

March 14th, 2012

TO: Senator Carol Fukunaga, Chair  
Senator Glenn Wakai, Vice Chair  
Members of the Committee on Economic Development and Technology

DATE: Wednesday, March 14, 2012  
TIME: 1:30p.m.  
PLACE: Conference Room 016, State Capital  
Re: HB2319 RELATING TO ECONOMIC DEVELOPMENT.

FROM: Todd J. Robertson, President/CEO  
Hyperspective Studios, Inc.

Hyperspective Studios, Inc. is in support of HB2319 relating to economic development because we believe that such a bill will create opportunities for new ventures to start and grow as well as align them with pathways and guidance to success, specifically within leading economic sectors in Hawaii.

Hyperspective Studios, founded in April 1996, has been headquartered in Hawaii since 1999 and produces film and digital media projects including animation, visual effects, interactive media, games and film. The company has produced award winning media for several Hawaii companies as well as large domestic and international projects, with a large portion of it's revenue coming from the export of digital media.

Specifically, I believe that HB2319 will help develop a new industry sector of digital media, which has a massive potential for growth and sustainability. The interactive media/game industry was measured at USD \$10.3 Billion domestically in 2004. The industry has shown rapid growth since then to UDS \$65 Billion in 2011 and is expected to continue this pattern of growth for years. Fostering growth of this industry in Hawaii has the prospective to create a large volume of high quality jobs within an industry that can become a pillar of Hawaii's economy.

I do think that the effective date of the Act should be changed from July 1, 2030 to July 1, 2012 or 2013.

The digital media industry provides high quality jobs with broad opportunities for growth. The digital media industry not only requires creative development teams to write scripts, create digital artwork and music, but employes technicians who are skilled in 3D technologies, information technology, computer science, engineering and programming. Digital media companies provide a long-term, sustainable opportunity for jobs and development of products, while maintaining a work-force of Hawaii residents. HB2319 will provide important and crucial support in developing this and other strong economic sectors in Hawaii.

Thank you very much for the opportunity to testify.

My name is Russel Cheng. I support the bill HB2319, HD2.

I am an entrepreneur, born and raised in Hawaii. I started two companies in my senior year at UH. I later spent 16 years in Tokyo, Singapore, Silicon Valley and again Tokyo where I started two more companies. XM Asia was bootstrapped and hired approximately 50 staff before bought by a large ad agency network. Organic Asia was venture funded and hired approximately 45 staff in Asia when we took it Organic Inc to a successful IPO on the US NASDAQ. Both companies are still in business today and engage Fortune 100 customers.

I joined Leo Burnett Japan to turn around the digital division into profit center. As Asia regional director of Microsoft, I built two Internet divisions with a portfolio of \$22 million under my management.

I came home in 2007 and worked for Oceanit where was engaged as commercialization lead. I lead three State Follow-on Funding projects: Nanoconcrete, Wind Lidar and Inspecta software, all of which enabled Oceanit to win more business.

I am now a co-founder of Beebleo, an ebook marketplace that launches April 3. Amazon is in for a surprise.

I am a mentor at HiBEAM, entrepreneur in residence Chaminade's Hogan entrepreneur program, UH Shidler and Punahou. I mentored the team that built Hawaii's first co-workspace The Box Jelly out of the Hogan program.

My long-term passion is to the build the startup entrepreneur community in Hawaii. I am investing my own time and money into StartupHui, a venture accelerator, to help first time Internet and software entrepreneurs kick-start their ideas into companies.

The venture accelerator model has been successfully implemented in many cities since 2005. David Cohen, founder and CEO of Techstars, is convinced startup entrepreneurs can create value with support from the entrepreneur community via small investments in the \$15-\$20k range in early stage Internet and software startups. Techstars publishes impressive results over the last five years:

- 104 Techstar companies
- 90 active
- 9 acquired
- \$1 million average funding raised per company
- 571 employees

StartupHui has:

- Solid commitments from 16 startup CEO/Founders with Hawaii ties to act as mentors
- Designed our summer and winter programs
- Identified suitable co-workspace facilities
- Potential investors for the program's demo day
- Active engagement with the Internet and software entrepreneur community

Your kick-start funding will help kick-start this startup entrepreneur community in Hawaii. Imagine *THAT!*