



# Office of Performance Management Oversight (OPMO)

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**MassVentures**  
OPMO FY2020 Report



# Agency Mission

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- **Agency Mission:**
  - Help create employment through the investment of capital and expertise in technology-based enterprises in the Commonwealth that have the potential for rapid growth;
  - Target technologies, regions and companies that aren't adequately served by private investors; Complement, not compete with, private venture and angel investors and leverage MassVentures' investment dollars with private capital; and
  - Nurture entrepreneurship among the citizens of the Commonwealth to stimulate long-term economic development.
- **Contribution to Partnerships for Growth:** Engagement and Technical Assistance. Support of key populations and regions. Businesses created and retained. New jobs created and retained. Capitalize on the research and innovation occurring at local colleges and universities in order to drive company creation, commercialization, and economic growth.



# Agency Goals

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- **Agency Goal 1:** Invest capital in select, promising, high-growth companies in the Commonwealth. Administer START program to accelerate the commercialization of products & technologies.
- **Agency Target for Goal 1:** Invest appx \$0.6 million in 2 new companies and appx \$2.0 million for expansion of 8-10 existing companies. Grant \$3.0 million in SBIR related funds to 17 companies and continue the Mass CEC partnership to invest at least \$400,00 in 3 companies.
- **Results of Goal 1:** MassVentures, through its traditional fund and Commonwealth Fund III entities invested \$2.625M in support of 8 existing companies. MassVentures also provided \$3,000,000 in START grants to 17 companies and continued the Mass CEC partnership with an additional \$100,000 in another START company.
- **Agency Goal 2:** Provide counsel, direction, technical assistance and mentoring to start-up entrepreneurs.
- **Agency Target for Goal 2:** Business, managerial and product development for portfolio companies; job growth. Note this is not a goal or target that can be quantitatively measured. This is part of our ongoing mission to develop people talent and business growth within our portfolio.



# Agency Goals

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- **Results of Goal 2:**

- Content Raven: RLF funding, help with pitch deck, M&A analysis
- Fairmarkit: Assist with growth plan from \$1-10 million, intro to MassDev, intro to Jebbit, help with budget, intro to auditor, intro to motivational speaker, intro to AceUp, intro to BDR candidate
- BoardOnTrack: growth strategy discussion, intro to CEO advisor, M&A assistance
- Intro to MassDev which resulted in \$1 million financing, comp study, debt evaluation, SOC II help
- Armored Things: recruited Will Ventures for Series A, intro to Innospark, Intro to Blues/Cards, intro to Warren Katz (Air Force), intro to MassDev, SBIR Introductions, help with office space,
- Labviva: intros to investors, advisory board help, intro to Mike Garrido, Intro to DataPoint Capital, help with pitch deck, help with financial model and contract analysis, intro to Innospark
- Unstack: \$100,000 investment in Convertible Promissory Note, help with assembling board and comp, intro to TCN, intro to Nauta, intro to Mike Garrido, advice on GTM and competitive positioning, intro to Joshua Summers
- Inside Tracker: Compensation study
- Prolific Works (Libboo): work with Jason on new strategy
- Machine Metrics – Intro to investment banker



# Agency Goals

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- **Agency Goal 3:** Increase the number of MassVentures investments to create more opportunities to attract private capital to high-growth start-up technology companies in Massachusetts.
- **Agency Target for Goal 3:** Leverage >\$30 million of private capital per year into the startup companies that we've capitalized.
- **Results of Goal 3:** 9 different MassVentures companies raised a total of \$449M of third party capital to help support their growth.
- **Agency Goal 4:** Help scale and support companies through MassVentures' investment, grants and third party leverage as well as through mentoring and technical assistance to drive business growth and employment gains.
- **Agency Target for Goal 4:** 20% annual revenue growth and 20% increase in MA based employees.
- **Results of Goal 4:** Across the MassVentures portfolio revenues grew 15% for the year ended December 31, 2019 as compared to the year ended December 31, 2018. Across the MassVentures portfolio, the number of MA- based jobs grew 6% for the year ended December 31, 2019 for those companies in operation as compared to December 31, 2018 .



# Agency Goals

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- **Agency Goal 5:** Increase capital through a combination of gains earned from the existing portfolio, funds raised from private investors, and additional State support.
- **Agency Target for Goal 5:** Increase available capital to \$30 million by FY 2021.
- **Results of Goal 5:** MassVentures was not able during its fiscal year ended June 30, 2020 to increase its capital through gains or additional third party capital from the Commonwealth or other sources in support of its investment program.



# MassVentures Equity Program

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- **Program Description:** The MassVentures' equity program is a largely self-sustaining program that provides Seed and Series A equity investment into promising Massachusetts-based technology companies. MassVentures' equity program relies primarily on realized gains from those investments to provide the funds for operations and continued investment. The program provides risk capital to companies that are not adequately served by private investors. Generally MassVentures' capital is sufficient to "de-risk" a company enough to attract capital in later financings.
- **Program Budget:** \$3,600,000.00
- **Partnerships for Growth Goal Alignment:** Business
- **COVID – 19 Response:** Several portfolio and START companies directly addressing the pandemic: Ginkgo Bioworks - Awarded \$40MM NIH RADx-ATP Contract to Expand High Throughput SARS-CoV-2 Testing Kytopen - helping with the COVID-19 response through rapid manufacturing of cell therapies Armored Things - Leveraging IoT devices and has created a platform used by large venues and universities to track social distancing, spatial density, and anonymized contact tracing. Customers include the Red Sox, the NFL, and several universities. Labviva- built an AI-driven PPE marketplace and facilitated a substantial amount of PPE for buyers in Massachusetts Bluezone - innovative air purifier demonstrated a 99.98% net reduction of MS2 Bacteriophage: aerosolized MS2 has been historically used as a surrogate for influenza and now SARS-CoV-2



# MassVentures Equity Program

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- **Fiscal Year Goal 1:** Business Starts
- **Fiscal Year Target 1:** Invest appx \$0.6 million in 2 new companies; Invest appx \$1-5M - \$2.0 million for expansion of 8-10 existing companies.
- **Results of Fiscal Year Goal 1:** MassVentures invested \$2.625M in support of 8 portfolio companies. MassVentures also provided \$3,000,000 in START grants to 17 companies and continued the Mass CEC partnership with an additional \$100,000 in another company.
- **Fiscal Year Goal 2:** Business Relationships
- **Fiscal Year Target 2:** Increase the number of companies in the active portfolio from beginning of year to end of year by 10% or more; Increase total base of co-investors by 10% or more from beginning of year to end of year
- **Results of Fiscal Year Goal 2:** MassVentures maintained a stable number of active companies for the year ended June 30, 2020 compared to the year ended June 30, 2019. MassVentures determined that tracking co-investors was not a meaningful performance measurement.





# MassVentures Equity Program

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- **Fiscal Year Goal 3:** Seed/angel investment loans/government grants (\$). create more opportunities to attract private capital to high-growth start-up technology companies in Massachusetts especially those in economic target areas.
- **Fiscal Year Target 3:** At least 5 existing companies raise follow-on financing. >\$25 million in private capital is funded into the existing portfolio
- **Results of Fiscal Year Goal 3:** 8 existing companies raised follow-on financing of \$449 million in private capital during the year ended June 30, 2020.
- **Fiscal Year Goal 4:** Seed/angel investment loans/government grants (\$)  
- create more opportunities to attract private capital to high-growth start-up technology companies in Massachusetts especially those in economic target areas.
- **Fiscal Year Target 4:** At least 5 existing companies raise follow-on financing. >\$25 million in private capital is funded into the existing portfolio
- **Results of Fiscal Year Goal 4:** 9 MassVentures existing portfolio companies raised follow-on financing during the year ended June 30, 2020. The total amount of capital raised by these companies was \$449 million.



# MassVentures Equity Program

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- **Fiscal Year Goal 5:** Sales - baseline and additional
- **Fiscal Year Target 5:** Growth of at least 25% in year over year revenue across the active portfolio
- **Results of Fiscal Year Goal 5:** Growth in year over year revenue across the active portfolio was 15% for the year ended December 31, 2019.
- **Fiscal Year Goal 6:** Jobs Created and Jobs Retained
- **Fiscal Year Target 6:** Drive >10% job growth across the portfolio
- **Results of Fiscal Year Goal 6:** MassVentures active portfolio companies experienced 6% year over year job growth for the number of MA-based employees for the year ended December 31, 2019 compared to the prior period.



# MassVentures START Program

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- **Program Description:** The MassVentures' START program is competitive and graduated grant financing program to previous Small Business Innovation Research ("SBIR") Phase II grant awardees to help accelerate the commercialization of technologies and products developed with Federal resources. START winners receive technical assistance as well as grants ranging from \$100,000 - \$500,000. MassVentures' START program is funded annually by the Commonwealth. Inter-agency work is done with the Mass Clean Energy Center which provides additional funding for additional grants
- **Program Budget:** \$3,665,000.00
- **Partnerships for Growth Goal Alignment:** Business
- **COVID – 19 Response:** N/A



# MassVentures START Program

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- **Fiscal Year Goal 1:** Business Relationships - baseline & new (#) Business Starts (#)
- **Fiscal Year Target 1:** Grant 12 new START grants and bring aggregate number of grants issued since inception of program from 74 to 86
- **Results of Fiscal Year Goal 1:** MassVentures granted 11 new START grants and bringing aggregate number of grants issued since inception to (85).
- **Fiscal Year Goal 2:** Jobs Created, Jobs Retained
- **Fiscal Year Target 2:** Drive >10% job growth across each cohort year and across the full basket of companies
- **Results of Fiscal Year Goal 2:** For the total cohort of START companies, the total number of MA-based employees increased 2% for the year ended December 31, 2019.



# MassVentures START Program

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- **Fiscal Year Goal 3:** Seed/angel investment/loans/government grants (\$)
- **Fiscal Year Target 3:** Award \$3.4 million in START grants, Average \$5 million leverage across each START cohort year
- **Results of Fiscal Year Goal 3:** MassVentures awarded \$3.1 million in START grants for the fiscal year ended June 30, 2020. Start companies raised a total of \$87 million in leverage during the year ended December 31, 2019.
- **Fiscal Year Goal 4:** Coaching & Training (Technical Assistance)
- **Fiscal Year Target 4:** This is not a quantifiable goal but rather one that is based on the needs of each company. Target goals include: Structuring grantee company presentations and providing coaching on the delivery of presentations; Facilitating introductions to potential funders of capital; Introductions to potential customers and distribution partners; Providing strategic advice on product positioning and product pricing; Creation and review of annual business plans; Organizing and hosting networking events to raise grantee company awareness in the community; Business plan coaching and analysis.
- **Results of Fiscal Year Goal 4:** Meeting with state rep Hannah Kane and sen. Michael Moore, pitch practice, **Uniqarta (START):** pitch preparation, intro to NXT Ventures, **Pendar Technologies:** visit and advice, **MMT:** analysis of software needs, D&O referrals, create 2020 budget and metrics, intro to CFO, intro to M2I2, sales process.