

Message From Dan Woods

It is with a very sad heart and deep disappointment that I announce that TechShop is shutting down its operations effective November 15 and will file for bankruptcy under Chapter-7. In spite of many months of effort to restructure the company's debt and raise new capital to fund our recently announced strategic pivot, we have depleted our funds. We are left with no other options.

We are closing all of our ten U.S. locations and small corporate group effective 8AM November 15. The TechShop Global locations will not be effected as they are all owned by overseas licensees. We will announce dates and times for members to come in a remove their personal materials and projects as soon as we can coordinate with the bankruptcy Trustee.

We've been operating on exceedingly low cash balances for quite some time now. We've been trying to do whatever we could to keep the doors open and remain operational so that we could see the light of the next day and hopefully close on a couple of large licensing deals we had been working on. However, the current cash conditions—and the toll they are taking on employees, instructors, and members—are entirely unacceptable.

Over the past week we have worked tirelessly to explore options for filing Chapter-11 bankruptcy. This alternative would have allowed us to reorganize and restructure our debt. To file Chapter-11, however, we would need cash to pay an even further reduced workforce, instructors, rent, utilities, insurance, and the like. That is money that we simply do not have. I can no longer ask instructors, employees and contractors to work when we do not have adequate cash reserves to pay them. Most regrettably, the only viable path forward is filing Chapter-7.

As dark a moment as this is, I also want to acknowledge the enormous impact TechShop has had on our members and their communities over the past ten years.

I first met our Founder, Jim Newton, when I was at Make: Magazine. We were setting up for our very first Maker Faire in 2006. From his small maker table, Jim spent that entire weekend sharing his vision for an open access community makerspace where anyone could build their dreams. By the end of that year Jim opened the very first TechShop location in Menlo Park. It was a scrappy space filled with used equipment and wildly creative makers. It quickly leveraged the ideas, operational know-how, people, and community to bring TechShop to other cities.

The essence of the TechShop vision was to develop a network of makerspaces, members, curriculum, standards, instructors, and learning that would fuel the birth of new technologies, products, jobs, and companies. TechShop has accomplished much of this vision.

We have inspired thousands of youth to view themselves as inventors, problem solvers, creators, and makers. As a veteran myself, I'm proud to say that TechShop also provided membership and training to over three thousand returning veterans. This program enabled veterans to develop skills and experience—preparing them for jobs in advanced manufacturing and helping dozens of vets to launch their own companies.

TechShop employees, investors, and Jim, can hold their heads high in the knowledge that their vision, perseverance, and hard work produces great results. Together, the TechShop community inspired and transformed tens of thousands of people and dozens of neighborhoods; led directly to the creation of thousands of new jobs; and helped generate billions in net worth and new technologies—some of them life-saving.

As we examine our success, we must also examine our failures. A for-profit network of wholly owned makerspaces is impossible to sustain without outside subsidy from cities, companies and foundations, often in the form of memberships, training grants, and sponsored programs. This kind of funding is readily available to non-profits, and very rarely an option for for-profit enterprises. This is why we announced a pivot—to leverage our know-how, experience, systems and processes. The goal of TechShop 2.0 was to help non-profits, corporations and universities launch and operate their own makerspaces. We would get out of the business of owning makerspaces and instead focus on enabling other entities to build and operate makerspaces.

What we accomplished over the past ten years has been nothing less than monumental. I encourage our members, employees, partners, and the entire maker community to take something constructive from TechShop's experience: the world needs makerspaces.

Jim Newton, TechShop employees, members, and investors will go forward with their experience. Many will find a way to collaborate and work together again. The world will be a far better place for TechShop's experience.

This was a difficult decision, and this will be a difficult transition to a world without TechShop. In the coming months, however, I intend to reflect on and learn from our experiences at TechShop. Then, move forward. I encourage you to do the same.

As makers, we must learn from our mistakes.

We iterate. We innovate. We fearlessly continue the pursuit of curiosity. We make.

Dan