant award

Prior annual revenue or equity investment (excluding friends and family)	Less than $50K
	• Consumer Products – Food and Beverage: $37K Avg.
	  • Revenue-Generating: 100%
	• All Other Business Categories
	  • Revenue-Generating: 30-50%
		Less than $250K
		• Consumer Products – Food and Beverage: $166K Avg.
		  • Revenue-Generating: 100%
		• All Other Consumer Products: $108K Avg.
		  • Revenue-Generating: 100%
		• All Other Business Categories: $60K (for companies generating revenue)
		  • Revenue-Generating: 70%

NC IDEA™ FOUNDATION

NCIDEA™ FOUNDATION

MICRO & SEED Fall 2024 Grant Cycle Timeline

Spring 2024 Grant Cycle Timeline

- Applications open July 29 (9 AM) – August 26 (5 PM)

- 15 MICRO grants awarded late October

- 6 SEED grants awarded mid-November

MICRO Application Timeline

NCIDEA™ FOUNDATION

140-190 companies → **~30** → **15**

Jul. 29 – Aug. 26	Sep. 27	Oct. 7 – 16	Oct. 22

Application
Concise description of your business

Finalists Selected
Review feedback and prepare presentation

Finalists Interviews
Virtual, 35-minute presentation with Q&A

Grant Recipients Selected

Applicants receive feedback at all stages

MICRO Grant Recipient Timeline

NCIDEA™ FOUNDATION

Nov. 2024

Dec. 2024 – Feb. 2025

Dec. 2024 – Jun. 2025

Kickoff Meetings & Finalize Grant Agreements

Programming & Tranche 1 ($7.5K) Funds Disbursed

Execute on Milestones & Tranche 2 ($2.5K) Funds Disbursed

MICRO Programming - Goals

- **Excellent Customer Discovery:**
  - Identify key assumptions that you may be making
  - More precisely identify the early users and early buyers of your product
  - More precisely identify the pain point those users are experiencing
  - Reach potential customers

- **Other important topics such as …**
  - Building a roadmap for your company
  - Fundraising strategy
  - Pitching
  - Marketing and PR for early stage companies
  - Roundtable discussions with successful founders

MICRO Programming - Commitment

- ## 8-Week Program:
  - Meets on Tuesdays and Thursdays from 9:00 am to 10:30 am via Zoom
  - Additional time to talk to potential customers
  - Check-in meeting(s) with staff
  - Mentor Madness – an intense 6 hours "speed dating" with 15+ mentors who can provide advice and coaching

SEED Application Timeline

NC IDEA™ FOUNDATION

130-180 companies → ~24 → 12 → 6

| Jul. 29 – Aug. 26 | Sep. 20 – Sep. 30 | Oct. 1 – 16 | Oct. 31 – Nov. 4 | Nov. 8 | Nov. 13 |

Application

Concise description of your business

Semi-finalist Revised Application

Incorporate reviewer feedback and revise initial application answers

Semi-finalist Interviews & Due Diligence

NC IDEA Fellows check references and meet with semi-finalists

Finalist Prep & Pitch scrubs

Incorporate reviewer feedback and virtual pitch prep meeting

Finalist Presentations

25-minute in-person presentations/Q&A for 35-40 reviewers

SEED Grant Recipients Notified!

Eligible applicants receive feedback at all stages

SEED Grant Recipient Timeline

NC IDEA™ FOUNDATION

Nov. 2024

Dec. 2024

6 – 9 months from start of grant agreement
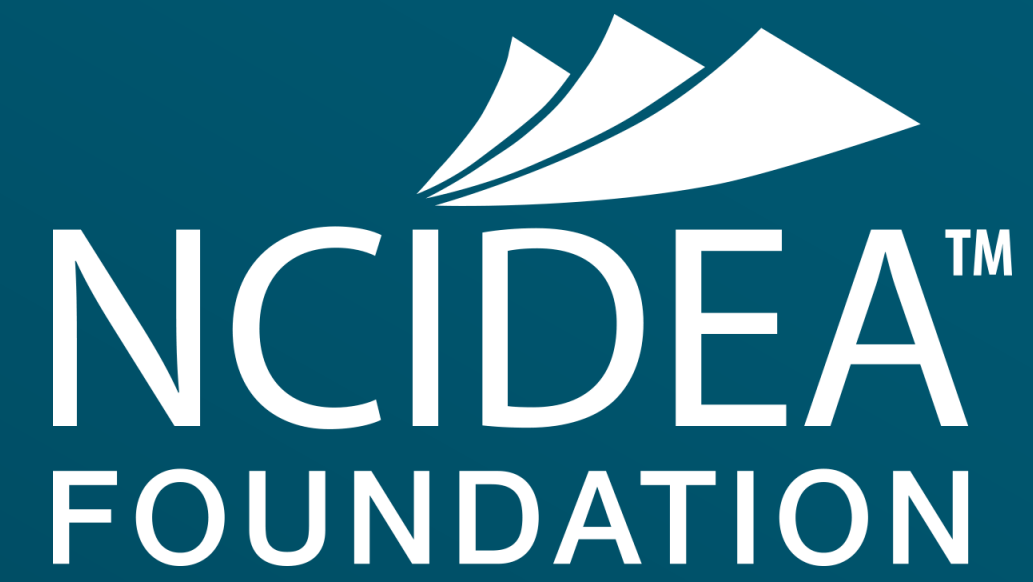
Grant Agreements Finalized

Tranche 1 Funds Disbursed

Execute on Milestones

Tranche 2-4 funds disbursed after check-in meetings

Getting Started

- Applications are thorough and take time to fill out
- Questions include founders, team, business details, revenue, funding, grant impact, milestones, and use of funds
- Every question asked is important
- Recommend reviewing the application template(s) ASAP

Show Startup Is Ready to Move to Next Stage

- Capable team
  - Including advisors and supporting communities
- Committed to building a scalable company
- Recent momentum and traction (SEED)

Impact of Grant

REVIEWERS ASSESS IMPACT OF GRANT ON COMPANY GOALS DURING THE CURRENT GRANT CYCLE

- Will grant funds, programming (MICRO), and NC IDEA network help achieve defined business goals that move business forward?
  - NC IDEA MICRO and NC IDEA SEED are not research grants.
- What milestones will you be tracking?
- Why is now the right time?

Be Honest

- No applicant has all aspects of business figured out

- Application is not an extended sales pitch

- For reapplicants, progress since last application is very important

Be Honest

- AI tools can provide research, feedback, suggestions, starting point for specific questions

- AI tools cannot fill out a competitive application without your input, review, company specific data
  - Understand how your data is used by different AI tools

Be Clear and Concise

- The problem you are trying to solve and your solution should be clear upon the first read

- Have others review application before submitting

- Do not fill out the max character limits when not necessary!

Initial Application Objective

- It's not to win a grant

- It's to progress to the next round

- Make the reviewer say "I want to learn more"

Review Team

- NC IDEA staff

- NC IDEA Graduate Fellows (SEED only)

- Volunteer reviewers from across NC: entrepreneurs, investors, ecosystem partners, subject matter experts

Reviewers sign confidentiality agreements and are asked to disclose conflicts of interest.

Reviewer Feedback

- Instructed to be constructive/actionable
- Reviewers don't always agree
- Reviewers may focus on different parts of the application or business in their feedback

General Application Tips

- Do not wait until the last minute to submit!
- Watch for spelling and grammar errors
- Save online application often
- Do not log in at the same time on different devices/browsers
- Work offline using application template

Next Steps

- Potential applicants should visit ncidea.org to:
  - Sign up for virtual office hours
  - Download the application templates
  - Start online application: July 29 – August 26 (5 PM)
  - Learn about MICRO / SEED program details and eligibility
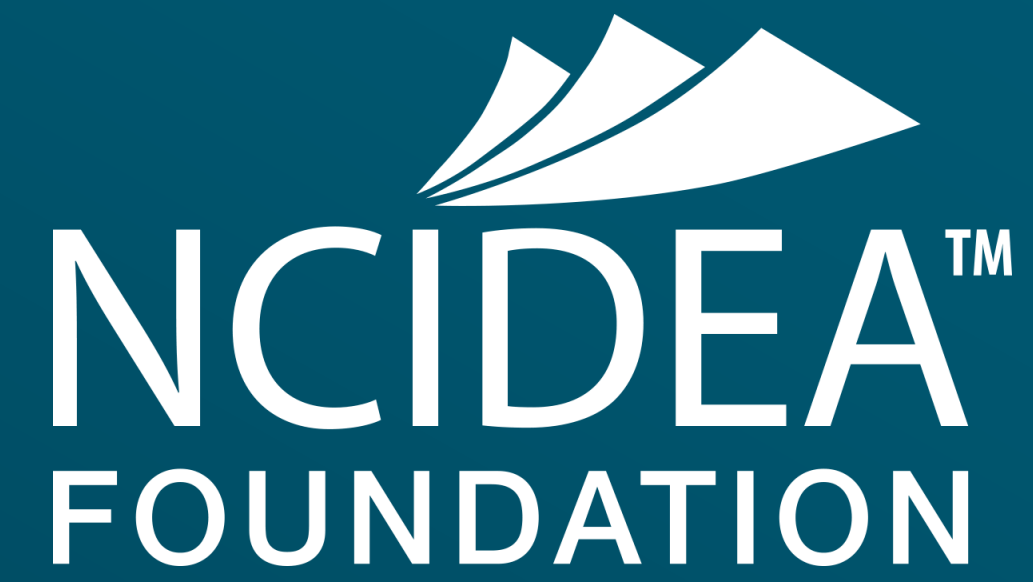 - Review "Fall 2024 Grant Cycle" resource page

Questions? programs@ncidea.org
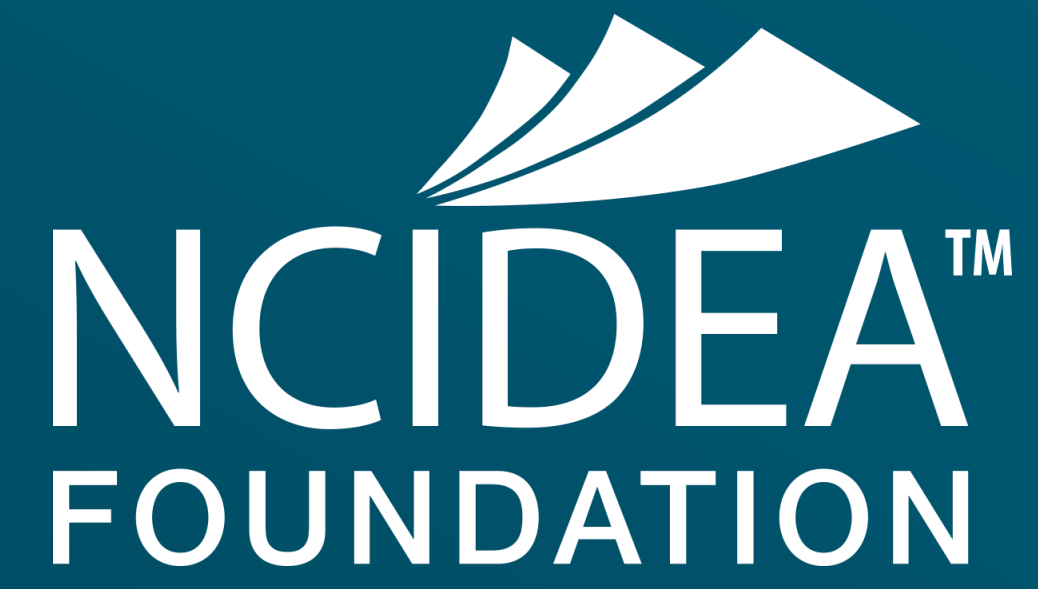
Appendix

Past MICRO & SEED Award Rates

Grant Cycles	MICRO			SEED		
	Apps	Grantees	Award Rate	Apps	Grantees	Award Rate
Spring 2024	211	16	8%	142	7	5%
Fall 2023	170	15	9%	139	6	4%
Spring 2023	182	15	8%	177	6	3%
Fall 2022	134	15	11%	158	7	4%
Spring 2022	139	15	11%	139	9	6%

MICRO & SEED Application FAQs

Do All Company Staff Have to Live in NC?

No. However, the company must be headquartered and have majority of corporate operations in NC.

- All publicly facing materials must identify the business as a North Carolina company
  - Includes website, social media, and other marketing materials and channels
- There must be a founder living in NC. If all founders do not reside in NC, you must explain how startup identifies as being an NC company. For SEED, there must be at least one full-time founder residing in NC.

Can Solo Founders Apply?

Yes. The following topics also help us understand the support you have.

- Team: Founder and non-founder info

- Supporting Communities: Organizations you have leveraged so far in your entrepreneurial journey

- Advisors: Formal and informal

NC**IDEA**™
FOUNDATION

Can Companies Reapply?

Yes.

- Company progress since last application is *very* important

- If areas of concern for reviewers are not addressed, company may not progress as far as previous cycle

- Progress from last application may include finding out what didn't work, as well as what did

- For SEED applicants:
  - 40-50% of applicants applied to MICRO or SEED in a previous cycle

Should I Include a Video?

Including a short video **that adds value** to your application can be helpful for some reviewers

- Prioritize having a strong application first, before spending time on a video

- Make sure there is adequate lighting/audio, but these do not need to be professional videos

How Can I Use the Grant Funds?

In the ways that move your **business** forward. It varies for each company, but below are examples.

- **Customer Discovery**: A/B testing, surveys, interviews

- **Marketing**: SEO, web design, conference attendance

- **Business Development**: Lead generation, employee salary, travel, sales

- **Product Development/Infrastructure**: Prototypes, product testing, development work

- **Legal**: IP costs, corporate filings, partnership agreements

- **Other**: Grant writing, full-time founder stipend

Will Reviewers Be Familiar with My Market?

Maybe.

- Reviewers matched to applications based on their backgrounds and preferences, when possible

- Reviewers have backgrounds in funding, advising, working with and running startups

- Reviewers with experience in your industry may not be familiar with your technology or product category

- Avoid using unnecessary industry terms – explain any such terms that you do use