



**TESTIMONY PRESENTED TO THE
SENATE FINANCE COMMITTEE**

**SENATE BILL 459 – ECONOMIC DEVELOPMENT –
MARYLAND SMALL BUSINESS INNOVATION RESEARCH
TECHNICAL ASSISTANCE PROGRAM - ALTERATIONS**

POSITION: SUPPORT WITH AMENDMENTS

MARCH 2, 2021

The Maryland Technology Development Corporation (TEDCO) is dedicated to economic growth through the fostering of an inclusive entrepreneurial and innovation ecosystem. TEDCO discovers, invests in, and helps build great, Maryland-based, technology companies.

TEDCO aims to provide the resources, expertise, and guidance to lead Maryland entrepreneurs to opportunities in the capital markets. With the amendments proposed by Senator Feldman, Senate Bill 459 will enable TEDCO to broaden our technical assistance efforts by creating a comprehensive, end-to-end advisory support program to prepare entrepreneurs for the next stage of growth and by better preparing entrepreneurs to attract capital.

First time entrepreneurs are often ill-prepared for some of the challenges that face early-stage companies such as customer discover, business modeling, pitch deck development, securing intellectual property, building teams, or investor readiness. A recent study by the Congressional Research Service found that participants in technical assistance programs provided by the U.S. Small Business Administration improved their management practices or strategies. The study showed that these programs assisted small businesses at all stages of development and participants reported that the technical assistance was useful in company growth.

With the amendments, Senate Bill 459 will equip TEDCO with the tools necessary to expand our portfolio of technical assistance programs. For example, TEDCO's "Prelude Pitch" is a program designed to hone entrepreneur pitches to be investor ready. TEDCO also partners with a series of Network Advisors that have current, relevant experience in one or more of specific areas. This curated set of Network Advisors brings its broad and diversified depth of experience to bear on the unique needs of Maryland's start-up companies at no cost to the entrepreneur. TEDCO also offers the SBIR Proposal Lab. Participants in the lab have twice the average award rate for the SBIR/STTR federal grants.

A comprehensive system of assistance as authorized by an amended bill would complement the continuum of TEDCO funding programs by providing a corresponding continuum of advisory support to better prepare firms to access capital resources. An amended Senate Bill 459 would provide the resources so that TEDCO can assist firms to understand their short- and long-term capital needs and how to best access those sources. The program would provide flexible and customized services, including virtual and in-person events. TEDCO would be the one-stop-shop for tech-based entrepreneurs for early-stage funding programs and for programs that are focused on the one-on-one attention that is craved by entrepreneurs and the most effective way to assist companies. Graduates from TEDCO technical assistance programs will be better positioned to attract all sources of capital, including equity, debt and SBIR funding, and will present better investment opportunities for TEDCO's investment funds. As the number of well-positioned early-stage companies grow, more early-stage capital sources will be attracted to Maryland.

It is for these reasons that TEDCO urges a favorable report on an amended Senate Bill 459.