

**Prepared Statement of Linda Katherine Olson,
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**Before the
House Committee on Science, Space, and Technology
Subcommittee on Research and Technology
for the Hearing on**

“Building Regional Innovation Economies Part II”

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Introduction

Good morning, Chairwoman Stevens, Ranking Member Feenstra, and honorable members of the Subcommittee on Research and Technology. It is a great honor to be part of this distinguished panel. I am grateful for the Subcommittee's kind invitation to join you.

My name is Linda Katherine Olson. I am a proud Tampa Bay native and the CEO and founder of Tampa Bay Wave (**Wave**), *Florida's #1 Accelerator* that helps entrepreneurs transform innovative ideas into real-world solutions and scalable businesses through our world-class programs and services. Our mission is focused on the expansion of Tampa Bay's innovation-driven economy throughout an eight-county area by providing early-stage companies with the resources they need to build bold, innovative breakout tech companies. As a 501(c)(3) nonprofit, we take zero equity from the startups we support.

Since our programs launched in 2013, I am proud to report Wave has supported **450 startups** who collectively have raised over **\$650 million** and created over **4,000 jobs**, making Wave one of the critical economic drivers for the region and the state of Florida.

Founded "by entrepreneurs for entrepreneurs", Wave is a unique organization with a successful track record that combines best practices of nationally recognized accelerators and incubators with strategic connections to existing regional entrepreneurship resources, mentors, capital, and other expertise in order to foster a highly cohesive innovation ecosystem. As Florida's only Global Accelerator Network (**GAN**) member, Wave fills an important gap in Tampa Bay's and Florida's ecosystem as Florida's top tech accelerator in terms of startup volume, investment capital raised, and job creation.

I originally launched Wave as a meetup group in 2008, because I was one of the tech startup founders facing the challenge of building my tech company in a region with little to no tech startup ecosystem at the time. Given my previous experience working for a venture capital backed "dot com" in Boston (2000-2003), I saw firsthand what a healthy tech ecosystem looked like, and I wanted better for my own hometown.

Within just a few years, the entrepreneurs in this meetup group would decide to roll up their sleeves to lead the change we wanted to see. We could no longer sit idly by waiting for a healthy ecosystem to magically emerge on its own, and we were tired of hoping our region's political and economic development leaders would start to prioritize innovation-based ecosystem building in our region. Tampa Bay was our "home", where we were raising our families while growing our businesses here. Plus, we all wanted the economic benefits of a thriving innovation-based ecosystem in our local community; benefits like new business formation, high-wage job creation, capital and talent attraction, not to mention the creation of pathways to economic mobility and opportunity for the at-risk populations in our region.

In 2011, we brought together local early stage investors and entrepreneurs, academia, and big-corporate executives to help us craft an exciting vision for the region. And yet, this vision may never have become a reality if it were not for the EDA. At the time, there was little to no

political will to invest in ecosystem building. Plus, given that Tampa Bay lacks Fortune 100 companies, sizable sponsorships are incredibly hard to come by in our region.

Everything changed in the summer of 2012, when I led a regional coalition that included the University of South Florida and a network of universities, local businesses, nonprofits and public sector partners, which was awarded a \$1 million **i6 Challenge** grant from the EDA to launch WAVE's Venture Center and Accelerator. We were also awarded a second i6 Challenge grant of \$500,000 in 2014 and a \$300,000 Seed Fund Support grant in 2018.

Overall, Tampa Bay Wave has now raised a total of \$14 million from various federal grants, corporate sponsors, and generous donors to support our mission and vision, including a new \$2 million Build to Scale grant awarded in October 2022.

Today, WAVE runs the only 90-day accelerator program in Central Florida focused on tech startups that are "Seed to Series-A ready", typically 2-3 cohorts per year (**28** accelerator cohorts in total since that 2012 grant), and the only program recruiting startups from across the US and beyond including **17** non-US startups in the last four accelerator cohorts. By including non-local startups in our cohorts, we are fostering a stronger national and global reputation for the Tampa Bay region while also providing connections for local startups looking beyond the state's borders for talent, capital, and various business opportunities.

In 2021, WAVE launched its first cybersecurity-focused program, *CyberTech|X Accelerator*, and ran a second cohort in early 2022. In partnership with the University of South Florida, WAVE also launched a fintech-focused program earlier this year, the *FinTech|X Accelerator*. And thanks to the 2022 Build to Scale grant that we were recently awarded, WAVE will run nine industry-focused accelerator cohorts over the next three years and focus on growing regional innovation clusters in cybersecurity, fintech, and (now) healthtech in the greater Tampa Bay region. Each of our industry-focused programs include an advisory council made up of volunteer representatives from local industry giants which are designed to provide cohort startups with expert mentorship and strategic industry connections. Council members also benefit from "early looks" at the innovative technologies plus networking with one another, thus sparking industry-focused regional collaboration.

The role of the Economic Development Agency (EDA) in supporting the development of Tampa Bay's regional innovation economy.

The funding provided by the EDA's Office of Innovation and Entrepreneurship (OIE) under the Regional Innovation Strategies (RIS) program has been *absolutely essential* to the growth of Tampa Bay's innovation economy and our reputation as a burgeoning tech hub. As both an entrepreneur and now founder and CEO of the region's largest tech startup support organization, I have had a front row seat to this growth for more than a decade.

Today, Tampa Bay regularly attracts media attention as one of the nation's hottest growing tech hubs; but 10 years ago, that coverage was more focused on our region's reputation for 'brain drain.' Local media, in particular, liked to remind its readers about Tampa Bay's reputation for

losing tech startups to Silicon Valley such as Wikipedia in 2006, Sendhub in 2012, and countless others.

During Tampa Bay Wave's early meetup days, our growing membership of local tech entrepreneurs regularly discussed the difficulties faced by our startups. The 'ecosystem gaps', as we call them today, included:

- Lack of capital. (Note: For decades, Florida business have attracted barely 2% of the nation's total venture capital activity in terms of dollars)
- Lack of talent due to brain drain, with local talent leaving the region for Silicon Valley and other tech hubs
- Lack of major tech success stories and successful exits to give local startups credibility
- Lack of mentorship-driven programming for startups
- Lack of hubs, incubators, and/or coworking spaces
- Lack of corporate engagement with local startups
- Lack of government-backed or other intentional efforts to build a healthy ecosystem for tech startups to thrive.

Within just a few short years of the meetup group launch, Wave members grew tired of waiting for someone to start addressing those gaps. Doing nothing was no longer an option. Plus, we knew a thriving local ecosystem would not only benefit our individual businesses but also could make a real economic impact on our region in a number of ways:

- Greater new business formation, especially innovation-focused businesses
- Increased job creation, especially high-wage jobs typically found in tech businesses
- Reversal of "brain drain" by both attracting new talent and retaining existing local talent
- Increased capital investment, including the attraction of capital "to" Tampa Bay
- Improving the region's attractiveness for company relocations
- Plus, numerous indirect benefits including the formation of many indirect jobs and the creation of pathways to economic mobility and opportunity for the at-risk populations in our community.

We also believed expanding support for innovators would have societal benefits by increasing the likelihood of their important innovative ideas becoming a reality. For example, several of the startups we support are working on digital solutions for those struggling with mental and behavioral health issues, including one focusing on the needs of our active duty and veteran service men and women ([Neurflow](#), a digital solution covering 15 million people today). Others have solutions for fixing the payday loan industry ([SoLo Funds](#)) or improving access to home ownership for certain populations under-represented in the mortgage industry ([Home Lending Pal](#)). Wave also works with startups solving for allergen-free breastfeeding ([Free to Feed](#)), online educational tools for autistic children ([GoManda](#)), timely heart failure prediction ([Future Cardia](#)), mobility challenges for the blind and visually impaired ([Lazarillo](#)), and even smoking cessation ([Vincere Health](#)), just to name a few.

Originally, we thought that informing and educating our region's political and economic development leaders would encourage them to prioritize innovation-based ecosystem building. Unfortunately, we eventually concluded a much stronger catalyst was needed.

Prior to the first EDA grant in 2012, we repeatedly heard local leaders say things like, "The best thing the government can do for entrepreneurs is to 'get out of their way.'" A local economic development leader actually once said to me, "Linda, you are absolutely right about the importance of entrepreneurship; it is the third leg of the economic development stool. The three legs are recruitment, retention, and entrepreneurship. We focus on recruitment and retention, and leave entrepreneurship to the entrepreneurs." In other words, entrepreneurship was intentionally not a priority. However, this sentiment was not his alone at the time.

Many local leaders also used to claim the only way to unlock our region's potential for a vibrant innovation economy was for Tampa Bay to have its own breakout tech success story, saying "Look what Dell did for Austin's startup tech scene. We need our own Dell success story." However, comments like these unfortunately perpetuated the 'hands off' approach because it also propagated the suggestion that there was nothing to be done but 'sit and wait.'

In other words, because it was no one's job to address the gaps and foster a stronger entrepreneurial ecosystem, no one was doing the work that needed to be done. Which is why we entrepreneurs decided to roll up our sleeves to be part of the solution... but how?

In 2011, we started crafting an exciting vision for the region with the help of local early stage investors and entrepreneurs, academia, and big-company executives. And yet, as I mentioned previously, without the local political will to invest in ecosystem building or large local corporations capable of making sizable sponsorships, the vision was in jeopardy.

Everything changed in the summer of 2012, when we came across the EDA's i6 Challenge competition. Finally, we had a mechanism for approaching the local private and public sector for funding, because there was the potential for matching federal funds. To be clear, it was no easy task pulling together the \$1 million in matching funds while drafting our first-ever federal grant proposal, all within the incredibly short time-frame to meet the application deadline. However, this EDA grant was the perfect catalyst we needed for getting seed funding for our plan and for unlocking the local stalemate so that we could find ongoing funding from both the local private and public sectors.

Without this first EDA i6 Challenge grant, I can confidently say that the Tampa Bay tech startup ecosystem would not be anywhere close to what it is today.

In addition, the follow-on EDA grant programs have continued to challenge our regional innovation community to look for new opportunities to further grow and expand our ecosystem and the resources available to budding local innovators and entrepreneurs. For example, In 2018, WAVE partnered with Orlando's StarterStudio on a \$300,000 Seed Fund Support (SFS) grant from the EDA to launch Upsurge Florida, a project designed to help close the capital gap in the early-stage tech ecosystem across the I-4 Corridor in Central Florida. The three-year

Upsurge Florida project resulted in the formation of a new \$25 million seed-stage fund in 2020 called **Tampa Bay Ventures**.

The role of the Economic Development Agency (EDA) in fostering greater diversity and inclusion within Tampa Bay’s regional innovation community to increase participation.

As a woman with a long career in the tech industry, in Tampa Bay as well as in Boston and New York, I have personally experienced discrimination and been the “only woman in the room” on numerous occasions. Yet those experiences pale in comparison to the challenges I faced as a woman tech entrepreneur, especially one trying to raise venture capital. Those challenges had a huge influence on me and how we made diversity and inclusion a priority for Tampa Bay Wave and the greater regional innovation economy from the beginning.

In the days leading up to our first EDA grant, not to mention the years prior, the concepts of diversity and inclusion when building entrepreneurial ecosystems were hardly ever mentioned. Thus, when the EDA announced the 2014 competition for the i6 Challenge grants, we were excited to be one of the awardees, in part, because one of the desired outcomes of our proposal included the creation of services specifically designed for increasing the participation of women and veteran-led startups in our regional ecosystem.

Because of this 2014 EDA grant, we were able to start focusing on the needs of underrepresented tech entrepreneurs while our innovation ecosystem was still forming. Today, I am proud to report that Tampa Bay Wave has a long history of supporting diversity and equity in building our region’s tech ecosystem, with 85% of members meeting diversity definitions thanks to our many DEI-focused programs including the *TechDiversity Accelerator*, funded annually by the Nielsen Foundation since 2018. In 2020, Wave launched the *TechWomen Rising Accelerator*, funded by JPMorgan Chase. In 2021, WAVE was awarded a \$50,000 Growth Accelerator Fund Competition grant from the U.S. Small Business Administration (**SBA**) to address the lack of women entrepreneurs in the cybersecurity industry to help us recruit women-led startups for the 2022 *CyberTech|X Accelerator* cohort.

Yet with all these and other DEI-focused programs in Florida, I would be remiss if I did not mention that more work is needed. Even in 2022, the statistics around access to capital nationwide for these founders is inexcusable: women-led startups only raised 2.4% of the nation’s venture capital (down from 2.7% in 2020). African-American or Black-led startups raised less than 1% of the nation’s venture capital, as did Latino-led startups as well. So for entrepreneurs in the state of Florida which, on the whole, receives 2% of the nation’s venture capital funding, underrepresented entrepreneurs in Florida receive only the tiniest fractions of fractions of total venture capital.

I am proud to report Tampa Bay Wave’s proven track record is beating those odds for startups founded by women, persons of color, and other underrepresented groups. However, our organization only works with roughly 150 startups annually - not enough to make a dent in the national averages. Any meaningful improvement in these statistics should greatly increase participation and produce even greater economic benefit for all to enjoy.

Conclusion

There is no doubt Tampa Bay's tech innovation community would not be making headlines today if it were not for the EDA's investments over the past decade. A mere total of \$1,800,000 in EDA OIE RIS grants in 2012, 2014, and 2018 has led to hundreds of millions of dollars in impact on the region in terms of new business formation and high-wage job creation, not to mention the creation of a new \$25 million early-stage seed fund in Tampa Bay. I hope you agree that is a pretty good return on investment for tax payer money.

As a mother to two future female entrepreneurs, Cadence and Cassidy Creely who are nine and seven years old respectively, both my husband Curt Creely and I cannot stress enough how the EDA's grant programs give my family, as well as families throughout the U.S., hope for our children and the future of our country. I believe the work that is being done in Tampa Bay and across the U.S. in building healthy innovation-based regional economies means that my daughters can grow up knowing they have real options of entrepreneurship, that they do not need to leave Tampa Bay for those options, and they can live in the world which is benefitting from all the innovative technologies Tampa Bay Wave and others are supporting today.

Thus, I would like to urge this committee to continue supporting the efforts that lead to the development of strong, healthy regional innovation economies in communities across the U.S. I would also like to encourage this or another appropriate committee to explore options for increasing access to capital, especially for the underrepresented entrepreneurs and their startups. Finally, given the challenges with early stage investment capital, I would also like to express my support and gratitude for the SBIR and STTR funding programs which provide critical lifelines for innovators, including many my organization supports today.

I appreciate the invitation to appear before the Subcommittee today and I look forward to your questions, which I will try to answer. Thank you.