

**Category**

Best Incubator, Accelerator, Equity

**Program/Fund Name**

mHUB MedTech Accelerator

**Corporate Name**

mHUB

**Date Of Creation**

2021-06-06

**Indications (if applicable)**

N/A

**Therapeutic Categories (if applicable)**

N/A

**History of the development of the fund / Incubators**

mHUB is a leading independent hardtech and manufacturing incubator that has supported nearly 500 startups in six years to file over 460 patents, launch more than 1,500 products, generate \$1.14B in revenue, raise \$1.49B in capital, and create over 5,190 jobs.

The mHUB Accelerator is an application-based program within the innovation center, funded by the mHUB Product Impact Fund, that fast-tracks high potential startups through hands-on product development in state-of-the-art prototyping facilities. It focuses on three key technology areas: Industrial IoT, MedTech, and Climate and Energy Tech.

Hardtech, or innovative physical technology at the intersection of hardware and software, has traditionally been underfunded and underrepresented in early-stage venture capital portfolios. For every \$15 invested in software, only \$1 is invested in hardware—however, the funding gap between software and hardtech has begun to narrow due to the pandemic, whose effects created a sense of urgency around innovation in healthcare, climate solutions, and supply chains. The resulting hardtech renaissance has sparked public and private interest in lowering the costs and barriers for hardtech startup founders commercializing innovative technology solutions, generating more capital backed by notable investors.

The Product Impact Fund, whose leading partners and investors include Baxter, Panduit, Invenergy, Avnet, Southern Company, and NorthShore-Edward-Elmhurst Health, is building a new foundation of investment activity in the Midwest. Through the mHUB Accelerator, an ecosystem of manufacturers, customers, talent, innovation hubs, and research institutions are convening to stretch capital further for a fast and successful trajectory to market. It's created a base of investors willing to bet on hardtech solutions for the future of people and the planet.

The lack of acceleration for medical device technology in particular has created a gap that mHUB seeks to bridge with the mHUB Accelerator by providing the hands-on product development support necessary along with deep healthcare industry intelligence, both cornerstones of the mHUB

Accelerator program.

### **Focus**

The mHUB MedTech Accelerator is focused on Pre-Series A companies commercializing connected/IoT solutions in medicine delivery, remote patient monitoring, wearables, chronic disease management, therapeutic devices, AI, and diagnostics.

In addition to impacting the outcomes of global, pervasive challenges, the Product Impact Fund is taking a head-on approach to identifying demand-driven technologies at startups with founders typically underrepresented in tech. The fund is currently making investments at a rate 6.5X that of the national average of deployed capital in underrepresented founders. Of the mHUB Accelerator's current portfolio companies, 47% have underrepresented founders, 24% have Black or Latino founders, and 41% have women founders.

Each accelerator cohort is further supported by industry partners that can also make direct investment in the teams. By providing access to deep engineering and industry expertise, participants are guided through a rigorous product development cycle including rapid prototype iteration, design for manufacturing, sourcing, and U.S. manufacturing supply chain.

### **How do you address your portfolio needs**

Startups in the mHUB Accelerator portfolio actively collaborate with corporate partners and are supported by sector-specific mentors. Participants have access to mHUB's 11 micro labs and \$6M worth of state-of-the-art prototyping equipment, on-site equipment training, a 55+ course curriculum as well as on-demand access to mHUB's Digital Curriculum and entrepreneurial resources, and a robust community of thousands of innovators, product developers, and investors to network with.

When startups join mHUB's Accelerator program, they receive an initial investment of \$100K in cash and \$75K in services, programming, and hardware for 5-8% equity. The program provides 6-months for hands-on accelerated incubation with 18 months of follow-on support, plus opportunities for follow-on investments from each cohort's industry partners. The program culminates in a two-day Demo Day event where hundreds of investors come to hear each team pitch their innovative hardtech solution, which often leads to additional investments and/or pilot projects.

mHUB's unmatched resources and unparalleled emphasis on product AND business development helps exceptional startups turn their product ideas into scalable, sustainable businesses.

### **Impact / metrics to measure success**

mHUB benchmarks the success of companies in the cohort by understanding their individual goals over each 30, 60, and 90-day period during the program and tracking progress toward them. These can be anything from growing their team to putting together a clinical study protocol to finalizing their regulatory strategy. mHUB follows how they engage in the programming, curriculum, mentorship, and connections provided to ensure they are asking the right questions and have the tools to address them.

Each team is matched with a dedicated mentor who is an expert in the space and with whom they meet weekly. This ongoing relationship provides another view into the progress each team is making and another avenue to provide feedback.

As the program is differentiated by a focus on the development of hardware solutions, mHUB directly addresses product development needs by hosting brainstorm sessions leveraging an extensive network of engineers and subject matter experts and measuring the volume of potential solutions considered. As teams narrow down on the best approach, mHUB evaluates how each company is

progressing on these product improvements to realize the next iteration of their product ahead of the cohort's Demo Day and, ultimately, to prepare for upcoming pilots.

Teams report the execution of new partnerships and upcoming opportunities to test their product and de-risk their companies throughout and after the conclusion of the mHUB Accelerator. As the program nears Demo Day, mHUB follows their progress toward opening a funding round and, after the program, carefully tracks follow-on funding through fundraising and grants.

**Why your model is innovative, and/or how it will improve the human condition?**

The mHUB Accelerator program is unique for two main reasons. First, it exclusively supports physical device and hardtech innovations. In addition to mentors, industry access, and direct investment, portfolio companies are also given access to teams of engineers to ideate, iterate, and ultimately evolve their starting prototype. This rapid prototyping is done within mHUB's 65,000SF facility in Chicago, a catalyst that connects the Midwest's historic manufacturing legacy to create an ecosystem of local supply chains, manufacturers, and experts. In the healthcare industry, there are over 200 bioscience and pharmaceutical manufacturing companies established in the Midwest.

Second, participants in the mHUB accelerator are supported by the mHUB Product Impact Fund I and industry partners that commit a minimum of \$100K in additional investment. Ultimately, the financial structure paired with the program de-risks technologies prior to VC financing or corporate investment/acquisition. Mentors of the mHUB MedTech Accelerator include leaders in biotech, life sciences, medical devices, product development, healthcare systems, universities, research institutions, and fellow founders. In addition to typical programming, the mHUB MedTech Accelerator provides resources and connections to help teams develop their strategy to bring their product to market, including access to experts in regulatory, reimbursement, and intellectual property. Through the mHUB ecosystem, startups can tap into world-class research institutions, universities, and leading healthcare institutions in the region.

**Please provide appropriate references (Examples / Case Study)**

mHUB Annual Report 2021: <https://www.mhubchicago.com/annual-report-2022>

mHUB Annual Report 2022: <https://www.mhubchicago.com/annual-report-2021>

mHUB MedTech Accelerator Cohort I Demo Day Recap: <https://www.mhubchicago.com/blog/demo-day-for-mhub-medtech-accelerator-2022>