



# Small Business Incubator Certification Program

2023 Annual Report



**OKLAHOMA**  
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# Incubator Certification Program Overview

Business incubators nurture the development of entrepreneurial companies, helping them survive and grow during the startup period, when they are most vulnerable. These programs provide their client companies with business support services and resources tailored to young firms. Common goals of incubation programs, include: creating jobs in a community, enhancing a community's entrepreneurial climate, retaining businesses in a community, building or accelerating growth in a local industry, and diversifying local economies.

Incubators vary in the way they deliver their services, in their organizational structure and in the types of clients they serve. As they are highly adaptable, incubators have differing goals. Incubator clients are often at the forefront of developing new and innovative technologies – creating products and services that improve the quality of our lives in communities around the world.

Early incubation programs focused on a variety of technology companies or a combination of light industrial, technology and service firms (mixed use). Over time, new incubators have emerged targeting industries such as food processing, medical technologies, space and ceramics technologies, arts and crafts, and software development. Incubator sponsors have also targeted programs to support microenterprise creation, the needs of women and minorities, environmental endeavors and telecommunications.

A business incubator's main goal is to produce successful firms that will leave the program financially viable and freestanding, usually in two to three years. These incubator graduates have the potential to create jobs, revitalize neighborhoods, commercialize new technologies, and strengthen local and national economies. Typically, 30% of incubator clients graduate each year.

## Oklahoma Business Incubators

In 1988, the Oklahoma Legislature passed the Oklahoma Small Business Incubators Incentives Act. The Act enables the tenants of a certified incubator facility to be exempt from state tax liability on income earned as a result of occupancy for up

to five years. In 2001, the legislature amended the act to extend the tenant's tax exemption from five to 10 years. The exemption remains in effect after the tenant has graduated from an incubator. For tax years starting before January 1, 2021, in order to qualify for the tax exemption from the sixth through the 10th year, the tenant must make at least 75% of its gross sales to out-of-state buyers, to buyers located within the state if the product or service is resold to an out-of-state customer, or to the federal government.

For tax years starting after January 1, 2020, the requirement for the sixth through the 10th year is not required. The exemption will be in effect for 10 years as long as the tenant graduates from a certified incubator.

Since the inception of the Act, the State of Oklahoma has benefited from increased revenues and increases in the number of start-up and expanding small businesses. These businesses have created jobs and enhanced economic activity in the Oklahoma communities in which they are located.

## Oklahoma Business Incubator Association

The Oklahoma Business Incubator Association (OkBIA) was formed more than 20 years ago. The purpose of the OkBIA is to provide information, networking, guidance and assistance to incubator operators, as well as work with the Legislature to promote and benefit business incubation. OkBIA meets quarterly at incubator locations across the state. There are currently 38 OkBIA members.

OkBIA also sponsors the Incubator Tenant of the Year at the Oklahoma Venture Forum Awards Ceremony. The recipient for 2023 was Christina Walker-Keith, owner of New View Therapy, who is a tenant at Project 3810 in Oklahoma City.

## Oklahoma Department of Commerce and Incubators

The role of the Oklahoma Department of Commerce in the incubator process is to certify the incubators pursuant to O.S. Title 74 Section 5071-79. It is the responsibility of the incubator owner to hire managers to manage and market their incubators and provide business services to their tenants.

# Incubator Standards for Success

## Characteristics of Model Business Incubation Programs

**Commit** to business incubation's two core principles

**Obtain** consensus on a mission that defines the incubator's role in the community, then develop a strategic plan containing quantifiable objectives to achieve that mission

**Structure** the program for financial sustainability by developing and implementing a realistic business plan

**Recruit** and appropriately compensate management capable of achieving the incubator's mission and helping companies grow

**Build** an effective board of directors committed to the incubator's mission and to maximizing management's role in developing successful companies

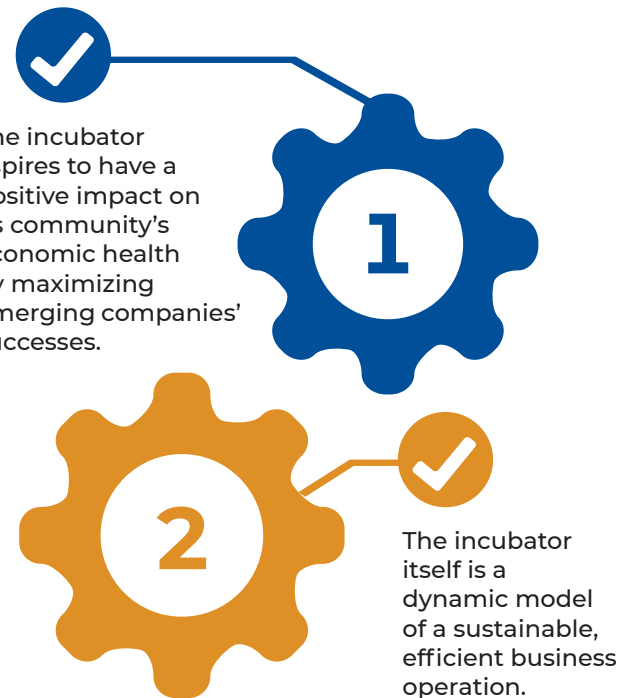
**Prioritize** management time to place the greatest emphasis on client assistance, including proactive advising and guidance that results in company success and wealth creation

**Develop** an incubator facility, resources, methods and tools that contribute to the effective delivery of business assistance to client firms, as well as address each company's developmental needs

**Develop** stakeholder support, including a resource network, that helps the incubation program's client companies and supports the incubator's mission and operations

**Maintain** a management information system and collect statistics and other information necessary for ongoing program evaluation, thus improving effectiveness and allowing the program to evolve with clients' needs

## Two Core Principles That Characterize Effective Business Incubation:



## The Best Incubators Provide:

- Flexible space and leases
- Office services and equipment
- An on-site incubator manager as a resource for business advice
- Exposure to a network of outside business and technical consultants, often providing accounting, marketing, engineering and legal advice
- Assistance with financing
- Assistance with marketing

# Oklahoma Incubator Program Growth

405

full time jobs, 107  
part time jobs and 25  
interns are provided by  
incubator tenants

25

certified incubators  
are operating in  
Oklahoma

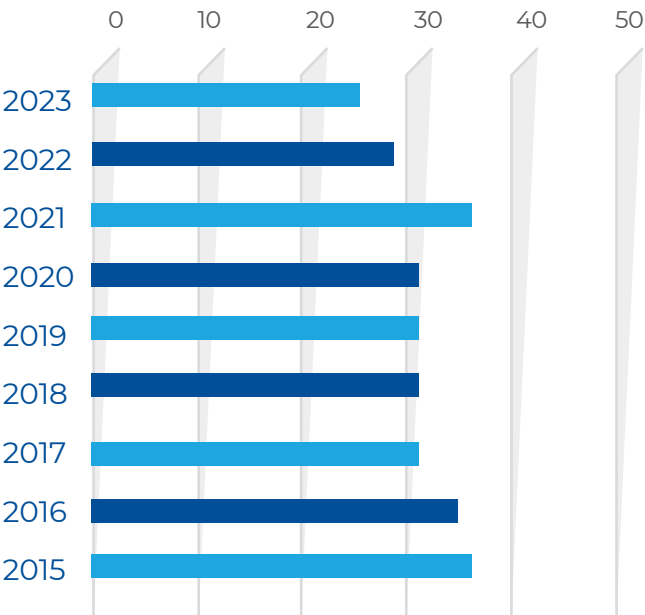
147

small businesses  
are currently leasing  
space in Oklahoma’s  
certified incubators

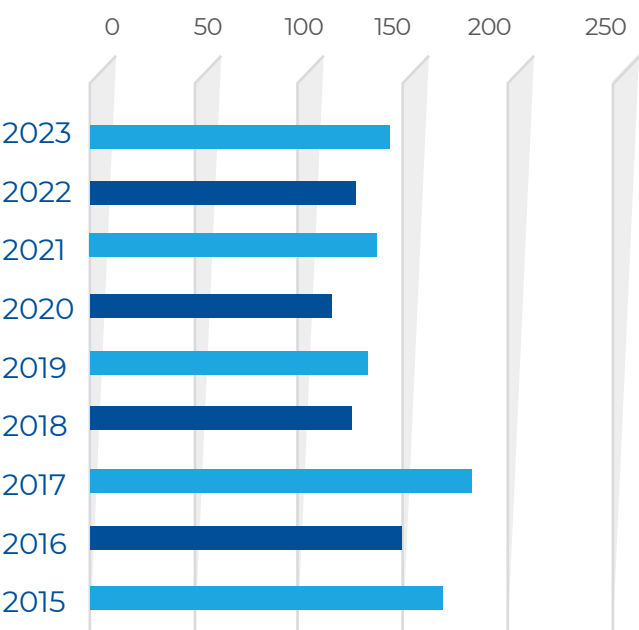
25 certified small business incubators are operating in Oklahoma, with tenants ranging from small service companies to high-tech research and development operations and manufacturing entities. The incubator managers reported a total of just under 500,000 square feet of available tenant space.

During 2023, Oklahoma incubator managers were asked to complete a questionnaire to document their activities for the current reporting period. Based on the information received from the responding incubator managers:

Number of incubators



Number of small businesses located in incubators



**1,000+**

More than 1,000 small businesses have located in small business incubators

**300+**

More than 300 small businesses have graduated from the program

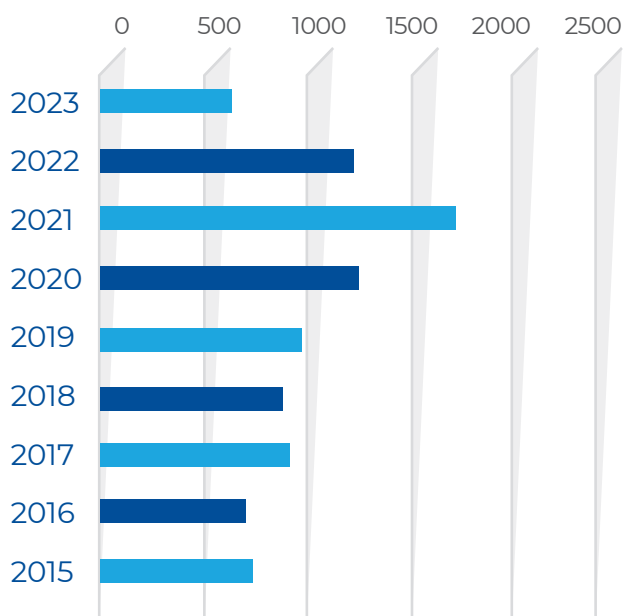
**1,080**

people currently employed by 246 of the graduated businesses in the state

**\$27,890,810**

Incubator managers reported the total payroll for 2023 tenants at \$27,890,810 with additional payments of \$11,115,266 to subcontractors.

### Number of jobs created by incubator clients



Current tenants sales \$75,329,923 and other revenue assistance (in the form of grants, loans or other assistance) at \$19,576,183.

The costs of good and services to the small business tenants was reported at \$10,562,907.

The reported eligibility for the incubator tax incentive for the tax year 2022 was \$3,436,200.

Past tenants reported sales of \$31,616,845, and eligibility for the incubator tax incentive for the tax year 2022 of \$2,039,633.

# Certified Incubator Success Stories

➤ Oklahoma's incubators have many success stories. The examples below are just a few for 2023.



## Hemphill Create Generation FSH - Tulsa, Okla.

Generation FSH is a family-owned startup company from Tulsa. They fabricate and weld steel parts for projects and Oklahoma businesses. They have been a part of Hemphill Create's incubator program for three years. Duane Grundy, owner, welds, fabricates and oversees their projects in the warehouse, while his wife Shavonne, co-owner, keeps things organized in the office and at a business level.

After many milestones, including receiving their U-stamp last summer, they grew out of their initial 1,000 sq. ft, and continue to receive more purchase orders and needed additional space. In late 2023, Generation FSH graduated from incubator to become a long-term tenant utilizing 12 times the square feet.

## Meridian Technology Incubator Rocket Slug - Stillwater, Okla.

From garage experiments to casting a wide net in the market, Rocket Slug reeled in success with their innovative fishing solution and made a splash as Meridian's 100th business to use the incubator.

Taylor Disel, co-founder, had been trying to make his business work for multiple years on his own. When he partnered with Tim Webb and joined Meridian's incubator, things started to take off.

"When you are working in your garage, you can be blinded by the problems in front of you," Webb said. "The incubator helped me stop looking for inspiration and start looking for problems to solve."

Rocket Slug thrived in the nurturing ecosystem, allowing the founders to strategically address challenges and focus on the product they were trying to create. Like all businesses, Rocket Slug had many challenges to overcome. Webb and Disel ran into problems with manufacturing and had to head back to the drawing board.

"Right after the first initial campaign we ended up on a downhill slide," Webb said. "We had our soft launch, and it was ugly. We were tired, but once we got our first units off the line we knew we were there."



Since their initial launch Rocket Slug has continued to grow and their product is now sold both online and at various retail stores.



## **Project 3810**

### **New View Therapy - Oklahoma City**

Christina Walker-Keith was the award winner for the Oklahoma Venture Forum Incubator Tenant of the Year, sponsored by Oklahoma Venture Forum and the Oklahoma Business Incubator Association.

Christina is a licensed therapist and offers behavioral health therapy and does in office and telehealth appointments. She has been a tenant at Project 3810 since January 2022. Not only has Christina been growing her business steadily over the past year but has also just rented her 2nd office and added her first employee in under a year. Christina is always the first person to give out a helping hand around the building with packages, mail or greeting people that come into the building to see others.

In a recent Facebook post, Christina said “Moving my office a year ago was a very hard decision, but now reflecting back was very important one for me. Project 3810 has brought me so much joy and community to my life and business! It has lead me to meet amazing people and great business owners. I’m forever grateful!”

### **The Strate Center at Autry Tech Jaren’s Jerky - Enid, Okla.**

Jaren Browne attended Chisholm Public Schools and pursued the Information Technology program at Autry Technology Center during his junior and senior years. After initially focusing on I.T., he transitioned to the Graphic Arts program with the goal of becoming a well-rounded business owner. Simultaneously, Jaren developed a unique jerky recipe, and the positive feedback from friends and family inspired him to start Jaren’s Jerky with his dad, Lester, in August 2021.

Their venture gained recognition, securing third place in the Cherokee Strip Business Model Competition at Autry Tech and subsequently entering the certified business incubator program in July 2022. With Autry Tech’s support, Jaren’s Jerky navigated USDA requirements for beef jerky manufacturing. The Brownes, aided by connections from Autry Tech, strive to expand their business into wholesale distribution to major chains and convenience stores.

# Oklahoma Certified Incubators Map



## New and Recertified State Incubators 2023

### ➤ New Certified Incubator:

#### The Verge

(Oklahoma City, Okla.) Completed their certification on 1/23/2023

### ➤ Recertified Incubators:

#### Artist Incubation, Inc.

(Guymon, Okla.) Completed second 10-year recertification

#### AXIS at Francis Tuttle

(Edmond, Okla.) Completed first 10-year recertification

#### Seminole Business Development Center

(Seminole, Okla.) Completed first 10-year recertification

#### Tri County Technology Center

(Pawhuska, Okla.) Completed first 10-year recertification



| <b>Incubator</b>  | <b>Location</b> | <b>Square footage of incubator</b> | <b>Tenant capacity</b> | <b>Number of current tenants in incubator</b> | <b>Number of current jobs in incubator (FT/PT)</b> | <b>Type of businesses targeted</b>                               | <b>Support services offered to tenants</b>   |
|---|-----------------|------------------------------------|------------------------|---|--|--|--|
| <b>Tri-County Tech Center</b>   | Bartlesville    | 20,000                             | 12                     | 1   | 1  | Mixed  | Business planning assistance, conference room  |
| <b>Central Oklahoma Business &amp; Job Development Corporation</b>                  | Cushing         | 725                                | 1                      | 0   | 0  | Mixed  | Business planning assistance, marketing assistance, conference room  |
| <b>Central Oklahoma Business &amp; Job Development Corporation - Anderson Drive</b> | Drumright       | 2,200                              | 1                      | 1   | 4  | Office/Light manufacturing                                       | Business planning assistance, marketing assistance   |
| <b>Central Oklahoma Business &amp; Job Development Corporation - Settle Drive</b>   | Drumright       | 10,000                             | 10                     | 1   | 1  | Office/Light manufacturing                                       | Shared phone service, business planning assistance, marketing assistance, conference room  |
| <b>Duncan Center for Business Development</b>                                       | Duncan          | 6,000                              | 13                     | 5   | 7  | Mixed  | Shared computer network, shared phone service, business planning assistance, conference room   |
| <b>AXIS Powered by Francis Tuttle</b>   | Edmond          | 5,000                              | 12                     | 10  | 77   | Mixed  | Shared computer network, business planning assistance, marketing assistance, conference room, education and training                                 |
| <b>The Strate Center at Autry Technology Center</b>                                 | Enid            | 18,000                             | 12                     | 8   | 13   | Services, technology, light manufacturing, agriculture, aviation | Shared computer network, business planning assistance, marketing assistance, conference room, business consulting, PTAC services, business workshops |
| <b>Meridian Technology Center Business Incubator - South</b>                        | Guthrie         | 11,000                             | 13                     | 6   | 9  | Mixed  | Shared computer network, business planning assistance, marketing assistance, conference room, consulting/programming/administrative support          |
| <b>Artist Incubation, Inc.</b>  | Guymon          | 200                                | 2                      | 1   | 1  | Artists  | Shared computer network, shared phone service, business planning assistance, marketing assistance, conference room, showroom for art exhibits        |

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|---|-----------------|------------------------------------|------------------------|---|--|--|--|
| <b>Great Plains Technology Center</b>                                     | Lawton          | 28,000                             | 15                     | 13  | 15   | Mixed                                      | Business planning assistance, marketing assistance, conference room, business coaching, prototype lab                                    |
| <b>Startup 405</b>  | Norman          | 2,000                              | 6                      | 4   | 29   | Technology, Weather and Radar, Biosciences | Shared computer network, shared phone service, business planning assistance, marketing assistance, conference room                       |
| <b>Acorn Growth Companies</b>   | Oklahoma City   | 6,000                              | 7                      | 0   | 0  | Aviation/Defense                           | Shared computer network, shared phone services, business planning assistance, marketing assistance, conference room                      |
| <b>LX Studio Business Incubator at the University of Central Oklahoma</b> | Oklahoma City   | 12,000                             | 15                     | 0   | 0  | Mixed                                      | Shared computer network, phone service, business planning assistance, marketing assistance, conference room                              |
| <b>Project 3810</b>   | Oklahoma City   | 45,000                             | 38                     | 6   | 37   | Product based                              | Shared computer network, shared phone service, business planning assistance, marketing assistance, conference room, paint booth/forklift |
| <b>The Verge</b>  | Oklahoma City   | 16,500                             | 6                      | 6   | 24   | Mixed                                      | Shared computer network, business planning assistance, conference room, accounting, legal and marketing assistance                       |
| <b>Pawhuska Business Development Center</b>                               | Pawhuska        | 14,000                             | 12                     | 1   | 1  | Mixed                                      | Shared computer network, conference room, copier and break room  |
| <b>Pioneer Technology Center</b>  | Ponca City      | 12,056                             | 7                      | 1   | 2  | Mixed                                      | Business planning assistance, marketing assistance, conference room  |
| <b>The LINK</b>   | Sand Springs    | 5,653                              | 12                     | 3   | 3  | Mixed                                      | Shared computer network, business planning assistance, marketing assistance, conference room   |
| <b>Seminole Business Development Center Incubator</b>                     | Seminole        | 91,000                             | 2                      | 2   | 45   | Mixed                                      | Conference room  |

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|---|-----------------|------------------------------------|------------------------|---|--|--|--|
| <b>Meridian Technology Center Business Incubator - North</b>        | Stillwater      | 24,500                             | 25                     | 9   | 37   | <b>Innovation/ Technology</b>                | Business planning assistance, marketing assistance, conference room, consulting/ programming/ administrative support                               |
| <b>Riata Startup Experience Program - Oklahoma State University</b> | Stillwater      | 1,500                              | 15                     | 11  | 16   | <b>Mixed</b>                                 | Shared computer network, shared phone service, business planning assistance, marketing assistance, conference room, business development workshops |
| <b>Tonkawa Business Incubator</b>                                   | Tonkawa         | 9,000                              | 4                      | 1   | 9  | <b>Service Related</b>                       | Business planning assistance, conference room  |
| <b>36 Degrees North</b>   | Tulsa           | 55,000                             | 64                     | 46  | 123  | <b>Tech enabled startups</b>                 | Shared computer network, business planning assistance, marketing assistance, conference room, in-house venture capitalists, founder events         |
| <b>Hemphill Create</b>  | Tulsa           | 100,000                            | 10                     | 8   | 25   | <b>Assembly, construction, manufacturing</b> | Shared computer network, shared phone service, business planning assistance, marketing assistance, conference room, forklift                       |
| <b>The Forge</b>  | Tulsa           | 900                                | 5                      | 3   | 33   | <b>Technology/ Professional Services</b>     | Business planning assistance, conference room, financial resources   |



# OKLAHOMA Commerce

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