

Alternative funding of a start-up - A case unfolding: The Hub Luxembourg

a co-working space and do-tank solving the
challenge of fostering entrepreneurship and social
innovation in Luxembourg

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The problem: Crossing the Gap

From bright idea to gaining that first set of clients

Identified needs:

- A **community** and a **space** to work in
- Access to **seed capital**

Alternative 1: Bootstrapping

- All you need is a laptop and an internet connection
- You can look and play like a global enterprise for free

Free
remail: gmail apps
eoffice applications: OpenOffice, Google Docs
edocument sharing and cloud storage: Google docs,
rdrop box
ewebsite: wordpress.com
lSales and project management systems, mavenlink,
Basecamp, Insightly
invoicing: FreeAgent, Freshbooks
email marketing: Mailchimp
online marketing: Facebook, twitter

Growing from bootstrapping

There are many things that require extra capital once you have proof of concept

Marketing

Distribution

Scaling technology

Hiring people with skills you need

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Alternative 2: Crowdfunding



Entrepreneur sets fundraising goal

Community pledge amounts

Investments happens if goal is met

Investors get product/service or revenue share.



Equity also happening but more complicated legally (liability, marketing and distributing investment opportunity, cross-border etc)



Tools for crowdfunding



Checklists

Valuation calculators

Tools for generating term sheets

Organizing and organizer tools for arranging meet-ups



So what now?

The Solution: The Hub Luxembourg

A Do-Tank for entrepreneurs and social innovation

- A co-working space with a strong focus on building and feeding a thriving community of entrepreneurs
- Run by a team of hosts who who work to promote the synergies necessary for success
- Priced to be attractive to the would-be entrepreneur
- Part of a global network of over 4,000 members from Hubs in 25 locations from London to Sao Paulo and from Zurich to Bombay. Luxembourg connects to the rest of the world.

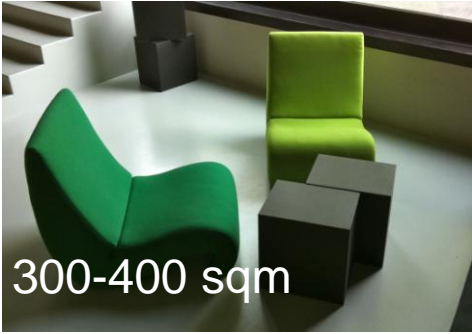
The Hub is a true multiplier project: It will grow several new businesses, create jobs and be a catalyst for positive impact in Luxembourg and beyond.

The offering: The Hub Luxembourg

Services	HubConnect	Hub25	Hub80	Hub160	HubUnlimited	HubUnlimited
desk time per month	5h	25h	80h	160h	unlimited	unlimited
dedicated desk	no	no	no	no	no	yes
access to the work space	8-18h	8-18h	8-18h	Key	Key	Key
Coffee, tea, Internet, hosting support, ...	yes	yes	yes	yes	yes	yes
Hub event discount (25%)	yes	yes	yes	yes	yes	yes
Space booking discount	25%	25%	50%	50%	50%	50%
Access to global Hub collaboration platform	yes	yes	yes	yes	yes	yes
Register your organization at the Hub	no	no	no	yes	yes	yes
Private locker	no	no	yes	yes	yes	yes
Free meeting room	no	no	25% discount	5h/month	8h/month	8h/month
Monthly fee (€)	50	100	250	500	600	700

- Events
- Professional services (tax, accounting, marketing etc)
- Corporate memberships
- Help with funding. Hub seeking partnerships with angels and funds to channel funding to members

The Hub space



300-400 sqm



Luxembourg City
Public transport
Bike friendly
Parking facilities

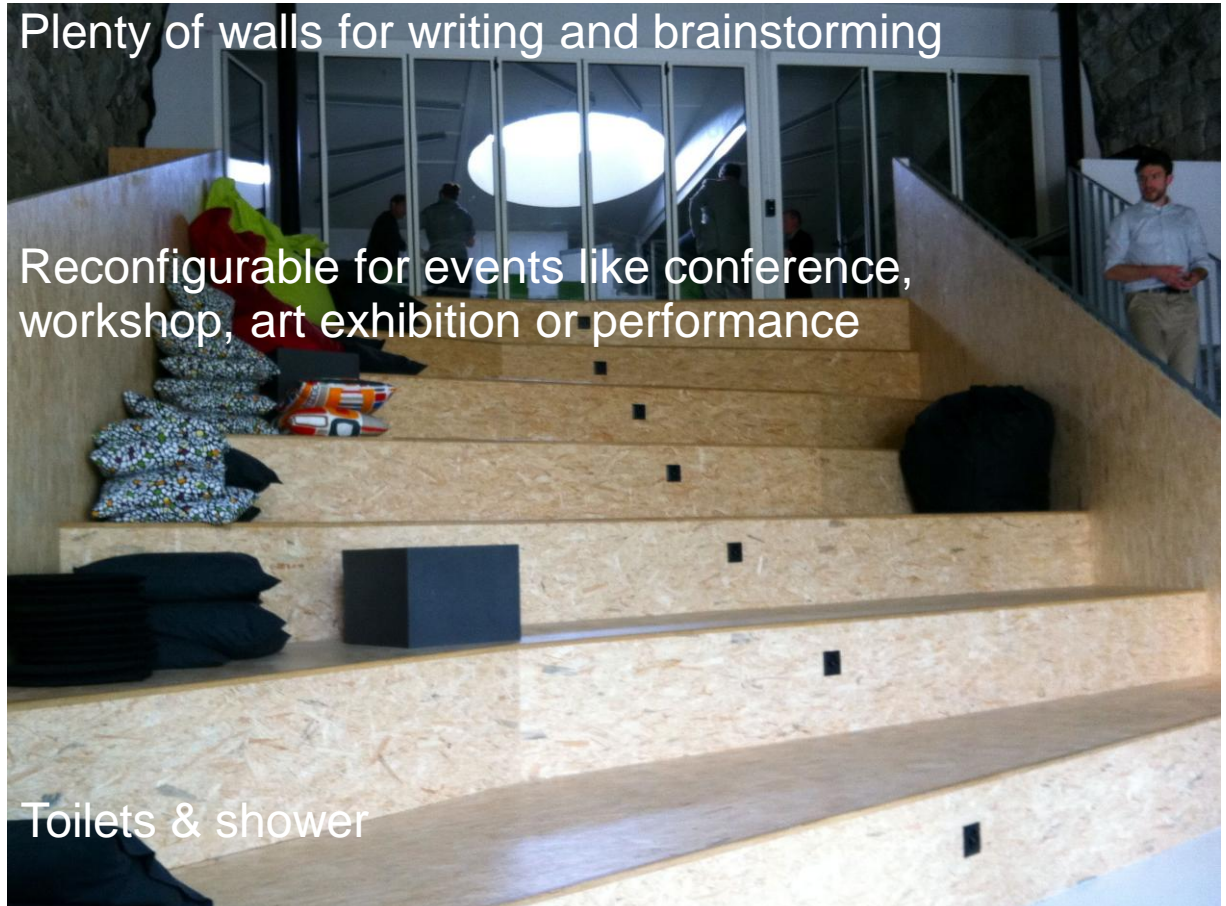


Open co-working space



Small meeting rooms
Big meeting/workshop room

Kitchenette with coffee shop type
space



Plenty of walls for writing and brainstorming

Reconfigurable for events like conference,
workshop, art exhibition or performance

Toilets & shower

The Hub

Success factors based on experience from starting 28 Hubs

- Learning from experts
Check! Knowledge transfer directly from other Hub founders
- Strong support in community and real demand for offering
Check! Grassroots driven project born within ETFL and entrepreneurs in Luxembourg in general
- Community building during start-up phase
Check! Entrepreneurs identified who want to be part of pre-launch membership group to co-create the final offering for the Hub Luxembourg. (Bonus: Revenue generation pre-launch)
- Network locally and globally
Check! Strong local partners with aligned goal of fostering entrepreneurship, innovation and creativity. Hub Network offer global network and support throughout the life cycle

Team

Per-Fredrik Hagermark: entrepreneur

Hedda Pahlson-Moller: entrepreneur and angel investor

Sandy Lopes: business controller

Emmanuelle Benzimra: founder Bench2Cure, entrepreneur

Michael Bergman: systems architect, gallery owner

Ariane Rey: entrepreneur

+ entrepreneurs in residence and co-creators

Milestones and great momentum

Moving on ahead of plan

- Identified entrepreneurs who are willing to be paying member before launch - co-creators
- Rapidly gaining interest in local community - public and private sector
- Launch team growing without need to recruit
- Premises (interim and long-term) identified
- Business plan ready
- Requests for interest in funding before we have started formal funding process

Business plan

Base case: No renovation costs & medium/low rent

Pre-launch

Funding need: € 75k

Revenue: none

Main costs: Staff & franchise fee

Risk mitigation: Experience of the global network would be available to the Luxembourg team. Potential for revenue during launch phase.

Key activities

- Community & customer development
- Offering development
- Securing premises and funding for launch
- Knowledge transfer from other Hubs worldwide

Post-launch

Funding need: € 225k

Revenue: Memberships, events & corporate partnerships

Main costs: staff and premises

Break-even within 2 years

Self sustaining business

Members end of year 2: 120

Key activities

- Community & customer development
- Hosting and producing events
- Set-up of and management of facilities
- Participation in Hub network

The Hub funding process

- Form legal entity
 - asbl or sarl with restricted dividends
 - The HUB will be run as social business = no loss, no dividend. All profits reinvested in operations
- Initial funding
 - founders
 - angels
 - corporate partners
 - public sector partners
- Crowdfunding
 - friends and family
 - HUB members



Come on, be a super hero!

Fund the Hub and be part of history

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