

2018

# Impact Report

Building the Foundation for Long-Term Growth



OCTANE  
octaneoc.org

# Letter from Bill Carpou, OCTANe CEO

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*"Over the past 10 years, OCTANe has created both measurable & sustainable results. We are most proud of our creation of 10,290 high paying jobs."*

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OCTANe had a terrific year in 2018! It also marked the first year of our growth phase after completing a two-year transformational process. The four cornerstones of OCTANe each provide leadership for our innovation ecosystem; I welcome you to read about these accomplishments in this year's annual impact report.

OCTANe is Building the SoCal of Tomorrow by connecting people, resources and capital to fuel innovation and growth. We are prepared to increase our jobs forecast beyond the original 22,000 high-paying jobs which will result in a long term financially sustainable business model. The foundation to this is our three-year strategic plan, which includes five core initiatives: 1) accelerate business formation and growth, 2) create services to enable long-term sustainability, 3) grow core operations, 4) convene and enable the ecosystem, and 5) expand the OCTANe brand. Some key accomplishments in 2018 that will help us achieve our three-year strategic plan include: Investor reach expanded as capital continued to flow from NYC, Boston, Bay Area and global money centers into our portfolio companies. Additionally, we launched an investment banking partnership

to reduce the time for an entrepreneur to raise capital so they can focus on their business. LaunchPad SBDC continued to create and help build world-class companies and Growth Services gained momentum and is creating positive impact on companies assisting them through the revenue growth and job creation phase. Finally, in collaboration with LAVA (Los Angeles Venture Association) and SDVG (San Diego Venture Group), we brought InSoCal (Innovation Network of Southern California) to market. In a short period of time, InSoCal has created results attracting capital, and pulling together Southern California entrepreneurs, universities, investors and innovators.

My sincere thanks for your support and confidence in OCTANe as we continue to provide leadership that supports the SoCal tech and medtech ecosystem. Our team stands prepared to contribute across the community.

Bill Carpou



# 2018 Impact Report

## Creating the Foundation for Long-Term Growth

# 1

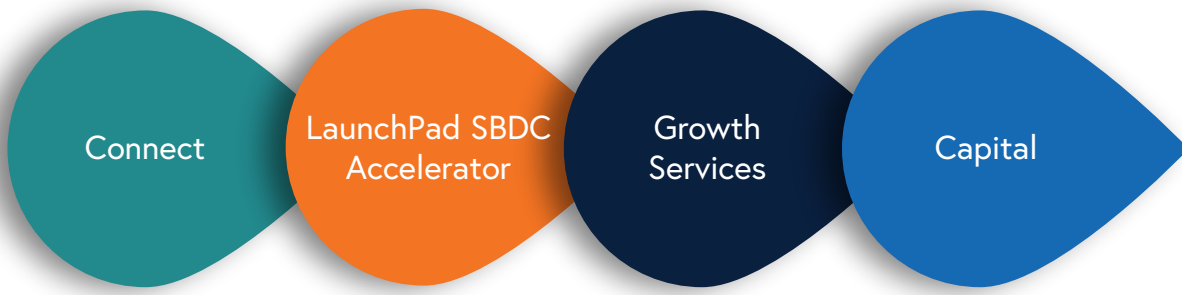
[ Phase 1, Complete ]

OCTANe launched an initiative in 2017 to transform the organization into a highly-focused growth engine with four distinct cornerstones. (Below) Each of these cornerstones align directly with core growth company requirements for a rich ecosystem of capital, talent, and resources. In 2018, we integrated the cornerstones into our three year strategic plan.

# 2

[ Phase 2, Execution ]

The cornerstone initiative was critical in moving OCTANe from the transformation stage of the organizational life cycle and into the growth phase. OCTANe will expand in terms of staff and external resources that are critical to business formation and success. It will also create economic impact as those resources are deployed across Southern California tech and medtech companies.



"OCTANe has provided invaluable support; and we are committed to building our company in Orange County while supporting OCTANe to lead the evolution of this ecosystem and drive growth in SoCal."

Ray Grainger  
CEO, Mavenlink

## Bringing Capital to High Growth Companies

The West Coast is the #1 region in America for capital investment with double the investments when compared to the next closest region. So the question is, "How do we get more of that investment capital to Southern California tech and medtech entrepreneurs and companies?"

"Early-stage companies need to carefully qualify angel investors to ensure a match that is helpful and not disruptive. OCTANe's pool of investors is expansive, well-qualified, and sophisticated."

Jim Corbett  
CEO, CathWorks



[ A Validated Concept ]

Two years ago, OCTANe used an innovative process in developing the Visionary Venture Fund. That fund focused solely on investments in ophthalmology companies, and leveraged Orange County's global leadership position in the eye care industry. In 2018, two of the companies had significant positive liquidity events and the fund overall has an internal rate of return of 33 percent. With that model proven, OCTANe will now foster additional sector-specific focus for capital and expertise that leverage the industry strengths of our region to foster innovation and growth in Southern California.

[ New Capital Sources ]

Good companies need capital to grow and you can never have enough of it. OCTANe has been very successful in attracting growth capital to Southern California with outreach to New York, Boston, the Bay Area, and other global financial centers. We have also been successful in working with family offices and strategic investors to deploy capital in OCTANe LaunchPad SBDC companies. TIF (Technology Innovation Forum) and MTIF (Medical Technology Innovation Forum) conferences saw record numbers of individuals, strategic advisors, entrepreneurs, and venture investors in attendance. Finally, the OCTANe team solidified an investment banking relationship to help local tech and medtech companies accelerate their ability to raise capital.

## Bringing Resources To Growth Companies

LaunchPad SBDC continues to be the #1 growth resource for entrepreneurs, small and mid-size companies seeking capital and resources to develop and grow. 44 companies completed the LaunchPad process in 2018. LaunchPad Alumni have collectively raised over \$297 million in capital in 2018.

"LaunchPad provides tools and resources to startups in the area that help reduce obstacles to growth, while at the same time speeding the path to success."

Leo Petrossian  
CEO, Neural Analytics

[ OCTANe as a Resource for Growth ]

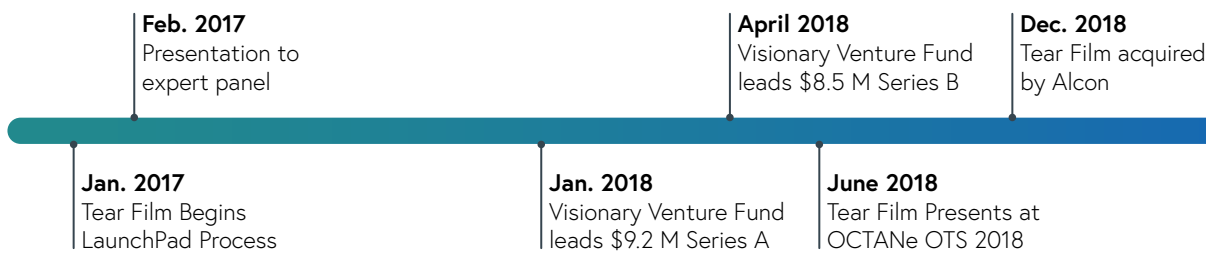
Entrepreneurs and growth companies need resources outside of their organizations to accelerate growth. OCTANe's Growth Services cornerstone is focused on connecting companies with the individuals and resources they need. 2018 marked a significant expansion in the range of professional services available through OCTANe. These services now include investment banking, finance and accounting, shared services, marketing, human resources, planning, and other essential advisors.

[ 2018 LaunchPad Impact ]

**\$330M** 2018 LP M&A    **\$297M** Capital Raised    **380** Applicants    **44** Expert Panels

## Attracting & Developing Talent To Drive Growth

[ Anatomy of an OCTANe Success Story, TearFilm Innovations ]



[ Creating 55,000+ SoCal Tech Jobs ]

Global market leaders and early-stage tech start-ups have one thing in common: they both need talent to grow. In fact, OCTANe's top 50 partners employ 1.25 million tech and medtech professionals, and they need more. OCTANe has a goal of creating 55,000+ new tech and medtech related jobs in Southern California by 2030. With our proven success in capital formation and Growth Services, that goal is attainable. Now, we just need to attract and develop the talent. Southern California is a global hub for educated tech and medtech talent graduating from world-leading public research universities such as UC Irvine and Los Angeles or from private powerhouses such as USC, Chapman University and CalTech. And, it doesn't hurt that Southern California is still a destination for talented people in search of great weather and great opportunities. OCTANe, through entrepreneurship training and sector-specific conferences is connecting university researchers and graduates with companies and capital to create new jobs and new growth opportunities.

"OCTANe played a major role in helping our company shape the organization for growth and access the capital and expertise to fuel that growth."

Rob Thornhill  
CEO, TearFilm Innovations

## Making Vital Growth Connections

"The MTIF conference provides an excellent platform for gaining expertise in presenting a new company to potential investors and partners."

Tom Albright  
CEO, Recros Medica

OCTANe continues to be the place where tech and medtech companies gather with the Southern California and global ecosystems. In 2018, OCTANe set new attendance records for the TIF and MTIF conferences. Over 9,200 people attended OCTANe's various forums, summits, and other events.

[ Creating an Environment for Meaningful Connections ]

OCTANe conferences are not just a place to be, they are a place to get things done. For example, 2018 MTIF attendees saw eight great medtech entrepreneurs present their companies to hundreds of potential partners and investors. Our events also attract influential speakers and leaders in the tech and medtech industries, including Omar Ishrak, CEO of Medtronic; Brent Saunders, CEO of Allergan; Alex Gorsky, CEO of Johnson & Johnson and Henry Samueli, founder of Broadcom.



**10,290**

High - Paying Jobs Created \*



Equal to 100 jobs



**\$1.6B**

in LaunchPad M&A Since 2010

**\$893M**

in 2018 LaunchPad & VVF M&A

LaunchPad Success\*

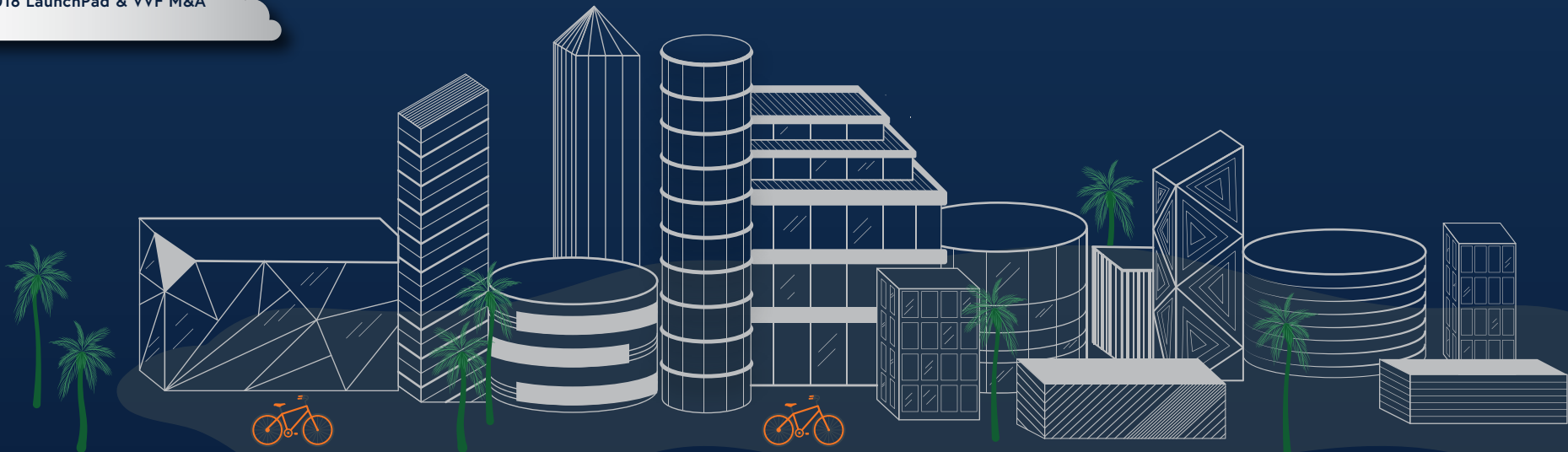


**491**

Companies Funded

**571**

Completed Process



\*Since 2010

# Looking Ahead to 2021

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## [ Our Values & Mission for the Future ]

Our Mission is to lead the evolution of the SoCal tech & medtech industries by connecting people, resources and capital. OCTANe will collaborate to create the most impactful ecosystem across Southern California, building upon the Innovation Network of Southern California (InSoCal), a collection of like-minded organizations across the region.

1

Accelerate  
Business  
Formation &  
Growth

2

Create Services  
to Enable  
Long-Term  
Sustainability

3

Grow Core  
Operations

4

Convene & Enable  
the Ecosystem

5

Expand the  
OCTANe Brand

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## [ Contact Us ]

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