

Hernando County Business Incubator Feasibility Study

Presented to: Hernando County Commission

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Date: December 16, 2025



SBA Firm Overview

Over 100+ feasibility studies conducted:

- Florida – Port Charlotte, Florida Atlantic University, Tallahassee (Leon County), Jacksonville, City of Eustis, NeoCity
- Studies performed in Texas, Indiana, Ohio, Michigan, Oklahoma, Wisconsin, Arizona, New Jersey, Illinois & several other states
- Additional experience in over 24 international sites
- Designed, built, constructed and evaluated over 280+ incubators globally
- Authors of 7 books on economic development and business incubation

Lead Consultant Profile

Mark Long is one of the most distinguished incubator operators and incubation consultants in the world.

- Awarded National Business Incubation Association's President's Award for Lifetime Achievement in Business Incubation, 2014
- Served over 440+ companies who raised over \$10B in venture capital/M&A monies
- 3-time winner of "Global Incubator of the Year" award from International Business Innovation Association (plus 5 national awards)
- Former director of incubation services at the University of Florida's UF Innovate | Accelerate (the placemaking organization overseeing the incubation enterprise, the innovation district, and the Progress Park entrepreneurial activities.)

Business Incubation Is...

... a program designed to accelerate the successful development of entrepreneurial companies

- through an array of business support **resources and services**,
- developed or orchestrated by **management & mentors**
- and offered both in the **facility** and through its **network** of contacts
- in concert with other ESO's, the community and educational partners

NOT....

- cheap rent
- a way to use an old building
- stand-alone economic development
- a complete end to end growth solution



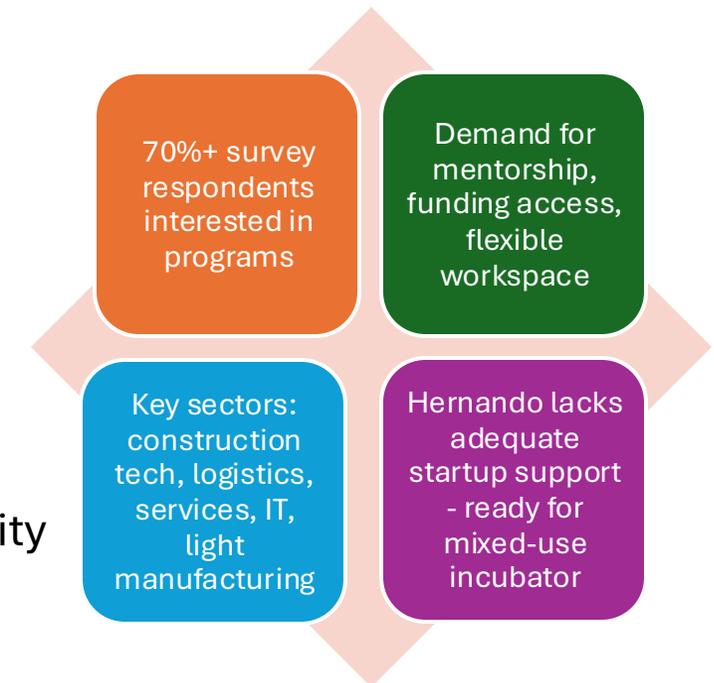
What Was Learned in This Study Engagement?

Positives

- Pipeline of qualified prospective clients is growing and needing incubator-type services
- Strong stakeholder beliefs in the need for a business incubator to address entrepreneurial support gaps in the community
- The community's motivation for a business incubator aligns with its economic development aspirations
- The community has realistic expectations and goals for how a business incubation program can support/enable more home grown, locally growth-oriented businesses

Challenges

- No identified champion/fiscal sponsor/legal entity
- No committed funding levels from anticipated sponsors
- Ability to successfully find and recruit a seasoned place-making incubation expert/professional
- Limited high potential sites
- No dedicated resources committed post-feasibility study
- Staying power for the time and resources it will take to stand-up a quality business incubation program



Business Incubation Feasibility Findings

Feasibility Factor	Traffic-Light Rating	What Was Found	What It Means
Deal Flow	YELLOW (Moderate–Strong)	Growing pipeline, but not abundant; requires intentional cultivation, outreach, and stage-aligned programming. Deal flow is improving but inconsistent.	Deal flow could support an incubator if deliberate funnel-building efforts are funded and sustained. Current conditions indicate caution & need for lead generation/awareness campaign, not readiness.
Champion/ Sponsor	RED (Weak / Critical Risk)	No dedicated long-term fiscal or legal sponsor. Governance unresolved; no entity committed to operational ownership or long-term support. This is the most significant gap.	Project cannot advance until a credible champion with multi-year authority and budget commitment is secured. This is a full stop risk.
Ecosystem Readiness	GREEN (Strong)	Stakeholders acknowledge gaps in coordination and desire a neutral convenor. Strong need for orchestration and alignment.	An incubator could add value as a coordinating hub - but only after sponsor and sustainability issues are addressed.
Sustainability	YELLOW (Moderate)	Long-term commitment required; funding sources not yet identified. Sustainability needs patient, multi-year underwriting. Breakeven unlikely without subsidy.	Moderate feasibility contingent on securing long-term committed funding. Without anchored funders, sustainability remains uncertain. County is willing to be participate financially.

Incubation Program Profile: Hernando Co., FL

The business incubator should address:

Category	Key Requirements
1. Strategic Positioning & Market Focus	<ul style="list-style-type: none">• Be mixed-use (avoid overspecialization; focus on economic diversification).• Not be focused on solo-preneurs or lifestyle businesses.• Focus on growth-oriented ventures.• Be embedded in the execution of the community’s comprehensive economic development plan.
2. Facility & Infrastructure Requirements	<ul style="list-style-type: none">• Be at least 15,000–20,000 gross sq ft (rehab or new).• Identify/secure a long-term fiscal and legal entity sponsor.
3. Programming & Service Delivery	<ul style="list-style-type: none">• Provide a mix of entrepreneurial programming to address marketplace support gaps (capital, services, expertise, etc.).• Track key metrics/impact/KPIs from Day 1.
4. Governance & Talent	<ul style="list-style-type: none">• Be an independent non-profit or unit of government.• Be staffed by knowledgeable and experienced personnel (2-3 people to start).• Recruit/select an experienced incubation leader (most important early strategic hire).

Why Some Business Incubation Programs Fail

- Expecting too much too quickly (not setting realistic expectations)
- No one size fits all...programs reflect community and its unique needs (can't just clone someone else's incubation program)
- Selecting the wrong incubation professional or waiting too long to hire one
- Overestimating the impact or role of a business incubation program
- Inadequate financial sources (lack of sustainability, no roadmap)
- Launching a program before a community is ready
- Lack of visible community champions
- Failure to leverage resources (regionally, addressing ESO overlap, too much focus on a building)
- No continuum of space for clients through their venture lifecycle



What's Next

Strategic Step	Description	Suggested Timeframe
Resolve the Sponsorship Gap (Critical Path)	Secure an empowered, long-term champion with authority and financial commitment to lead governance, underwriting, and operational ownership. This is the gating factor that determines whether the project can proceed.	1–3 months
Build the Business Case and Funding Business Model	Develop a full incubation business plan, financial pro forma, and site selection & strategy. Identify capital funders, secure early underwriting, and establish success metrics.	3–6 months (and ongoing)
Activate and Align the Ecosystem	Conduct community-wide engagement to clarify the incubator’s role, align partners, and build consensus. Position the incubator as the ecosystem’s convenor and orchestrator.	3–6 months (overlapping with previous step)
Strengthen Deal Flow Pre-Launch	Begin building the client pipeline through pre-incubation programs, founder readiness tools, targeted outreach, and coordinated funnel-building efforts.	6–12 months (ongoing thereafter)