

MICHIGAN INITIATIVE FOR INNOVATION & ENTREPRENEURSHIP

Foundation for a New Economy

Request for Proposals

Deadline for submission to MIIE is 5:00 pm Friday, March 27, 2009

What is MIIE?

MIIE is a consortium of all fifteen Michigan Public Universities acting together strategically to foster a new Michigan knowledge economy based on entrepreneurship and innovation. By using the considerable resources of Michigan's institutions of higher education, MIIE seeks to enhance the State's economic competitiveness and stimulate growth. The consortium supports individual universities in their role as local and regional economic drivers for Michigan and encourages regional collaboration between universities, foundations, economic development organizations, government agencies, and private enterprise.

MIIE was established and conducted a pilot round of grant making with a support from the C.S. Mott Foundation. Current funding comes from NEI, the New Economy Initiative of Southeast Michigan.

Three re-granting funds have been established to fulfill MIIE's mission of leveraging university assets for economic development and supporting institutional culture change. MIIE will accept proposals to three funds:

- Technology Commercialization
- Industry & Economic Engagement
- Talent Retention & Entrepreneurship Education

The three funds, further described below, have the following charge in common. Proposals should:

- Help foster a culture of innovation and responsible risk tolerance at member universities that encourages faculty and students to pursue their entrepreneurial interests in Michigan and supports that pursuit.
- Encourage and support new collaborations and partnerships that produce economic development outcomes
 - Between universities and local/regional economic development initiatives
 - Between universities and industry
 - Between different universities
 - Within a university's diverse schools and programs

Proposed projects may include elements supported by one or more of the three Fund Programs. If a project is applicable to more than one MIIE Fund, universities are invited to submit separate proposals, with discreet budgets, that include a description of how the project components are related.

Eligibility

Proposals will be accepted ONLY from Michigan's 15 State Universities. Collaborative proposals are encouraged.

For proposals to the Technology Commercialization Fund, the University must own the Intellectual Property (see below for more details).

Reporting Requirements for all 3 MIIE Funds

- An interim progress report at a date to be determined. A form will be provided.
- A final report is required when the proposed project is complete. A form will be provided.
- Recipients will document progress toward achieving overall project goals on an annual basis for five years. If the project is finite, recipients will document any further impact on the University or local, regional, or state economy on an annual basis for five years.
 - For the Commercialization Technology Fund only: Award recipients will notify the Michigan Initiative for Innovation and Entrepreneurship Management Committee, whenever the technology is licensed, whether this occurs during the period of the grant or afterwards.
- If the proposed project is not completed and funds awarded are not fully expended by the conclusion of the award period, a no-cost extension must be requested no later than 30 days before the award period has ended. Failure to do so may result in outstanding funds being retracted.

Submission Requirements for all 3 MIIE Funds

There are three separate application forms, one for each MIIE Fund, being distributed with this RFP.

Proposals to the Technology Commercialization Fund must be approved (and ideally should be developed with) the university's technology transfer office or its equivalent.

Contact Tina Bissell, Business Manager, Michigan Universities Commercialization Initiative (MUCI), at 734-647-5730 or tbissell@umich.edu, with any questions.

TECHNOLOGY COMMERCIALIZATION FUND PROGRAM

Funds are available to support *specific steps* that will move a university-owned technology out of the institution towards licensing and economic development by introducing new, university-developed products and services to the marketplace. Supported activities include:

Market research and commercial assessment to confirm:

- Market need
- Customer/partner/investor interest
- Product requirements
- Plan for competitive advantage

Proof of concept studies

Clinical / translational studies and user testing

IP enhancement, initial "Freedom to practice" analysis, regulatory approval planning
(patent application and prosecution fees are not appropriate)

Prototype development and testing

Feasibility studies for production scale-up

Business model development

Business plan preparation

Portfolio profiling (analysis of a group of related technologies)

Consulting for any of the above

Funding Limitations

- The technology must be disclosed
- The University must own the Intellectual Property
- The technology must be under management by the University's technology transfer office or its equivalent (e.g., Office of the VP for Research)
- Applications to the MIIE Technology Commercialization Fund must be submitted with the approval of the Technology Transfer Office or its equivalent. It is recommended that a member of that office who is experienced with commercialization and technology transfer be extensively involved in the preparation of the proposal.
- The technology may not already be licensed to a non-University entity (although an "option" agreement is acceptable)
- Awards are capped at \$150,000 for a single project
- Applicants are encouraged to focus on one or two steps to validate or assess technology rather than seek funding for the entire commercialization process
- Awards are granted over a single fiscal year; no-cost extensions may be requested
- Awards are not granted to cover patent expenses (however, patent expenses may be used as "match")
- Awards are not granted for basic research
- Awards may not be used for tuition

- A 50% match is required and may be made up of any combination of the following types of funds, assuming the expenditures were made in the six months prior to the proposal date:
 - Universities will be credited with 20% of the amount awarded towards the match as a Facilities and Administrative cost (overhead) to acknowledge the contribution of infrastructure costs that cannot be specifically attributed to a single project
 - Universities may include up to \$25,000 of patent or other legal expenses specific to this technology
 - Cash
 - In-kind match of staff (e.g., consultants, technicians, programmers), supplies, equipment, facilities and other necessary resources above and beyond that normally expended by the technology transfer office or by researchers under their normal professional duties (i.e., non-routine activities)

- Matching funds can come from any one or a combination of the following sources:
 - Applicant institution
 - Investors
 - Commercial partner (service providers, corporations, etc.)
 - Customers

Limited Revenue Sharing

The university may benefit through the successful licensing of the MIIE-funded technology. In the case of financially successful projects, the university will assist in maintaining the MIIE Technology Commercialization Fund by contributing three (3) times the grant amount from revenues generated (e.g., licensing fees, royalty income, etc.). These reimbursements will be paid by the recipient university, and can be paid in a lump sum OR at a rate of 20% of the university's realized income per year.

- ONLY the recipient university pays back into the Fund
- The recipient university pays back into the Fund ONLY IF the funded technology returns revenue to the university that owns the intellectual property
- There is NO obligation to either the inventor(s) or any future investors

Selection Criteria

Review Committees are composed of representatives from universities, venture capital, industry, and economic development communities. Award criteria include:

- Competitive Advantage: anticipated competitive advantage of technology in terms of intellectual property or other benefits
- Market: strong evidence or case for there being a large, clearly understood, unmet need for the technology (this may not apply if intent of project is to access the market)
- Commercialization Plan: development, reasonableness
- Timeline: likelihood of a new product/process with strong market acceptance within 3-5 years, or within 3-7 years if a therapeutic model or otherwise appropriate
- Validation: evidence of interest and/or market need from a prospective investor, customer, and/or business partner; evidence of applicant institution support and effort

INDUSTRY & ECONOMIC ENGAGEMENT FUND

The purpose of the fund is to help transfer knowledge from universities to Michigan industry and thereby expand the economic base of Michigan. Awards will foster collaborations between universities and Michigan based companies by developing projects or programs that are based on university knowledge, expertise, specialized facilities, know-how, etc. Characteristics of appropriate projects include:

- Projects should improve access to resources, assets, and services within the university such as faculty expertise and technical facilities by private companies. Projects may also improve access by university personnel to private company resources, assets, and services.
- Based on a university and company partnership where the university can help solve an industry specific problem.
- Examples include faculty/student teams working with companies, especially entrepreneurial ventures; university faculty and student teams working to improve the competitiveness of a specific Michigan industry or technology sector; providing common forum for university and industry experts to share information, etc.
- While university IP may not be involved at the time of the initiation of the project, university IP or joint IP may develop from the project.
- May be one-time proposition to meet a particular need or a larger, sustainable program or project that will have impact over time.

Funding Limitations

- Awards are capped at \$100,000
- A 1:1 (100%) match is required and may be made up of any combination of the following types of funds, assuming the expenditures were made in the six months prior to the proposal date:
 - Universities will be credited with 20% of the amount awarded towards the match as a Facilities and Administrative cost (overhead) to acknowledge the contribution of infrastructure costs that cannot be specifically attributed to a single project
 - Cash
 - In-kind match of staff (e.g., consultants, technicians, programmers), supplies, equipment, facilities and other necessary resources above and beyond that normally expended by university personnel
- Matching funds can come from any one or a combination of the following sources:
 - Recipient institution
 - Investors
 - Commercial partner (service providers, corporations, etc.)
 - Customer

- It is expected that industry partners will provide the major portion of the balance of the required match because they will be the most direct beneficiaries of the activity. However, the university may share in the match as part of developing a new relationship or where there are potential follow on research or development funds should the project prove successful.

There are NO revenue sharing requirements associated with the Industry & Economic Engagement Fund.

Selection Criteria

- Impact on profitability, competitiveness and/or growth of participating companies
- Impact on private sector relevance of associated university programs and personnel
- Impact on entrepreneurial training of students and faculty
- Evidence of private sector demand and support

TALENT RETENTION & ENTREPRENEURSHIP EDUCATION FUND

Awards will foster entrepreneurial educational, faculty development, resources and programs. The intent of this fund is to advance knowledge of entrepreneurial principles and practices among multiple student and faculty constituencies and to advance a culture of technological innovation and entrepreneurship in Michigan.

- Examples include entrepreneur-in-residence programs; projects designed to increase the effectiveness of the university tech transfer office; internships with economic development agencies, venture capital and other fund managers, start-ups, tech transfer offices; **new & innovative** courses/curricula and boot camps; developing new internship program, interdisciplinary collaborations; etc.
- Entrepreneur-in-residence proposals are intended to support hands-on, active participation with students outside the classroom (vs. salary support for standard course load)

Funding Limitations

- Awards are capped at \$100,000
- A 50% match is required and may be made up of any combination of the following types of funds, assuming the expenditures were made in the six months prior to the proposal date:
 - Universities will be credited with 20% of the amount awarded towards the match as a Facilities and Administrative cost (overhead) to acknowledge the contribution of infrastructure costs that cannot be specifically attributed to a single project
 - Cash
 - In-kind match of staff (e.g., consultants, technicians, programmers), supplies, equipment, facilities and other necessary resources above and beyond that normally expended by university personnel
- Matching funds can come from any one or a combination of the following sources:
 - Recipient institution
 - Investors
 - Commercial partner (service providers, corporations, etc.)
 - Customer
- The university will be providing the match most often, but in some instances, there may be a contribution from an industry partner that is benefiting from the placement of students or faculty in their business.

There are NO revenue sharing requirements associated with the Talent Retention & Entrepreneurship Education Fund.

Selection Criteria

- Sustainability of proposed program
- Innovative approaches that expand success of entrepreneurial education/experiential learning
- Number of students involved in activities and likelihood involvement will lead to employment in Michigan's innovation economy
- Potential to increase faculty or student entrepreneurship
- Private sector commitment to participate in program or project