



**EMBARGO UNTIL 8 A.M. MAY 28, 2014**

**OHIO ENTREPRENEURS NEED \$523 MILLION OF EARLY-STAGE INVESTMENT  
OVER NEXT 18 MONTHS TO CONTINUE GROWING AND CREATING JOBS.**

*Columbus, Ohio – May 28, 2014* – VentureOhio reported today that 176 Ohio companies need to raise more than \$523 million of early-stage capital over the next 18 months to support continued growth and job creation.

The results of the VentureOhio survey—the first of its kind for Ohio—are based on responses from 28 angel investment groups, entrepreneurial signature programs, venture capital funds and business accelerators across the state. The results confirm the substantial near-term need for early-stage capital in Ohio.

The growing need for early-stage capital reflects a strengthening ecosystem that has been supported by programs like the Ohio Third Frontier. According to its own reports, Ohio Third Frontier has supported over 1,000 seed and start-up companies in the past decade. A large number of these companies are now at the point where they require early-stage capital to continue building their businesses and creating jobs in Ohio.

“The survey results are not surprising as seed and start-up funding sources like CincyTech, Jumpstart, TechColumbus, Ohio TechAngels and the Brandery have done a great job funding and building companies that are now ready for early-stage venture capital,” said John McIlwraith, VentureOhio chairman. “But this success comes at a time when Ohio is experiencing a severe shortage of early-stage capital. If left unaddressed, this lack of capital will likely slow the growth of many of these companies, and some may move to other states where they can access further investment or seek to be acquired. While not all of the companies may be suitable for venture capital funding, Ohio-based venture capital firms lack the capacity to meet even 50% of this identified and growing need.”

The survey was conducted from April 16—May 16 and asked Ohio venture investors to report confidentially on the capital currently being raised by their portfolio companies, as well as the capital these companies planned to raise by the end of 2015. According to survey results, \$85.27 million is needed in the angel stage while \$437.85 million is needed in the early-stage of the funding continuum. The survey does not cover all Ohio entrepreneurial companies and therefore, the total capital needed by the state’s entrepreneurial community for job creation and economic growth is likely higher.

“VentureOhio has identified capital availability as one of our top policy priorities for 2014,” said Frank Samuel, VentureOhio president. “We are working with public and private leaders to advance this agenda. This survey is strong evidence of the need to act expeditiously on policy proposals to address the early-stage funding need so Ohio’s entrepreneurs can continue to grow their companies and create jobs in the state.”

It is not necessary that all of the required capital come from Ohio venture capital firms, but in order to encourage out-of-state investment Ohio must strengthen its native investor community. "We want to import capital," said Samuel. "Our goal is for out-of-state investors to make investments in Ohio that help grow robust companies and create Ohio jobs. To do that, we need programs like the Ohio Capital Fund that support a visible, active and respected early-stage venture capital community. Successful Ohio early-stage venture funds provide local leadership to national investors that are considering providing needed capital for Ohio businesses."

The VentureOhio survey is part of an ongoing effort to help the organization's members and Ohio's public and private leaders better understand the successes and needs of Ohio's growing, but still nascent, entrepreneurial ecosystem. VentureOhio will release an annual Ohio venture investment report later this year to detail investment and business building activities that occurred in Ohio's entrepreneurial ecosystem during 2013.

Earlier this year VentureOhio announced support of several public policy proposals to address this funding gap, including:

- Expand available funding for existing early-stage investors through the Ohio Venture Capital Authority's Ohio Capital Fund;
- Restore Ohio's Technology Investment Tax Credit;
- Create a new fund-of-funds to spur additional investment in Ohio high-growth companies;
- Enhance existing Third Frontier programs, specifically those programs that assist early-stage companies;
- Ensure Ohio's growing companies have sufficient leadership talent to succeed.

For more information, visit [www.ventureohio.net](http://www.ventureohio.net) and follow us on twitter @VentureOhio.

### ***About VentureOhio:***

VentureOhio is the unified voice for the capital sources and other organizations that finance or support high growth companies based in Ohio and that seek to make Ohio a preferred location for high potential entrepreneurial activity. VentureOhio collaborates with state and local officials, major corporations, foundations, universities and service providers to strengthen Ohio's entrepreneurial ecosystem.

VentureOhio membership is open to investors, entrepreneurs, support organizations, service providers, educational and research institutions, corporations and individuals. Its organizing Board of Directors is composed of members from across the State of Ohio, and it is staffed by professional association leaders and advisors.

### **NOTE TO PRODUCERS, EDITORS & HOSTS**

**For more information on interview opportunities please contact:**

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