

# How This Tiny East Coast City of 70,000 People Is Churning Out Fast-Growing Startups

**Portland, Maine, has less than one-tenth of San Francisco's population, but it's home to multiple companies that have raised tens of millions of dollars in funding.**



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IMAGE: Getty Images

When it comes to the fastest-growing startup hubs in the U.S., it's fairly easy for big cities like New York and San Francisco to dominate.

Smaller cities like Portland, Maine, however, have increasingly showed they have the resources needed for entrepreneurs to thrive--without having to spend an arm and a leg on a shoebox-size apartment.

Portland was ranked as the ninth best city in America for [female entrepreneurs](#) and the fifth [best city overall for starting a business](#) this year by NerdWallet. In the first quarter of 2015 alone, the amount of venture capital received by Maine companies reached [levels last seen in 1998](#), according to *Portland Press Herald*.

Here's why the midsize coastal city of just under 70,000 people is attracting a large amount of entrepreneurial interest.

## State institutions that have supported entrepreneurs for years

Spurred in part by a [history of underemployment](#) in Maine, the state has set up a number of institutions to support entrepreneurial endeavors.

Established in 1995, the [Maine Venture Fund](#) has received a total of \$13 million to invest in startups. The [Finance Authority of Maine](#) provides business assistance programs (i.e., loan insurance, investment tax credits) to small and large businesses. There's also the [Maine Technology Institute](#), which offers early-stage capital, grants, and loans to technological ventures.

"Entrepreneurs in Portland don't find themselves running into the typical regulatory roadblocks that keep them from being successful," says Bob Neveu, co-founder and CEO of [Certify](#), a software company that creates automatic expense reports.

## Growing success in a niche industry

While Portland isn't home to any companies that have had billion-dollar exits in the past five years, the city has seen a trend of successful [animal-oriented biotech](#) businesses.

Founded in 1976, [Ventrex Laboratories](#) was one of the first. The firm was doing about \$14.9 million in sales in 1991 before being [sold to Hycor Biomedical](#) in exchange for 2.4 million Hycor shares. Though Ventrex moved to the West Coast after the acquisition, the firm left a significant impact on Portland, through the offshoot companies that were founded during Ventrex's time in the city. [Idexx Laboratories](#), for instance, now does nearly \$1.5 billion in annual revenue.

Former Ventrex employees either are now involved in other Portland-based startups or have gone off to start their own companies. Benjamin Shaw is the CEO and co-founder of [Vets First Choice](#), a Portland-based veterinary prescription management company that has raised \$62.8 million in funding over the past three years. He happens to be the son of David Shaw, the founder of Idexx.

## A creative culture highly supportive of independent endeavors

Over the past few years, Portland has become something of a haven for creative types--a group that includes many aspiring entrepreneurs.

The city is home to numerous organizations for creative businesses, freelancers, and professionals. In 2010, the nonprofit organization Creative Portland made it a goal to "attract 10,000 [creative-minded people](#)" in 10 years.

There's also [Factory Portland](#), which provides business and marketing support for local bands and musicians, and [Lift360](#), which offers consulting services to nonprofits. This creative culture helps diversify Portland's business community, says Nat Henshaw, the managing director at [CEI Ventures](#), a socially responsible venture capital fund based in the city.

"People here are interested in green jobs, future jobs, high-tech jobs, and the like," he says. "These small businesses bring a rich, fun culture to the city."

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