

Illinois Innovation Index

Innovation news and metrics for metropolitan Chicago and the state of Illinois

In the numbers

Recent statewide survey reveals optimism among emerging entrepreneurs and highlights growth opportunities

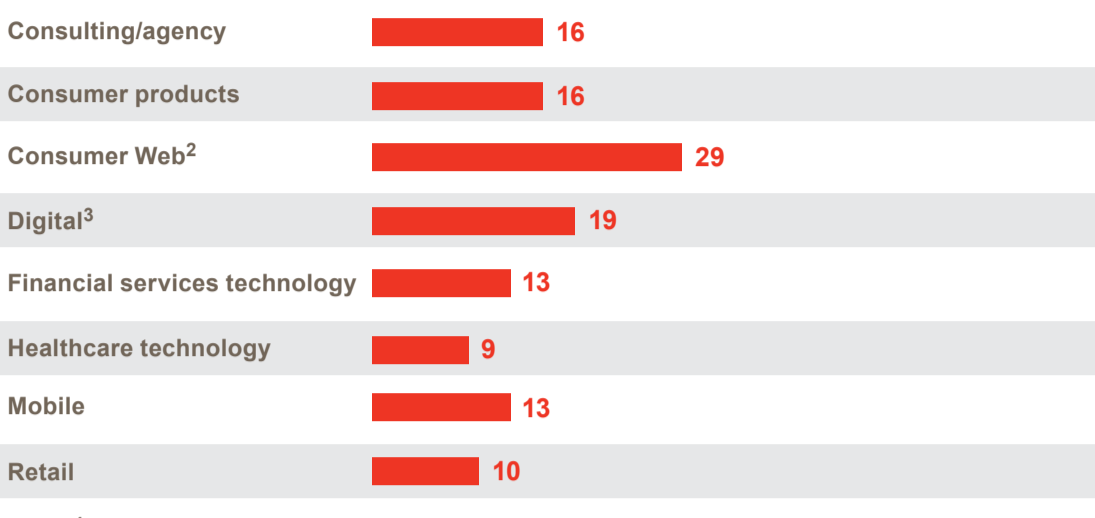
Results from the 2011 Illinois Entrepreneurial Survey show a sense of optimism among Chicago's emerging innovation ecosystem as entrepreneurs seek to develop and expand their businesses. Built in Chicago, the Chicagoland Entrepreneurial Center, the Chicago Innovation Awards, the Illinois Science & Technology Coalition, the Illinois Technology Association, Startup Illinois, and World Business Chicago joined forces on the survey, which was developed to gauge the entrepreneurial landscape in Chicago and Illinois.

Drawing on a cross-section of perspectives

The survey targeted leaders of active entrepreneurial ventures and was conducted from June to August of this year. In all, it drew responses from 136 business leaders across a diverse range of industries, from software to education and healthcare. Notably, nearly 80 percent of survey respondents founded their business in the past five years, highlighting the growing community of talent and leadership in Illinois.

Survey question: Please describe your industry. (check all that apply)

number of responses = 174



¹ Includes recycling, renewable energy, and other environmentally friendly technologies.
² Online technologies and products, such as apps, that are designed and marketed to consumers.
³ Such as software, digital media and advertising, and e-commerce.
⁴ Includes industries such as education, business technology, IT services, life sciences, telecom, and transportation.

Survey question: What year was your company founded?

number of responses = 136

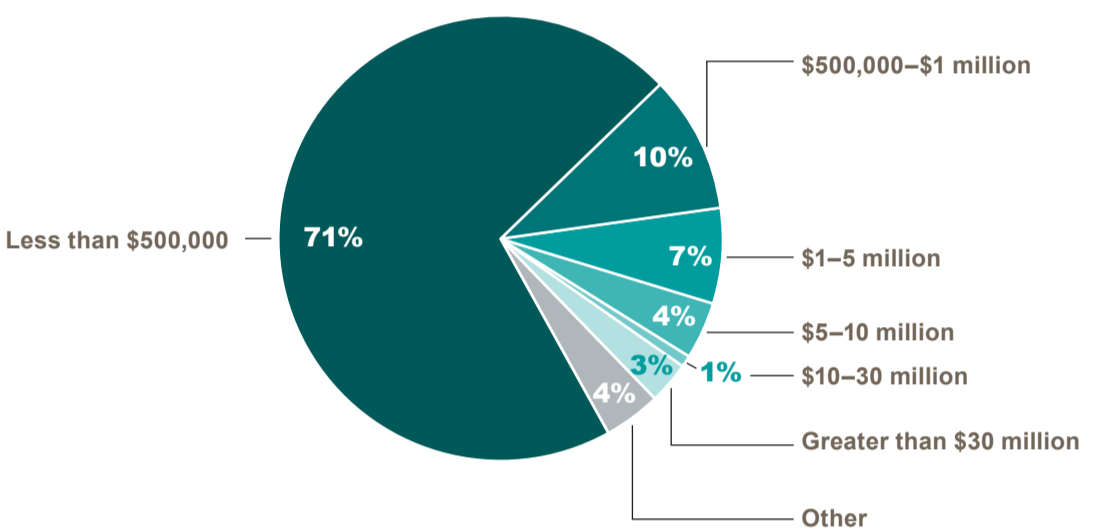


Poised for growth

Despite the uncertainty of the global economy, many survey respondents expect to expand their business, with nearly 65 percent indicating they would add employees in 2011. In addition, 85 percent of jobs created by start-ups this year are based in Chicago. Revenue forecasts were also encouraging: while just 9 businesses in the sample generated more than \$1 million in revenue in 2010, the number of companies in this category is forecast to jump to 21 this year. Nearly 10 percent of businesses founded in the past two years anticipate revenues of more than \$500,000 for 2011.

Survey question: What are your company's projected 2011 annual revenues?

number of responses = 136

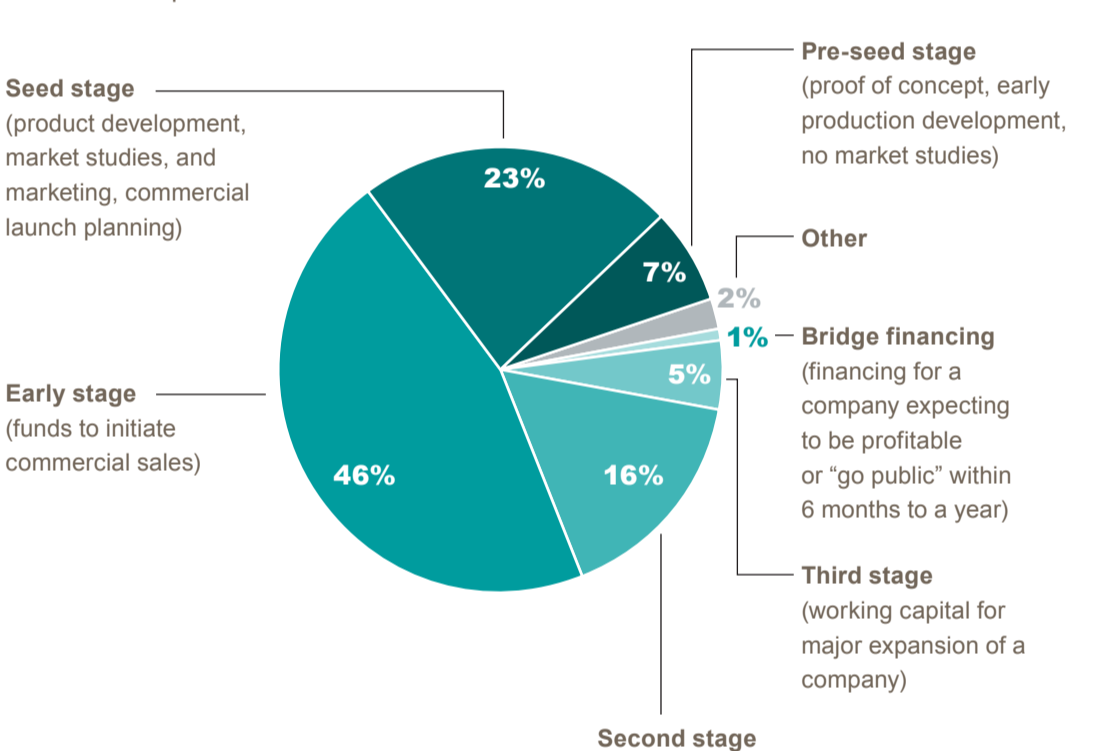


Securing financing for growth

A number of respondents indicated that they were actively seeking funding to develop their businesses. Of the 92 respondents looking to secure capital, more than three-quarters are in the pre-seed, seed, or early stages of business development.

Survey question: If you are currently looking for funding, which of the following best describes the round of funding you are seeking?

number of responses = 92



The most sought-after sources of funding are angel investors and venture capital firms. Among the companies that actually secured financing, however, 45 did so through friends and family. Relatively few businesses pursued bank financing, and even fewer were successful--banks supplied funding for just 10 ventures.

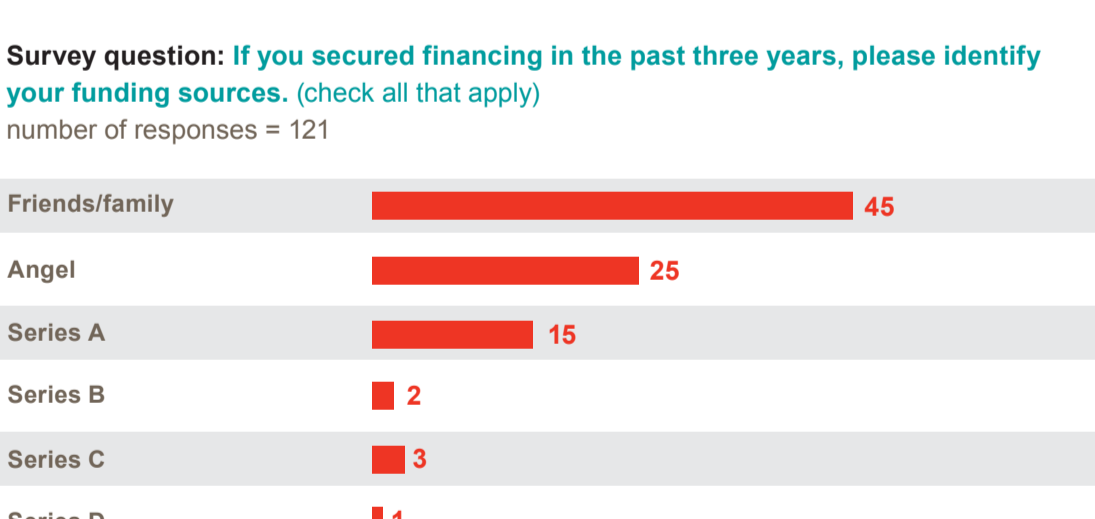
Survey question: Are you currently seeking investment capital? (check all that apply)

number of responses = 261



Survey question: If you secured financing in the past three years, please identify your funding sources. (check all that apply)

number of responses = 121



Seeking expertise and direction

The survey showed that Illinois entrepreneurs have taken advantage of available support to secure mentors and learning opportunities. The majority (95 of 107) of businesses founded in the past five years indicated that they have tapped resources and support from numerous resources, including entrepreneurial organizations, colleges and universities, and innovation competitions sponsored by universities and other parties.

Local entrepreneurial resources and organizations utilized

Built in Chicago	Northwestern University Levy Institute for Entrepreneurial Practice
Chicago Fashion Incubator	SCORE
Chicagoland Entrepreneurial Center	State of Illinois Small Business Development Centers
Clean Energy Trust	TIE Midwest
DePaul University Coleman Center for Entrepreneurship	UIUC EnterpriseWorks
iBIO	University of Chicago Polsky Center for Entrepreneurship
IIT Knapp Center	University of Illinois at Chicago
IIT University Technology Park	World Business Chicago
Illinois Technology Association	26 other organizations
Illinois Venture Capital Association	
New Equity Business	

Nurturing innovation in Illinois

The entrepreneurial and innovation community should take several important actions to build on the current momentum. Respondents are seeking better access to experienced entrepreneurial advice and guidance, including ways to connect with local Fortune 500 leaders. In addition, survey participants expressed a need for office space and professional services. Similarly, tools that connect ideas and entrepreneurs to capital more effectively could help increase the volume of start-ups. ■

Source: All data are from the 2011 Illinois Entrepreneurial Survey.

[Access all of the data \(data upload in process; check back for more datasets\) ->](#)

The next edition of the Illinois Innovation Index will highlight data on Illinois' emerging industry clusters.

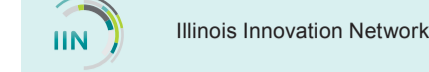
The Illinois Innovation Index is a monthly newsletter highlighting data and metrics on investment and innovation activity in Illinois.

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News and events

Chicago Ideas Week

October 16 marked the end of the inaugural Chicago Ideas Week. The event brought together Chicago's thinkers and leaders in the spirit of innovation and collaboration and also included two days of TEDx Midwest and TEDx Youth. Highlights included Governor Pat Quinn's Lab at Engineered Glass Products, where he talked with EGP's leaders about the future of manufacturing in Illinois, and an international mayoral Megatalk, which featured Chicago Mayor Rahm Emanuel discussing the importance of innovation to cities.

chicagoideas.com ->

Spotlight

Power2Switch

Power2Switch is an online platform that allows businesses and individuals to compare prices from electricity suppliers in Illinois. The site provides tools to compare price and contract terms from numerous suppliers, allowing customers to make an educated decision about their supplier. Its free, user-friendly, Web-based service has helped businesses to track savings as well as energy and carbon usage. Since suppliers compete for business, customers can reduce their rates by up to 30 percent. Through Power2Switch, one McDonald's franchisee is saving \$127,000 across his locations.

Power2Switch was launched in Chicago in 2010 by University of Chicago Booth School of Business alumni Seyi Fabode and Phil Nevels. The company has worked with the Chicagoland Entrepreneurial Center for the past year to connect to mentors and resources, resulting in significant revenue growth and market traction. Power2Switch was also one of ten companies selected for a highly competitive Exceleerate 2011 program.

power2switch.com ->

[Did you miss last month's newsletter on venture capital? ->](#)

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