

**Montgomery County, Maryland
 Founders Fund**

**Applications Open:**

November 25 - December 13, 2024

The **Montgomery County, MD Founders Fund** supports commercialization projects for small businesses that historically have lacked access to capital. This fund offers up to **$100,000 per grant awardee**.

**Who Can Apply**

Company must have raised at least $50,000 but no more than $5M, and be either:

* A business with a specific commercialization project identified that will advance the company’s business growth, and
* Certified as a Minority, Female or Disabled or Veteran owned business by the Maryland’s Minority Business Enterprise or Maryland’s Veteran Owned Business Enterprise Program[Maryland DOT - Certification Management System](https://marylandmdbe.mdbecert.com/); and/or
* Be located in a[Montgomery County Community Equity Index(CEI)](https://community-equity-index-mncppc-mcplanning.hub.arcgis.com/) disadvantaged location (as defined on this map as being in a “Highly Disproportionate – Disadvantaged,” “Moderately Disproportionate – Disadvantaged” or “Slightly Disproportionate – Disadvantaged” location).

**Eligibility Requirements**

Company must be:

* A for-profit Maryland-based LLC, S-Corp, or C-Corp company, located in Montgomery County, MD, with its county location defined as:
* Headquartered in Montgomery County, MD with 51% or more of senior management, administrative and strategic operations performed within Montgomery County, MD; OR
* With 51% or more of company’s R&D conducted in Montgomery County, MD.
* Chartered in or duly registered to do business as a foreign entity in Maryland, specifically Montgomery County, MD.
* In good standing with the federal government and the State of Maryland, including holding a valid Maryland business registration number and a valid federal tax ID number.
* Located in Montgomery County, MD (as defined above) for at least three months prior to the closing application date.)
* At least three months old and no older than ten years based on the date of the company formation.
* Employers of at least one full-time employee and no more than sixteen full-time employees.

NOTE: These funds are not available to services-only or retail-only businesses.

**How Can the Funds Be Used?**

These funds are intended to support commercialization projects which are key to accelerating the applicant company’s growth in Montgomery County, Maryland. Therefore, award applicants should identify projects with specific milestones and show how achieving these milestones is important for the business’ growth plans.

It is more important to align the amount of funding requested to a meaningful project with defined milestones, than to request more funding than is deemed reasonably necessary to attain the project’s goals. Potential uses of this funding include:

* Branding Collateral
* Commercialization Plan
* Engineering Design
* Expanding Product Features
* Go-to-Market Strategy
* IT Software
* IT Hardware
* Legal advice related to governance, contracts, IP
* Machinery and equipment purchase or lease
* Manufacturing Production Runs
* Marketing
* Pricing
* Product Launch
* Prototype Development
* Regulatory
* Reimbursement
* Research & Development
* Securing Patents
* Wholesale product manufacturing or processing
* Validation / Piloting

**Funds May Not be Used for:**

* Food and Beverage
* Hospitality
* Overhead
* Personnel (W-2s or part-time employees)
* Travel

**Project Parameters**

These funds are intended to support projects which are key to accelerating the applicant company’s growth and in Montgomery County, Maryland. Therefore, award applicants should identify projects with specific milestones and show how achieving these milestones is important to the business’ commercialization and/or business growth activities.

Companies may apply for additional funds after successful completion of projects up to the maximum permitted for each award for which they are eligible–$200,000 (Technology Innovation Fund); $100,000 (Founders Fund) during FY 2025. (For example, if a Founders Fund award of $50,000 is granted and the project is successfully completed, companies may apply for an additional $50,000 for a different project during Spring 2025 if FY 2025 funding still is available.) Companies may apply for only one type of award per company (either Technology Innovation or Founders Fund) during FY 2025.

**NOTE:** It is more important to align the amount of funding requested to a meaningful project with defined milestones, than to request more funding than is deemed reasonably necessary to attain the project’s goals.

Applicants may use the award for a project greater than the permitted award amount, if they can demonstrate that they have matching funds committed by others to complete the project.

##  Founders Fund Commercialization Milestones

For businesses without proprietary technology, commercialization milestones may focus more on business model validation, market entry strategies, brand positioning, and operational scaling. Key milestones could include:

* Brand Development & Marketing Strategy
* Business Model Development
* Early Customer Acquisition & Retention
* Intellectual Property (IP) Milestones
* Market Research & Customer Validation
* Operational & Financial Foundations
* Scaling & Distribution Strategy

**More Details and Examples of Potential Commercialization Milestones**

For businesses without proprietary technology, commercialization milestones may focus more on business model validation, market entry strategies, brand positioning, and operational scaling. Key milestones could include:

Brand Development & Marketing Strategy

* Brand Identity Creation: Develop brand assets, including a logo, website, and marketing collateral, to establish a clear identity.
* Content & SEO Strategy: Develop a content marketing strategy with SEO-friendly content to drive traffic and engagement.
* Customer Engagement & Feedback Loop: Set up processes to engage with customers post-sale, gather feedback, and adapt offerings accordingly.
* Digital Presence Launch: Create social media profiles, website, and digital marketing campaigns to establish an online presence.

Business Model Development

* Pricing Strategy: Develop and test a pricing strategy that aligns with customer expectations and competitor offerings.
* Revenue Model Validation: Test and validate revenue models such as subscription, licensing, or direct sales to determine the most effective way to generate income.
* Sales Funnel Creation: Establish a customer acquisition and sales funnel to ensure a structured path from lead generation to conversion.

Early Customer Acquisition & Retention

* Customer Retention & Loyalty Programs: Implement strategies to retain customers and encourage repeat purchases, including loyalty or referral programs.
* Initial Customer Acquisition: Focus on gaining the first few paying customers or clients to demonstrate market interest.
* Pilot or Soft Launch: Conduct a small-scale launch to test demand, gather customer feedback, and refine your processes.

Intellectual Property (IP) Milestones

* Freedom to Operate (FTO) Assessment: Conduct a study to ensure there are no IP barriers in targeted markets.
* IP Portfolio Development: Develop a portfolio strategy to enhance the technology’s defensibility and valuation.
* Patent Filing: If applicable, file for patents or other IP protection to safeguard unique aspects of the technology.

Market Research & Customer Validation

* Competitive Analysis: Conduct an analysis of competitors to understand the market landscape and identify unique positioning opportunities.
* Customer Discovery & Validation: Engage directly with potential customers to validate pain points, needs, and preferences.
* Problem-Solution Fit: Confirm that your product or service offering effectively addresses a real problem for target customers.
* Target Market Definition: Identify specific customer segments, geographic locations, and market needs.

Operational & Financial Foundations

* Financial Projections & Budgeting: Develop financial projections and establish a budget to track expenses, revenues, and profitability.
* Operational Process Development: Establish standard operating procedures (SOPs) for key business functions, such as customer service, fulfillment, and quality control.
* Supply Chain & Vendor Relationships: Build relationships with reliable vendors, suppliers, or partners to ensure consistent product or service delivery.

Scaling & Distribution Strategy

* Distribution Channel Development: Determine and establish distribution channels, whether online, retail partnerships, or direct-to-consumer models.
* Product/Service Scaling: Develop processes to scale the delivery of products or services while maintaining quality and customer satisfaction.
* Sales Team Expansion: If applicable, expand the sales team or develop partnerships to drive sales in new regions or segments.

**Evaluation Criteria**

1. The project proposal clearly describes the proposed milestones the funding will help the applicant achieve.
2. The potential of the successful completion of the project to help the company fill a demonstrated need in the market.
3. The proposed budget is clearly articulated and reflects an efficient use of funds.
4. Successful completion of the project is likely to lead to job growth in Montgomery County, MD.
5. The proposed project timeline is realistic.
6. The proposed impact of the award funding is realistic.
7. The applicant has a qualified and committed team in place for this project.
8. The applicant has addressed potential technical risks, regulatory and other challenges.
9. The applicant understands its competition and has a strong go-to-market strategy.
10. The applicant has successfully raised funds (inv, grants, revenue) previously.

**Disbursement of Funds**

Funding will be disbursed in two tranches:

Tranche A

50% upon notification of award and successful completion of:

1. a one-hour coaching/mentoring session.
2. Registration in the Montgomery County, Maryland xxx system
3. a signed grant agreement with Montgomery County

Tranche B

Remaining 50% upon:

1. Completion of project
2. Completion of second one-hour TRL assessment/coaching session
3. Completed report as required with grant Agreement

**Miscellaneous**

* **Companies may apply to only one fund**. (If uncertain about which fund the applicant should consider please contact: MontCtyMD@fedtech.io.)
* **Awards will be reviewed and evaluated on a competitive basis.**
* **Awardees will be notified during January 2025.**
* **Sign up** [**here**](https://airtable.com/appZprHCGibPGUSG2/pagnID0vxgUzOD8Fj/form) **to be notified when applications open.**
* **Questions? Email:** MontCtyMD@fedtech.io