

# Economic Development Incentive Grant

## 2013-14 Annual Report

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<b>Institution Name(s): UW-Madison</b>	<b>Project Title: Igniter—An Engine for Technology Commercialization</b>
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<b>Grant Award Amount: \$2.4M</b>	<b>Report Date: July 18, 2014</b>
<b>Grant Funding Spent (to date): approximately \$100K</b>	<b>Date project began: Jan 1, 2014</b>
	<b>Date project ends (projected): July 2015</b>

### I. Status Report

The project was funded (Jan, 2014) prior to the establishment of Discovery to Product (D2P). Mary Linton (Promega) was hired to begin organizing Igniter. Mary Linton, under the care of D2P's Advisory Board and with interim support from the Office of Quality Improvement (UW-Madison), initiated 3 calls for innovations (March, April, and May). Meanwhile, John Biondi was hired as director of D2P in March 2014, and began taking a lead role in managing the Igniter project reviews and the organization of D2P (the platform for commercializing UW innovations).

The calls for innovations resulted in approximately 170 ideas. All schools and colleges had submissions to the process (Agriculture 14, Comp/Info 58, Med Device 26, Pharma/Biotech 27, Phys Sci/Eng 30, other 17). Approximately 40 of the innovators had already incorporated and were not viewed as eligible for Igniter funding. The projects were narrowed to those meeting key criteria: 1) Have potential for July 2015 commercialization; and 2) Have value to University of Wisconsin or the State of Wisconsin.

Fourteen projects have gone through the interview stage. Of these projects, five have been advanced to funding with a total request of \$1,034,000 (funding to be determined), two innovation will be placed in D2P's accelerator program to determine market opportunity, and six are on hold until the interview process is complete (interview of 9 projects are planned).

Connection with external investors and sustainable funding is under development by advisory board and D2P's director. Several models have been developed. Finalization of an UW/External funding mechanism is anticipated. Several faculty worked on developing a postdoctoral training program under the guideline for NIH's Reach program. This proposal was abandoned due to funding agency requirements that could not be met within the structure of UW. Alternative sources of funding entrepreneurial project leaders will be sought in fall of 2014.

Plans have been made to include Igniter recipients into the 2015 Wisconsin Entrepreneurial Bootcamp. Scholarships (n=20) were made available for Igniter applicants to attend a novel short course (2 day) on Technology Commercialization for University Innovators, taught by Professor Scott Shane, Case Western University and author of *Academic Entrepreneurship: University Spinoffs and Wealth Creation*. This event was hosted by ACE, and sponsored by American Family Insurance, University Research Park, and Morgan Stanley.

## II. Updated Goals/Performance Metrics and Assessment Plans

*See spreadsheet for additional comments.*

Igniter was part of a larger initiative to advance UW-Madison innovations to commercial products. The simultaneous launch of D2P and Igniter, and the loss of the first 6 months of funding due to the delayed start of the project funding put the project behind regarding some matrices.

The one job created was for Mary Linton, the project manager of Igniter. D2P, which plays the lead in managing Igniter, now has 3.5 employees, with an anticipated hire of a mentor in residence. Staffing within D2P should accelerate the progress of Igniter.

The advisory board made a decision to use Igniter to fund only pre-incorporated innovations. There were several reasons for this decision including available resources for new companies, and state statutes involving the use of public dollars. As innovations move toward the marketplace, assistance in business starts and product licensing will increase.

In our original plan of work, we were unable to project the number of innovations that would be submitted to Igniter's call for proposals. Since these technologies are generally overlooked, the submission of 170 innovations in 3 months showed that there was considerable capacity to innovate on UW-Madison's campus. Only 21 innovations were shown under "identify technologies overlooked." This number could have equally been 170. The number 21 was used since these are the innovations we are planning to move forward out of the 170.

With regard to attracting external interest, 0 has been listed so far. D2P's management and leadership within the advisory board have been working with several external groups to increase involvement in technology transfer on campus. The path for external groups to invest in UW-Madison's innovations once they have been incorporated is fairly straightforward. Interaction while the technologies while still on campus is more complex, but by the next reporting period we believe we will have completed one external mechanism for bringing in new money for helping to sustain Igniter.

Five projects have been approved for Igniter funding by the review team. We anticipate that at least this many will be funded in the next few months. In addition to these five, 2 other projects will continue to receive D2P support in an accelerated process. D2P also plans to continue to work on other Igniter proposals that were not actually funded. We anticipate exceeding our estimates in this criterion.

As mentioned above, we have successfully worked with others on getting our innovators further educated. D2P, in partnership with other groups on campus, anticipates additional educational opportunities.

We listed 0 for the # of cooperative work experiences. This number will increase over our estimate as the 5 projects approved for funding begin their activities.

*Anticipated and Actual completion dates.*

Igniter and D2P would achieve greater success if the funding could be extended to December 31, 2015. The reason requesting additional time is: 1) the start date for launching Igniter (when funds became available, Jan 1, 2014) was 6 months after the reported start date (July 2013); and 2) Staffing of the management team (D2P) for

carrying out some of the functions of Igniter was not complete until July 1, 2014. The advisory board and Igniter program assistant was able to immediately start the igniter process when funds became available in January, 2014, however the outcomes are likely to be stronger if a no cost extension using committed funding was granted to the end of 2015.

### ***Assessment plan***

In our original proposal for \$3.4M the following assessments were proposed:

1. Transfer 4-7 technologies in the form of start-up companies or licenses to existing WI companies
2. Create at least 20 new professional jobs upon transfer of innovations to the private sector
3. Position the start ups such that they raise at least \$1 M/company of support for advancing the technology to the marketplace (dollars that could be lost to State)
4. Place in motion an established start-up/technology transfer program on campus that enables deal-flow to attract angel/venture capital ultimately resulting in an exit event such as purchase, IPO, or merger
5. Begin developing human capital via training that will be prepared to expand efforts into the future.

Our assessments were changed when \$2.4M was award.

1. Transfer 3-5 technologies in the form of start-up companies or licenses to existing WI companies
2. Create at least 14 new professional jobs upon transfer of innovations to the private sector
3. Position the start ups such that they raise at least \$1 M/company of support for advancing the technology to the marketplace (dollars that could be lost to State)
4. Place in motion an established start-up/technology transfer program on campus that enables deal-flow to attract angel/venture capital ultimately resulting in an exit event such as purchase, IPO, or merger
5. Begin developing human capital via training that will be prepared to expand efforts into the future.

Items 1, 2, and 3 are in the early stages of realization. The launch of D2P and its staffing has now provided the platform to realize item 4. Educational training has already begun (item 5) and collaborations with other groups on campus, ACE, Law and Entrepreneur Center, and plans for a new project manager grant will assure continued educational success.

### ***Key findings and changes for 2015***

The call for Igniter innovations in March, April and May demonstrated fields of innovations that were being created on campus and need additional support. D2P had plans to hire two mentors in residence. The hiring of the MIRs is now focused on actual innovation strengths and not perceived strengths.

### ***Use of data collected***

The primary data collected to date involves areas of campus and fields of study where innovations are being developed. These data are being shared with Dean's on campus. The plan for D2P is being shared on campus and with different public groups.

### III. Project/Program Budget and Expenditures

	Budgeted	Estimated Expended*
Faculty	\$454K	\$0
Innovator/education	\$994K	\$3000
Research Resources	\$710K	\$0
External experts	\$85K	\$0
Space Access	\$38K	\$0
Program Assistant/Investor link	\$118K	\$51,000

\*Expenditures are expected to increase rapidly since projects have been identified. Approximately \$1M has been requested for the first 5 approved projects. D2P's operating expenses are in a separate budget.

### IV. Changes

In the original proposal, "an example of use of funds for economic development" is shown. While we believe this example may represent certain projects that are funded, it has become clear that many projects do not fall within this example. There are some projects that will require significantly less money than the example provided. Projects involving information technology often require substantially less support dollars than those in the medical science fields. While funding on projects may vary widely, depending on need, the primary focus of Igniter remains the same. D2P's team is prepared to fund additional projects than anticipated if resources can be stretched and the quality of the innovation is high.

# UW System Incentive Grant

## General Outcomes/Goals Reporting Matrix

### 2013-14

Incentive Grant Program Name: Igniter. An Engine of Technology Commercialization  
 Funding Allocation: \$2,400,000

#	Performance Outcomes Descriptions	Assessment Plan Description	Projected Goals 2013-14	Actual 2013-14 Outcomes	Projected Goals 2014-15
1	Angle/venture capital recruitment	Number willing to participate	5	2	5
2	Technologies identified with angel/venture help	Number of technologies reviewed	15	170	15
3	Technologies funded by EDIG and launched commercially	Number of commercially transferred technologies	3	0	3
4	Entrepreneur education mechansim	Number of students enrolled	9	20	9
5	Training grant development	successful submission	0	0	1

# UW System Incentive Grant Program

## Required Program Goals/Outcomes Reporting Matrix

### 2013-14

#### Economic Development Goals and Results

Economic development program" means a program or activity having the primary purpose of encouraging the establishment and growth of business in this state, including the creation and retention of jobs, and that satisfies all of the following:

1. The program receives funding from the state or federal government that is allocated through an appropriation under ch. 20
2. The program provides financial assistance, tax benefits, or direct services to specific industries, businesses, local governments, or organizations.

Performance Categories	Goals		Actual Outcomes 2013-14	Accomplished Goal? Yes or No	Notes
	Projected 2013-14	2014-15			
# of Jobs Created	0	14	1	Yes	hired igniter project assistant 50%. Note D2P launch added 3.5 jobs
# of Jobs Retained	NA	NA	NA	NA	
# of Businesses Assisted	3 to 5	3 to 5	0	Yes	expect tech launch in 2015. Current focus is precompany

Additional Goals/Outcomes	Goals		Actual Outcomes 2013-14	Accomplished Goal? Yes or No	Notes
	Projected 2013-14	2014-15			
Identify technologies normally overlooked	15	15	21	Yes	170 screened, 5 funded, 2 to accelerator under D2P, 14 under advanced review
Attract external interest and set milestones	3	3	0	No	Dealyed in getting innovations submitted and reviewed
Shepard technology advancement to launch	3	3	5	Yes	5 technologies have been identified for funding. 2 will be managed by D2P
Construct education and training program	1 edu program	1 training grant	1 edu program	Yes	20 igniter applicants attendedScott Shane Tech workshop. ACE sponsor

## 2013-14

c. Increasing or enhancing research and development.

<b>Notes</b>
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# UW System Incentive Grant Program

## Required Program Goals/Outcomes Reporting Matrix

### 2013-14

#### Improve the Affordability of Higher Education

Programs that Improve the Affordability of Higher Education for Resident Undergraduates, including:

- a. Reducing the time required to obtain a degree
- b. Increasing the opportunities available for high school pupils to earn credit toward a postsecondary degree; and
- c. Improving the transfer of credit between institutions of higher education.

#### Reducing the Time required to obtain a Degree

Goals	Anticipated Completion Dates	Actual Completion Dates	Accomplished Goal? Yes or No	Notes
NA				

#### Increasing the Opportunities available for High School Pupils to earn Credit toward a Postsecondary Degree

Goals	Anticipated Completion Dates	Actual Completion Dates	Accomplished Goal? Yes or No	Notes

#### Improving the transfer of Credit between Institutions of Higher Education

Goals	Anticipated Completion Dates	Actual Completion Dates	Accomplished Goal? Yes or No	Notes
NA			NA	