

# The World of Incentives

By  
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Viability, LLC

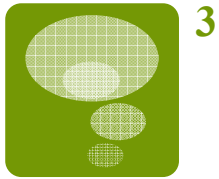
## Sound Business Decisions

# Incentives do not substitute



- Grants, Tax Credits, Carbon Credits, etc, can add immeasurably to the decision to start or improve a business.
- These same incentives can not make a losing business profitable.
- Most Incentive opportunities have similar criteria.
  - Program Goals
  - Economic Impact
  - Technical Feasibility
  - Management Capability

## Packaging Incentives have rules



- In this uncertain world, business have to “sharpen” their pencils just to survive.
- Plans are made to stage improvements over a period of time – often a practical and prudent practice.
- Grants and other incentives are based on improvements above and beyond current practices.
  - Advancing the calendar and forming bigger packages leverages the grant process and results in bigger awards.
- Matching funds are sometimes required.

## Timing

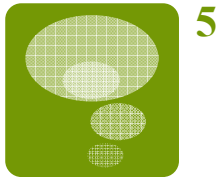
### Incentives have rules



- Grants and other incentives need to be early in the process and not an afterthought.
- Early birds gain and even if an award is granted, often two years to implement.
- Those that say, “Gosh a grant would be nice about now, this project is expensive.”
  - Disqualified because equipment had already been ordered.
  - Disqualified because they wanted to buy used equipment.
  - Disqualified due to lack of research into eligibility.

## About Viability

### Never enough experience



- Viability, LLC has been preparing grants in the general area of renewable and energy efficiency for six years.
- Development of Carbon Credits at VCS level (high grade for marketability) is a specialty of Viability.
- Fewer than 25 organizations are offering Carbon Credit development service.
- Viability, LLC now has 12 trained professionals in the incentive area

## Not a Lottery

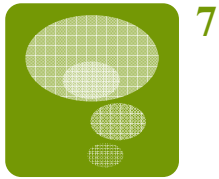
# Professionalism in Grants



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- Everyone uses the term “grant writing”. Actually this is not accurate....
  - Not much writing is done.
  - Major activities are positioning, identifying, defining a strategy, focusing.
  - Following the rules Say what needs to said, with substantial proof.
  - Grant document is not a “marketing” piece –what you want us to say may hurt the process.
  - Relationships with granting agencies is critical.
  - Remember, most grant application are juried – beyond our control.

## Not “Look-a Likes” Each one has a process



- Most grants are involved processes and involve extensive documentation. Carefully prepared and documented 3” notebooks provide a great image.
- Most of these are juried by a panel completely separate from Viability. Often matching funds are required.
- Some incentives go through a qualification process. If specifications are met, the money is awarded.
- Some are simply require the completion of regimented forms; investment tax credits, sales tax exemption.

## Statistics

### The numbers can be large

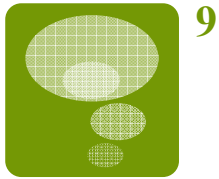


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- Approximately, 10 percent of the applications are awarded –Viability had 70 percent in 2008.
- Viability LLC received over \$20 million for clients.
- Viability's largest incentive award \$2,000,000, smallest \$50,000.
- USDA grant pool was increased 43% this year.
- Some states have more grant power available than the federal government.
- Several Carbon Credit projects over \$1,500,000 each.

## Cooperation

# Grant writing--a Partnership



- Remember, the word “writing” is not the traditional definition.
- Most incentive applications involve government agencies, banks and vendors.
  - There are forms and forms
  - Formats and formats
  - Requirements' and supporting documents
  - These can not be minimized
- Viability, LLC and the client form a working partnership.
  - Must be responsive
  - Timely
  - Designate a “go to” person, etc.

## Sister Company Viability Energy, LLC



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- The incentive preparation process is a relationship building event.
- Engineering is a critical linkage.
  - Professional engineering is required to prepare award winning grants.
  - That same engineering is the building block for implementation.
- Viability Energy LLC has the engineering and construction management capability to turn-key the project.

## The end Viability LLC



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- Inquire early and often.
- Research and timing critical.
- Consider hiring professionals.
- Thank you, and....
- Good Luck!