

VAF Info Sessions Prepare Companies To Apply for Funding

By Damon Scott for Finance New Mexico

Early-stage businesses, or even those that are more established, often find it hard to land the right cash infusion, especially when traditional bank financing can be elusive. Under this common scenario, funding through the Venture Acceleration Fund (VAF) could be the needed boost.

Information sessions to help businesses apply for VAF are taking place in Northern New Mexico until Feb. 9, when the application process officially opens. Applications for funding will be accepted until March 12.



According to Carla Rachkowski, associate director of the Regional Development Corp. (RDC), which administers the program, VAF has been key as seed financing for early-stage businesses for more than a decade. The point, she said, is to assist entrepreneurs with taking innovations to market more quickly. VAF helps them through marketing and technology development, proof-of-concept, prototyping, developing market share and product launch. Sometimes it's used to leverage more funding.

Award preference is given to technology and manufacturing firms that can “demonstrate their ability to stimulate job growth and attract additional revenue to the region,” Rachkowski said. To be eligible, companies must be headquartered in one of seven Northern New Mexico counties (Los Alamos, Santa Fe, Sandoval, Rio Arriba, Taos, San Miguel and Mora). An independent panel reviews VAF applications, and a subset of companies are selected to present their projects in person in early April.

Info Sessions

Rachkowski strongly encourages interested companies to attend one of the four information sessions scheduled in Santa Fe, Taos, Espanola and Taos between Jan. 17 and Feb. 9. Sessions will go over eligibility standards and discuss issues previous applicants have faced.

“One of the reasons companies don't receive [VAF] funding is that they are too early in the process,” said Rachkowski. “Meaning, if it's a startup, there's no identified market strategy or problem they are trying to solve. Sometimes an application is rejected because a team isn't complete.” Or, she said, they don't have a solid plan for using the funds.

VAF's "pay-it-forward" repayment structure is a unique aspect of the program. Repayment is only required if a company is acquired, leaves New Mexico, or fails to provide "mutually agreed-upon support" to the start-up community of Northern New Mexico.

E-Commerce Is Atypical

Rachkowski recently worked with Santa Fe-based e-commerce company Length-Width-Height (LWH). The high-end customized furniture business received VAF funds to help build its website.

VAF by the numbers from 2006 to 2016:

- **\$3.6 million:** total amount awarded.
- **\$60,000:** 2018 maximum award size.
- **\$35,000:** average median award.
- **693:** jobs created and retained.
- **60:** New Mexico companies assisted.
- **\$29 million:** increase in company revenues.

\$160.7 million: total economic impact.

While LWH's business model is e-commerce, Rachkowski said, the coding for the website is "incredibly technologically complex," and includes a "five-step proprietary process."

LWH owner Robert Nachman said that working with the VAF team was a "tremendous experience."

"The tutorial sessions they set up prior to the application process were incredibly helpful in structuring several key aspects of our business," he said, mentioning finances, marketing and presentation. "The funding we received is critical to [our] health and future. Without [VAF], we would not have the resources needed to build our site and launch our company. Overall, the program is an invaluable asset to entrepreneurs in Northern New Mexico."

VAF was launched by Los Alamos National Security LLC, the partnership that manages Los Alamos National Laboratory, and it provides most of the money that makes up the fund. In recent years, Santa Fe and Los Alamos counties, the City of Santa Fe, and New Mexico Manufacturing Extension Partnership have also contributed.

For more information about VAF, including the workshop schedule and funding application, visit <https://vafnm.org/>.

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