



Third Frontier
Innovation Creating Opportunity

Ohio Third Frontier Incubation Program (FY 2014)

Final Reviewer's Report

December 11, 2013

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The UVG logo consists of a horizontal row of seven circles. The first three circles are blue, the fourth is dark grey, and the last three are light grey.

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1 EXECUTIVE SUMMARY

The Ohio Third Frontier (OTF) Incubation Program is funded to award up to \$8 million in grants to 8 to 14 applicants. Lead Applicants may select one of two possible funding options. Under Option 1, Operating Funds are available for up to \$500,000 and under Option 2, Operating Funds and Technology Tenant Client Awards up to \$600,000 are available.

FY 2014 may represent a critical inflection point where promising incubators establish foundations for future success in the OTF program, while less successful incubators fail to transition to OTF’s vision.

The OTF Incubation Program supports incubators that provide intensive entrepreneurial assistance, resources, access to capital and high-quality facilities to Ohio’s early-stage technology companies. Prior to the OTF

Incubation Program, some incubators in Ohio received funding under the Edison Technology Incubator Program. The transition to the OTF Incubation Program includes rising expectations and performance standards compared with the former Edison program. Reviews and funding recommendations have taken into account these rising expectations.

Of 15 applications received, 11 applicants were selected for funding totaling \$4,900,000 in State funds and \$3,799,500 of cost share. Of the requested State funds, \$3,700,000 is requested for operating funds and \$1,200,000 for tenant awards. Table 1 below lists individual funding recommendations.

Table 1: Incubation Program Funding Recommendations

Ctrl #	Lead Applicant - Recommended for Funding	Tenant Awards	Operating Expenses	Cost Share
14-201	TechColumbus, Inc.	\$200,000	\$400,000	\$400,000
14-202	Akron Development Corporation (AGBA)	-	\$500,000	\$500,000
14-203	BioEnterprise Corporation (BioE)	-	\$350,000	\$426,000
14-204	Lorain County Community College (GLIDE)	-	\$350,000	\$350,000
14-206	Mansfield-Richland Incubator, Inc. (Braintree)	\$200,000	\$250,000	\$250,000
14-207	Hamilton County Business Center, Inc. (HCBC)	-	\$500,000	\$523,500
14-209	The Youngstown Edison Incubator Corp. (YBI)	\$200,000	\$250,000	\$250,000
14-210	Dayton/Miami Valley Entrepreneurs Center, Inc. (TEC-Dayton)	\$200,000	\$250,000	\$250,000
14-211	MAGNET	\$200,000	\$250,000	\$250,000
14-213	University of Toledo (UT) (Launch Pad)	\$200,000	\$250,000	\$250,000
14-214	Ohio University Innovation Center (OUIC)	-	\$350,000	\$350,000
Total		\$1,200,000	\$3,700,000	\$3,799,500

Table 2: Incubation Program Proposals Not Recommended for Funding

Ctrl #	Lead Applicant – Not Recommended for Funding
14-208	North Central Campus for Emerging Technologies (NCC-ET)
14-215	Todd Goldstein (LaunchHouse)
14-216	Muskingum County Business Incubator (MCBI)
14-217	Cintrifuse

Collectively, the community of Ohio incubators represents a strong network of service providers for Ohio early-stage companies. A diverse set of resources and industry focus provides numerous options for technology tenants. Multiple impressive economic outcomes were noted, including job creation and revenue generation. The reviewers noted particular strengths in the commitment and leadership of the incubators. Northeast Ohio incubators also demonstrated laudable cooperation, enabling them to offer a more comprehensive collection of services than they could offer individually.

The reviewers noted common weaknesses among many applicants such as a lack of formalized, documented processes for advancing tenants and inadequate tracking of tenant metrics. Applicants’ written proposals frequently did not meet expectations for quality and thoroughness, although oral interviews successfully addressed many issues. It is highly recommended that applicants address these shortcomings in any future requests for funding.

Overall, Ohio’s incubator community is striving to meet the new, higher standards of the OTF Incubation Program, but has not yet demonstrated reaching this goal. Fiscal year (FY) 2014 may represent a critical inflection point where successful incubators establish foundations for future success, while less successful incubators struggle to transition to the new OTF vision.

1.1 Reviewer Conflict of Interest

Although no current conflicts of interest were identified with any reviewers, past financial relationships were identified between individual reviewers and two applicants (TechColumbus and Ohio University). For these applicants, reviewers that have no past relationship with these applicants were selected to perform the review and make funding recommendations. Reviewers with past relationships with these applicants were recused from the evaluation and recommendation process. In each case, discussions of any content related to the two applicants were held in confidence from the identified reviewers.

2 INCUBATION PROGRAM DESCRIPTION

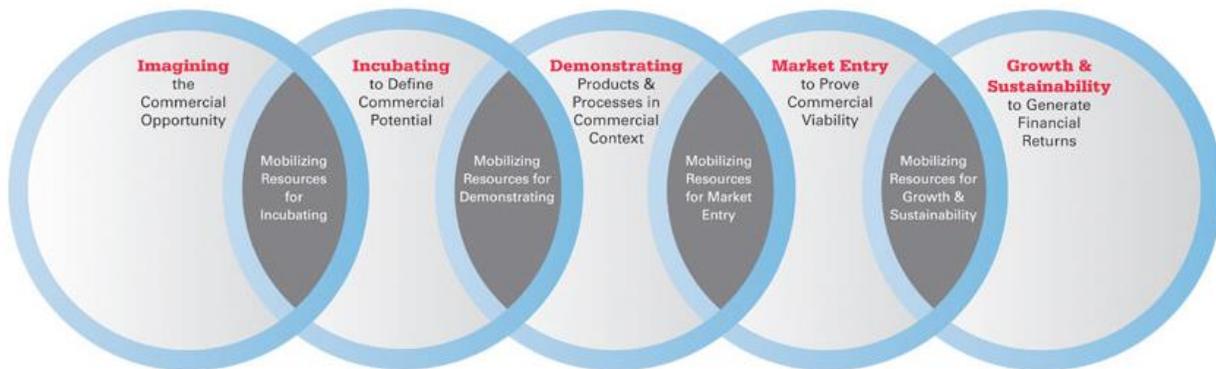
2.1 Purpose

The OTF Incubation Program supports early-stage technology companies and Ohio’s entrepreneurial ecosystem by reducing the time required for companies to achieve meaningful

economic impacts in Ohio. The Incubation Program supports incubators that provide intensive entrepreneurial assistance, resources, access to capital, and high-quality facilities. In addition, supported incubators must meet a market need for such assistance that is validated by a robust tenant pipeline. By supporting incubators in geographic and industry areas with significant market need, the OTF Incubation Program facilitates development of Ohio technology companies. The Incubation Program is primarily intended to facilitate efficient graduation rates of incubator technology tenant companies into thriving, self-sustaining, job-creating members of Ohio business communities.

Prior to the OTF Incubation Program, some incubators in Ohio received funding under the Edison Technology Incubator Program. The new OTF Incubation Program represents a departure from the former Edison program in several ways, including the introduction of Technology Tenant Awards, and direct reference to the OTF Technology Commercialization Framework (Figure 1). The Ohio Development Services Agency (ODSA) and the reviewers recognize that complete alignment with the OTF Incubation Program vision may require some time. The reviews and funding recommendations have taken this into account by articulating expectations and recommendations for some programs to implement significant changes to align with the new OTF program.

Figure 1: The Ohio Third Frontier Commercialization Framework



2.2 Goals

The goals of the Incubation Program are to: 1) assist Ohio-based technology companies in moving efficiently and effectively through the Commercialization Framework, providing intensive entrepreneurial assistance, access to capital, high-quality facilities and other resources; and 2) encourage graduation of tenants into self-sustaining, job-creating members of Ohio communities.

2.3 Eligible Applicants

The Lead Applicant must be an existing Ohio technology incubator. Prior financial support under the Edison Technology Incubator Program is not necessary to submit a proposal. The applicant should demonstrate current and prospective demand for the services from the community. It

should also show tangible support from the community. It should have active technology tenant clients at the time of proposal submission.

2.3.1 Technology Tenant Clients

A Technology Tenant Client (TTC) is an Ohio for-profit technology company in the Incubating or Demonstrating stage of the Commercialization Framework (Figure 1). A TTC must be a current incubator tenant (with a lease or other contract), have staff and operations located at the incubator and be receiving full entrepreneurial services. Clients that are in the Imagining stage and/or are receiving limited entrepreneurial services are not considered Technology Tenant Clients.

2.4 Funding and Cost Share

The OTF Commission has allocated up to \$8 million in grants through the Incubation Program. Two funding options are available under the program. Option 1 exclusively funds incubator operations, and Option 2 funds a combination of incubator operations and TTC awards. The program also makes a distinction between small and large incubators. Table 3 presents a summary of funding options available under the Incubation Program:

Table 3: Funding Options

	< 25 Technology Tenant Clients	25+ Technology Tenant Clients
Option 1:		
Incubator Operating Funds Only	Up to \$350,000	Up to \$500,000
Option 2:		
Incubator Operating Funds	Up to \$250,000	Up to \$400,000
Technology Tenant Client Awards	\$200,000	\$200,000
Total Grant Finds	Up to \$450,000	Up to \$600,000

Applicants are given wide latitude regarding use of operating funds, although expenditures for direct tenant support are favored.

2.4.1 Cost Share

Cost Share commitment must equal requested operating funds (1:1 match). Technology Tenant Client awards do not require cost matching. Cost share must be firmly committed, with no contingencies or conditions, and from known sources.

2.4.2 Term

Operating funds must be for twelve months, from January 1, 2014 to December 31, 2014. Tenant Client awards may extend beyond 12 months.

3 PROPOSAL EVALUATION RESULTS

Proposals were received from fifteen applicants. An initial compliance check was performed on each. Of the fifteen proposals received, fourteen proposals were found to be substantively responsive to the OTF Incubation Program and therefore recommended to proceed to Stage 2 evaluation.

Table 4: Proposals Received and Stage 1 Recommendations

Ctrl #	Applicant	Recommendation
14-201	TechColumbus	Proceed to Stage 2
14-202	AGBA (Akron)	Proceed to Stage 2
14-203	BioEnterprise	Proceed to Stage 2
14-204	GLIDE	Proceed to Stage 2
14-206	Braintree	Proceed to Stage 2
14-207	HCBC (Hamilton)	Proceed to Stage 2
14-208	NCC-ET	Do Not Proceed
14-209	YBI (Youngstown)	Proceed to Stage 2
14-210	TEC-Dayton	Proceed to Stage 2
14-211	MAGNET	Proceed to Stage 2
14-213	UT (Toledo)	Proceed to Stage 2
14-214	OUIIC	Proceed to Stage 2
14-215	LaunchHouse	Proceed to Stage 2
14-216	MCBI (Muskingum)	Proceed to Stage 2
14-217	Cintrifuse	Proceed to Stage 2

For those applications that advanced to Stage 2, a detailed review of each applicant’s proposal was performed followed by an in-person interview. The application was evaluated according to a rubric developed based on the pre-established evaluation criteria outlined in Appendix 1: Evaluation Process and Criteria. Based on an initial review of the written submission, the reviewers catalogued strengths and weaknesses of the applicant. The reviewers contacted a selection of tenants and graduates of the incubator to gain their perspective on the character and types of services offered by the incubator. The reviewers then generated two lists of questions, one that was presented in writing prior to the interview, and a second that contained questions that were asked in live interviews with representatives of the Lead Applicant. Based on information provided during these interviews, the reviewers completed evaluation rubrics. Based on the merit review results, recommendations for funding were generated. The results of the review process are listed below (Table 5).

Table 5: Evaluation Findings and Funding Recommendations

Ctrl #	Applicant	Stage 1 Review	1	2	3	4	5	6	7	Funding Recommendation
14-201	TechColumbus	Pass	↗	↗	↗	→	↗	→	↑	Fund
14-202	AGBA (Akron)	Pass	↗	↗	↗	→	↗	↗	↗	Fund
14-203	BioEnterprise	Pass	↗	↗	↗	↗	↗	→	↑	Fund
14-204	GLIDE	Pass	→	→	→	→	→	→	→	Fund
14-206	Braintree	Pass	→	→	→	↘	↘	→	↗	Fund
14-207	HCBC (Hamilton)	Pass	↗	↑	↑	↑	↗	↑	↗	Fund
14-208	NCC-ET	Stop								Do Not Fund
14-209	YBI (Youngstown)	Pass	↑	↗	↗	↑	↑	↗	↗	Fund
14-210	TEC-Dayton	Pass	→	→	↗	↘	→	→	↗	Fund
14-211	MAGNET	Pass	→	→	↗	→	→	→	→	Fund
14-213	UT (Toledo)	Pass	→	→	→	↘	→	→	→	Fund
14-214	OUIIC (Ohio University)	Pass	↗	↗	↗	↗	↗	↗	↑	Fund
14-215	LaunchHouse	Pass	↘	↘	→	↗	↓	↓	↓	Do Not Fund
14-216	MCBI (Muskingum)	Pass	↘	↘	↘	↘	↓	→	↓	Do Not Fund
14-217	Cintrifuse	Pass	↓	↘	↘	↗	↓	↓	→	Do Not Fund

Criteria:

1. Overall Strategy of the Incubator
2. Entrepreneurial Assistance and Client Management
3. Environment, Resources, and Facilities
4. Technology Tenant Pipeline
5. 5-Year Portfolio, Graduate Track Record, and Tenant Case Studies
6. Experience and Qualification of Incubator Team
7. Budget and Cost Share

Legend:

- excellent
- good
- acceptable
- poor
- unacceptable

3.1 Summary of Proposals Recommended for Funding

3.1.1 TechColumbus, Inc. (14-201)

Project Summary

TechColumbus, Inc., is a not-for-profit 501(c)(3) corporation formed in 2005 that also manages the Central Ohio ESP. TechColumbus is a venture development organization based in Columbus, Ohio serving the fifteen county central Ohio region. TechColumbus’ singular focus is the region’s entrepreneurial economy. It has three core elements to its model: venture acceleration services, direct investment capital, and the central Ohio Incubator, named SpringBox Labs. The incubator currently houses 28 technology-based startup companies.

TechColumbus is requesting Option Two, using \$400,000 OTF funds toward operating expenses and \$200,000 directed toward direct support of the most promising high-growth tenant companies. Cash cost share has been identified from rents and community partners to fulfill the required \$400,000 match for a total \$1,000,000 project budget for calendar year 2014.

It is important to note that TechColumbus has had significant changes since August 2012, including the arrival of a new CEO. After recruiting and installing an entirely new management team, CEO Tom Walker made key changes to improve operations, accountability, reporting and overall effectiveness. Coincident with this management transition was the focus on entrepreneurial support and the transfer of its membership organization to the Columbus Chamber of Commerce.

Among its previous five-year successes, TechColumbus has assisted 75 startup companies leading to over \$130 million in follow-on professional investment and over \$193 million in product sales. Most importantly, resulting in the 536 Ohio jobs.

Incubator Strategy

TechColumbus provides many different levels and types of support to new tech companies. TechColumbus is unique in that they are one of the only organizations in Ohio that provides incubation, ESP services, concept, pre-seed, angel investments and support for another accelerator. This provides a unique advantage to seamlessly deliver services to tech entrepreneurs at every stage of development and maximizes TechColumbus' ability to leverage resources efficiently.

One of the specific strengths of TechColumbus is the capital assistance it provides to tenants. TechColumbus provides access to capital ranging from concept, pre-seed and seed funds, angel investors, and affiliated venture capital and strategic investors to help qualified clients reach their business objectives. TechColumbus manages the TechColumbus Concept and Catalyst (Pre-Seed) Funds, and the Ohio TechAngel Funds. Concept funding ranges from \$25k-\$100k and is used for prototyping, design, testing or market validation work.

While this 'soup to nuts' model does provide virtually all the services a new startup company could engage to be successful, the past results provide room for improvement. The reviewers noted somewhat lengthy tenant stays. This may be due, in part, to the pre-2012 model and addressed by the change in management and focus.

Entrepreneurial Assistance and Client Management

TechColumbus provides an impressive and well-targeted array of services to tenant entrepreneurs, some of the more creative and noteworthy include (1) CFO Residence Program – to help with financial modeling and positioning for fundraising; (2) Marketing and PR Services – to generate sales leads and investor interest; and (3) Expert Network Services – to provide access to domain expertise and networks of professional services.

TechColumbus has also developed a strong set of selection criteria for prospective tenants and a formal application and screening process. The TechColumbus advisors and mentors meet with the individual tenants to develop milestones and goal setting using metrics such as: completion of a prototype, demonstration with beta customers, development of a strategic partnership, capital access plan and progress, addressing gaps in the team, product plan, and accessible markets.

Strategy, selection, metrics and process for Technology Tenant Client Awards seem to be fairly well thought out.

The reviewers noted that tenant departure stemmed more from self-selection rather than a defined graduation strategy.

Environment, Resources, and Facilities

There are some issues, noted by TechColumbus, in the physical facilities. The SpringBox Labs facility and infrastructure are over 12 years old. There needs to be investment in infrastructure. This is recognized by TechColumbus, and there is a short discussion of potential upgrades in the application. Given the level of rent and occupancy in the facility, the resources should be available for these planned upgrades.

Technology Tenant Pipeline

The tenant pipeline appears to be adequate at the present time and set for growth in the future. New programs are proposed. In the specific focus areas, there appears to be a strategy. For example, in the health sciences area, strong partnerships currently exist between TechColumbus and research institutions including OhioHealth, Ohio State University Wexner Medical Center, and Nationwide Children's Hospital. In other areas, such as information technology and advanced materials, there is deal flow suggested from companies, including IBM and Ashland Chemical.

5-Year Portfolio, Graduate Track Record, and Tenant Case Studies

The results presented are somewhat confounded by the management change at TechColumbus in 2012. As many of the people and programs have changed, it is difficult to have a truly accurate 5-year portfolio. Among its previous five-year successes, TechColumbus has assisted 75 startup companies leading to over \$130 million in follow-on professional investment and over \$193 million in product sales. Most importantly, the efforts of TechColumbus have resulted in creation of 536 Ohio jobs. Tenant interviews also substantiated the impact and value to tenants of the range of business support services offered by TechColumbus.

Experience and Qualification of Incubator Team

The incubator management team is the least experienced of the TechColumbus teams giving assistance to companies and entrepreneurs, but they have a strong performance record substantiated by tenant and the applicant interviews. The venture advisor team is well-suited to provide mentorship and business advice to tenant companies. The investment team is the most seasoned with a combined 70 years experience in direct, early stage investment. There are also associated individuals providing financial guidance and other support. External operating and advisory board support is also noted.

Budget and Cost Share

TechColumbus is requesting Option Two, using \$400,000 OTF funds toward operating expenses and an additional \$200,000 directed toward direct support of the most promising high-growth tenant companies. Cash cost share has been identified, from rent revenue (which has been greater than \$600,000 in past years) and from committed yearly funds from The Ohio State University, totaling \$600,000. Cost share is appropriately and clearly documented.

Overall Merit and Recommendations

Ctrl #	Applicant	Stage 1 Review	Merit Criteria							Funding Recommendation
			1	2	3	4	5	6	7	
14-201	TechColumbus	Pass	↗	↗	↗	→	↗	→	↗	Fund

Funding is recommended for TechColumbus, Inc. While TechColumbus and its incubator, SpringBox Labs, have a proven track record of success, the recent management change and focus on startups and entrepreneurs give it a high likelihood of continued success. The team is seasoned and has experience in many aspects of company incubation and support. The relationships with local companies and research institutions provide a rich pipeline of potential tenant companies, and TechColumbus is unique in the level of services and early stage investment it can provide to a new technology company.

3.1.2 Akron Development Corporation (AGBA) (14-202)

Project Summary

The Akron Global Business Accelerator (AGBA) maintains a 310,000 square foot facility in downtown Akron, supporting incubation services to biomedical, materials, and software companies. AGBA requested \$500,000 in funding matched by \$500,000 in cash from the Akron Development Corporation.

Incubator Strategy

AGBA articulated a methodical, robust process for working with TTCs, although tenant interviews suggest the process is not uniformly applied. AGBA offered substantive examples of milestones and examples of how it supported TTCs in reaching commercialization milestones. The incubator focuses on a range of technology areas consistent with the OTF, has a firm understanding of the Commercialization Framework, and is focused on supporting client technology commercialization guided by the Framework. AGBA has appropriate emphasis on local capital access. While AGBA is in an industry-rich region, the reviewers observed there is little emphasis on partnership with local industry, especially those aligned with AGBA technology focus areas.

Perhaps a consequence of AGBA’s very large facility, AGBA does not appear to have a strong emphasis on graduation. A number of long-term clients (3 TTCs with over 100 months of tenancy) are shown by AGBA to still be in the early stages of commercialization, albeit with significant revenues and employment. Multiple TTC residencies exceed AGBA’s stated expected tenure. The average incubation time for IT graduates, for instance, is 72 months; well above AGBA’s stated target of 24 to 36 months. The introduction of the Technology Company Acceleration (TCA) program may improve these metrics, with specific metrics defined for graduation and added entrepreneur-in-residence (EIR) focus on graduating long-term tenants.

Entrepreneurial Assistance and Client Management

AGBA provides comprehensive resources to its tenants. It has developed, or is in the process of developing, a series of customized support programs. These include the Technology Bridge Program, Bit Factory, and Fab Lab for Prototyping.

AGBA has developed relationships in the region and more broadly that attract talent and help build a world-class incubator. Access to capital sources is well developed in the region, and AGBA manages its own Bioinvestment fund. Access to capital appears to be substantial (\$86M in investment over 5 years), primarily through regional sources. AGBA has a network of EIRs, each supporting 5-7 clients through the TCA program and incubator framework. A support system (e.g., legal services through Akron SEED, software support) supplements AGBA internal resources, including addressing a perceived gap in branding and marketing by partnering with local firms.

Weaknesses noted were minor, including infrequent (quarterly) reporting, and unclear intensity of engagement with tenants.

Environment, Resources, and Facilities

AGBA supports a massive facility and provides suitable space while directly supporting client services. Resources are being added to support TTCs (Bit Factory, Fab Lab), including installed infrastructure for advanced materials and medical technology (e.g., fume hoods, chemical stations). The facility was described as an asset in tenant interviews.

Technology Tenant Pipeline

AGBA is a well-established 'bedrock' resource, well-known in Akron. AGBA's existing portfolio appears to be robust, with good employment and revenue/investment. A substantial majority of graduates have remained in Ohio. Case studies and numbers that suggest "big wins" have been provided. AGBA maintains strong connections with the local ecosystem as well as some international sources of applicants through their outreach program (AGBA has attracted 4 international TTCs). However, only 10% of leads come from research institutions, which may be underdeveloped in some of the areas AGBA targets (e.g., advanced materials, biomedical).

Despite strong regional connections, a larger strategy for gaining exposure to the incubator and its resources is underdeveloped. AGBA offered no vision or compelling plan to raise its profile as a regional incubator. Current applicants are primarily referrals from AGBA's existing network, and deal flow does not appear to be particularly robust, with only 14 applicants in 2012. AGBA is taking steps to address this, but those steps are not particularly innovative (social media, some recognition in local media). The international relationships appear to be a strength, but the incubator is not currently garnering the attention that leveraging its successes might merit.

5-Year Portfolio, Graduate Track Record, and Tenant Case Studies

AGBA's 5-year portfolio results appear to be impressive in terms of both investment and employment, although AGBA's focus appears to be on comparatively slow-growth, low-risk opportunities. Case studies and examples provide substantive evidence of AGBA support. AGBA's performance goals seem realistic given AGBA's existing pipeline. Although connectivity to large capital sources is limited, AGBA's connections with smaller, regional sources of capital is strong

(Bioinvestment Fund, loans). AGBA has several tenants with very long stays, but articulated several processes to increase graduation rates and reduce incubation time.

Experience and Qualification of Incubator Team

AGBA’s has a long history of successful incubator operation and an established management team. Recent EIR hires fill a potential gap in access to grant funding that should benefit some AGBA tenants.

Weaknesses noted were minor. The team’s entrepreneurial expertise is qualitative in nature and lacks specific track record detail; the team has an unclear track record of support beyond their own businesses. Likewise, the extended support network was not well detailed.

Budget and Cost Share

AGBA’s budget and cost are reasonable and appropriately documented. Cost share is sourced from cash reserves and was accompanied by an appropriate letter of commitment. Funds primarily support client services. AGBA’s facility is city owned and operated by AGBA without rent or debt payments.

Overall Merit and Recommendations

Ctrl #	Applicant	Stage 1 Review	Merit Criteria							Funding Recommendation
			1	2	3	4	5	6	7	
14-202	AGBA (Akron)	Pass	↗	↗	↗	→	↗	↗	↗	Fund

Funding is recommended for AGBA. AGBA offers a valuable resource to regional entrepreneurs through experienced management and state-of-the-art facilities. The TCA framework and tangible evidence of milestone-based tenant support was deemed strong. AGBA is well-aware of changes in direction of the OTF Incubation Program, and seems to have responded and truly believe this extra level of support can offer tenants additional benefits.

AGBA also appears to be well-aware of TTC needs, and is in the process of addressing gaps in its service and adding new customized facilities. AGBA’s ability to assist its clients through a regional network of investors and resources are substantiated by strong results, but capital access is more appropriate for the Incubating-Demonstrating transition.

Employment, revenues, and access to capital are strong. The facility is owned by the city, which is a significant asset and strength for AGBA. Graduate revenues and employment is strong, as is AGBA’s ability to retain their graduates in Ohio.

Deal flow is a concern with only 14 applications received in 2012. A more proactive approach to marketing the more significant successes of the incubator may assist in attracting additional applicants from research institutions. International relationships have also been established that have resulted in significant applicant deal flow from overseas (4 matriculating in the incubator).

Tenant stay is longer than ideal but, owing to the size of the AGBA facility, does not appear to be preventing acceptance of new tenants. The new TCA framework has clear graduation criteria that will help to lower tenancy times.

3.1.3 BioEnterprise Corporation (14-203)

Project Summary

BioEnterprise Corporation (BioE) is located in Cleveland, near the campuses of Cleveland Clinic, University Hospitals, and Case Western Reserve University. The existing incubator is a component of the larger BioEnterprise organization that is focused on supporting the attraction and development of healthcare companies in northeast Ohio. BioE provides 18,890 square feet of specialized lab space and 5,592 square feet of conventional office space to its tenants.

The application requests \$350,000 of OTF funds to support a total project budget of \$776,000. The bulk of requested funds are directed to personnel delivering entrepreneur support services and facility operations and maintenance. BioE provides cost share of \$426,000, sourced from tenant rent.

Like the parent organization, BioE is focused on the healthcare industry, specifically pharmaceuticals, medical devices, and healthcare IT. The application presents past successes including \$148 million in professional investment, \$42 million in non-state grants, and \$95 million in product revenue.

Incubator Strategy

BioE has adopted a strong overall strategy with a clear industrial focus and services that support that strategy. The BioEnterprise incubator focus aligns with local strengths in the healthcare industry. BioE employs business development and regulatory experts in pharmaceuticals, medical devices, and healthcare IT, and supports its tenants with expertise in accessing available grant funding (SBIR, NIH, and others) as well as from angel and venture capital sources. Close affiliation with leading northeast Ohio hospital and research institutions is the source of many potential incubator tenants.

The reviewers noted a somewhat *ad hoc* approach to advancing tenant commercialization resulting in lengthy tenant stays. The applicant described an increasing focus on setting and achieving milestones for tenant companies. The reviewers recognize the strength of the existing incubator, and further note additional emphasis on graduation or exit of slower tenants might enhance alignment with the OTF Incubation Program.

Entrepreneurial Assistance and Client Management

BioE provides an impressive and well-targeted array of services to tenant entrepreneurs, including (1) management counseling, including insurance reimbursement and specialized health care distribution systems; (2) clinical support; (3) business development; (4) specialized services, including local technical equipment, manufacturers, contract research organizations, regulatory, IP, and accounting; and (5) capital access. Since tenants pay market rates for incubator lab space, it is the BioEnterprise services and network that attract tenants. While BioE maintains a strong array of resources for its tenants, it has not framed these resources within a process based on the OTF Commercialization Framework or that helps to explicitly highlight and address barriers to commercialization. The tenant graduation process similarly lacks definition. The reviewers noted that tenant departure stemmed more from self-selection rather than a defined graduation strategy.

Environment, Resources, and Facilities

BioE hosts only healthcare tenants in pharmaceutical, medical device and healthcare IT. Tenants are charged market rates for lab space to avoid undercutting local healthcare lab facilities. The physical and community environment is appropriate for the specialized needs of healthcare startups. The specialized lab resources available are a critical and enabling resource provided by the incubator. Because of their shared OTF cluster focus, tenants can create a community of interest and potentially help each other.

Technology Tenant Pipeline

Although the pipeline supporting BioE appears to be adequate, BioE is still implementing a formalized process for outreach and intake. BioE draws over 50% of its tenants from research institutions, which the reviewers judge as appropriate for its specialized technology focus area, but also as evidence of weak marketing efforts. The number of applicants is not tracked, but the applicant estimates 200 “opportunities” were evaluated last year. No fixed timing or process exists to drive deal flow from BioE collaborators. Outreach programs maintain tenancy, but BioE may consider dedicating more energy on attracting high quality tenants from outside Ohio. Tenant selection criteria are consistent with OTF Incubation Program goals, emphasizing market opportunity and match between incubator facilities and potential tenant needs. However, BioE did not present a formal tenant selection process, which the reviewers suggest would be needed to support a more intense marketing effort directed to potential tenants.

5-Year Portfolio, Graduate Track Record, and Tenant Case Studies

BioE presents a strong track record of economic impact with impressive case studies, but suffers from a lack of emphasis on tracking metrics. BioE case studies are substantive and demonstrate significant assistance from BioE. The reviewers found that access to capital supported by BioE is particularly impressive. Tenant interviews also substantiated the impact and value to tenants of the range of business support services offered by BioE.

The capital access record shows over \$147M in professional investment, \$95M in product sales, and \$42M in non-state grants reported during the last five years. These achievements show engagement by both national and regional investors. Moreover, the portfolio is balanced and these numbers have impacted multiple clients versus one or two “big wins” that skew the reported metrics. Employment in Ohio is strong for an incubator of BioE's size, with 119 current employees reported. Access to non-dilutive grant funds is also strongly supported, although reductions in Federal funding have begun to negatively impact these results.

Poor tracking found in the application process was also manifest in inconsistent tenant tracking and metrics. The reviewers encourage BioE to develop and report appropriate key performance indicators and other metrics for tenants.

Three tenants have relocated outside of Ohio, representing 30% of graduates. An opportunity exists for BioE to develop approaches to counteract the pressures on tenants to relocate outside of the State, particularly related to capital access and local customer and supply chain networks.

Experience and Qualification of Incubator Team

Of the 18-member BioEnterprise team, three are committed to entrepreneurial services. These individuals appear experienced and well qualified to provide strong support to tenants. Support staff who work with tenants have less clear qualifications. BioE also supports a network of external resources supporting tenants. The BioEnterprise manufacturing extension program (MEP) (for prototyping and manufacturing), Health Research International (market research), G2G Consulting (lobbying and access to federal funds) and Biotechnology Business Consultants (NIH SBIR programs) bring critical expertise to tenant companies. The incubator has maintained its operations and service levels despite a recent leadership change, offering further evidence of a sustainable program.

Budget and Cost Share

BioEnterprise requests \$350,000 to support their incubator budget of \$776,000. Cost share of \$426,000 is provided by BioEnterprise, which is sourced from tenant rent. The use of funds is adequately detailed and appropriate for the OTF Incubation Program. Cost share is appropriately and clearly documented.

Overall Merit and Recommendations

Ctrl #	Applicant	Stage 1 Review	Merit Criteria							Funding Recommendation
			1	2	3	4	5	6	7	
14-203	BioEnterprise	Pass	↗	↗	↗	↗	↗	→	↑	Fund

Funding is recommended for Bio Enterprise Corporation. BioE has a clear health care focus supported by appropriate business and capital resources and expert networks. BioE has documented multiple substantial commercial successes that have brought meaningful positive economic impact to Ohio. BioE is a key contributor to the health care industry cluster in Northeast Ohio. BioE maintains an impressive and appropriate array of support resources that directly address healthcare commercialization barriers, including regulatory, clinical, technical, and market areas. BioE facilities are a significant strength, and are tailored to each individual tenant company. The facility is operating near capacity. The strengths of BioE outweigh its weaknesses in pipeline, process definition, and tracking of metrics.

3.1.4 Lorain County Community College, Great Lakes Innovation and Development Enterprise (GLIDE) (14-204)

Project Summary

GLIDE is the incubator hosted by Lorain County Community College (LCCC) in Elyria, Ohio. GLIDE requests \$350,000 in State funds supporting an incubator budget of \$700,000. Cost share of \$350,000 is provided by LCCC, allocated from the general funds of the College. GLIDE has a long history of operation and is well connected with other NE Ohio incubators. GLIDE is augmenting its current offerings with technology transfer capabilities and a business model development framework.

Incubator Strategy

GLIDE has historically focused on general business startup and initial growth, rather than on technology business and transitions through the OTF Commercialization Framework. The reviewers noted a particular focus on tenant graduation. Several recent developments suggest the leadership of GLIDE is making serious efforts to transform towards an OTF-aligned, technology-centric incubator, including technology transfer and the LCCC Innovation Fund. Capital access appears adequate, with particular emphasis on the LCCC-managed Innovation Fund. Support for tenant companies is tangible, but is largely *ad hoc*.

Entrepreneurial Assistance and Client Management

The incubator has a documented process for tenant management and monitoring. This includes structured tenant education, goal setting, and tracking. GLIDE has also performed Voice of Customer exercises with tenants, developed websites, and assisted with rapid prototyping.

GLIDE has adopted Salesforce as a tenant-tracking tool, and reports improvement in the team's ability to coordinate and track tenant progress. Goal setting and tracking are a part of the tenant management plan implemented at the incubator.

The reviewers are concerned with the level of intensity of tenant engagement. The application identifies 20 current resident tenant companies, and 27 non-tenant clients. With a staff of three, and more than half of the clients as non-tenants, the intensity of engagement with any client appears to be low.

Capital access remains local, without access to national investment sources except through other NE Ohio regional partners. GLIDE manages the Innovation Fund, a source of local seed capital to tenants and other companies.

GLIDE takes advantage of regional assets, fully participating in the JumpStart network and utilizing the resources of its home institution, LCCC. Examples of participation in the JumpStart network include participation in weekly coordination of leads among the network, and providing Innovation Fund grants to tenants of other network members. Examples of use of LCCC resources are using students to develop websites for tenant companies and access to the Desich Center.

Environment, Resources, and Facilities

GLIDE makes the most of its home base at LCCC by integrating use of faculty, facilities, and students as interns into incubator operations. The Desich Smart Commercialization Center for Microsystems provides unique access to micro-electro-mechanical systems (MESMS) and sensor packaging infrastructure. The physical facility consists of 18,900 square feet of tenant client office space, supporting a maximum of thirty tenants. Occupancy is modest, with approximately 50% of the space occupied.

Technology Tenant Pipeline

The tenant selection process lacks reference to specific prospective tenant characteristics, instead referring to coachable applicants, job creation potential, and other vague attributes. Participation in the JumpStart network pipeline coordination group helps maintain visibility and access to a

pipeline richer than would be likely through GLIDE-only outreach efforts. This region-wide coordination was noted among all NE Ohio incubators, and enhances all in serving the entrepreneurs of the region. The GLIDE-specific marketing efforts appear to reside largely in participation in regional entrepreneurial events.

5-Year Portfolio, Graduate Track Record, and Tenant Case Studies

Case studies and the 5-year portfolio demonstrate modest success in job creation and revenue with eight graduates during that period. There is concern regarding the incubator’s tracking of recent graduates, as only four show reported revenue. Total graduate revenue is \$11 million, but 80% of that total is from a single graduate. Equity investments in the same collection of graduates are \$14 million, again with significant concentration in two companies (\$8.7 million and \$3.3 million).

The pipeline presents consistent advancement in the framework for graduates and current tenants. A lack of discipline in consistent and thorough metric tracking is highlighted in the pipeline, as many entries lack information for revenue and employees. During 2014, the reviewers observe that more diligence will be required to substantiate incubator impact on technology tenants.

Performance metrics are modest as well. The stated incubator goals for revenue seems consistent with prior performance, at \$500,000. However, the goal for \$2 million in professional investment appears aggressive for this incubator.

Experience and Qualification of Incubator Team

The GLIDE team dedicated to the incubator consists of three individuals. Two other GLIDE team members are dedicated to the Innovation Fund. The team includes an appropriate combination of entrepreneurial and technical backgrounds in retail and materials product research and development. Together they appear to make a strong leadership team for GLIDE. The reviewers held some concern for incubator continuity, encouraging a greater focus on process definition, metric collection, and monitoring.

Budget and Cost Share

The budget detail indicates that funds are primarily used for GLIDE staff salaries and fringe expenses. The primary supported activity is for direct client services. Additional detail is required to illustrate that Innovation Fund operations are not paid for through Incubator Program funding. Cost share is unrestricted cash from LCCC and is adequately documented.

Overall Merit and Recommendations

Ctrl #	Applicant	Stage 1 Review	Merit Criteria							Funding Recommendation
			1	2	3	4	5	6	7	
14-204	GLIDE	Pass	→	→	→	→	→	→	→	Fund

Funding is recommended for GLIDE. GLIDE has served the startup community consistently as an Edison Incubator, and has begun the transition to a more OTF-aligned incubator. GLIDE’s track record of serving its community of tenants has resulted in a collection of companies generating consistent revenue and Ohio jobs.

3.1.5 Mansfield-Richland Incubator, Inc. (Braintree) (14-206)

Project Summary

The Mansfield-Richland Incubator, Inc., DBA Braintree Business Development Center, has provided important support for entrepreneurs in this rural and severely economically stressed community for the past 25 years. Braintree requested \$250,000 in operating support and \$200,000 in direct tenant assistance grants. A \$250,000 cost share will be provided from existing cash reserves.

Incubator Strategy

Overall, the incubator strategy appears largely aspirational. Braintree has begun to adopt metrics and goal setting directly referential to the OTF Commercialization Framework. This clearly shows intent to transition from general business incubation to the technology-focused OTF vision for incubation. Braintree has adopted the established business growth model, GrowthWheel. Metric tracking for incubator tenants is identified without reference to systems or processes that will support this critical function.

The reviewers are concerned that Braintree lacks understanding and capacity to offer support for the broad array of technologies identified in their RFP response. Agribusiness and food processing, business software applications, advanced manufacturing, sensing and automation systems, situational awareness and surveillance systems, alternative energy and solar photovoltaics are all identified as incubator foci.

Entrepreneurial Assistance and Client Management

Identified tenant services (Business Strategy, Business Concept, Business Organization, Customer Relations and Operations) are directed towards basic business strategy and tactics, enhanced by highly targeted infusions of grant and debt capital. Braintree has established small funding programs, such as its Appleseed Microfinance program and Tech Sprout program, which are available at very early stages in a business' development. Braintree's application emphasizes goal setting within the Commercialization Framework.

Some identified tenant resources (e.g., the local high school for prototype development, and community college students for product design assistance) may need to be augmented by more mature resources, to be identified by the incubator. Correct concepts are frequently used when describing incubator operations, (e.g., typical milestones, planning for graduation), the operational transition within the incubator will require continued, focused effort.

Environment, Resources, and Facilities

Braintree operates a physically large incubator located in downtown Mansfield. The entire facility is over 61,000 square feet, with 40,150 dedicated to TTCs. The physical plant includes industrial loading bays, but its use appears limited to general offices space for tenant clients. The application roster of current tenants includes six companies, although Braintree representatives stated that three new tenants have recently enrolled.

Technology Tenant Pipeline

Braintree reported four applicants during 2012, of which three were accepted. Given the current reported occupancy of six tenants, the pipeline appears weak. Braintree stated a goal in 2014 of five technology clients, six applications, and four new tenants. The acceptance rate of 4 of 6 seems consistent with reported 2012 results. During the interview, incubator management identified additional clients that were recently added to the facility.

5-Year Portfolio, Graduate Track Record, and Tenant Case Studies

Results presented in the 5-year portfolio were modest. Current tenants employ eight people with a total payroll of \$180,000. Graduate firms employ 47, without reported payroll figures. Total reported revenue is \$7 million. Based on tenant case study anecdotal reports by the applicant during the interview, the reviewers conclude that Braintree is helping individual tenant companies to overcome obstacles and create small firms, some of them technical. The incubator alignment with OTF program objectives is not yet well developed.

The applicants have a clear understanding of the challenging nature of the Mansfield-Richland County economic environment, and that sources of highly technical startups are not typically found in their service area. During the interview, the applicants commented that because of Mansfield's location half way between Columbus and Cleveland, Braintree is ideally situated for potential technology clients that do not find a home in one of the technology incubators based north or south.

The region around Richland County has been hard hit by the loss of manufacturing, with the closure of the GM Ontario steel stamping plant in 2010 continuing to reverberate in the community. The positive impact of company and job creation, while modest in comparison with other OTF incubators, is comparatively more significant in this region.

Experience and Qualification of Incubator Team

The Braintree leadership team has expertise in conventional economic development, but little experience in technology businesses. They seem well-suited to support startup companies in an economically challenged region, but the reviewers do not see a strong alignment with the needs of a technology incubator. The application and interview did not present details describing local resources that will make up for the lack of technical expertise in the incubator. Resources based in the NE Ohio entrepreneurial ecosystem (i.e., the JumpStart network) are identified as a means to address this gap within the incubator.

Budget and Cost Share

Individual budget line items were deemed reasonable in amount and appropriate in purpose. The budget narrative was adequately detailed. A cost share amount of \$250,000 will be provided by the incubator from existing cash reserves.

Overall Merit and Recommendations

Ctrl #	Applicant	Stage 1 Review	Merit Criteria							Funding Recommendation
			1	2	3	4	5	6	7	
14-206	Braintree	Pass	→	→	→	↘	↘	→	↗	Fund

Braintree fills an important need in its community. The reviewers found adequate evidence to support that the incubator is beginning a transition to be better aligned with the OTF Incubation Program. Despite relatively weak past performance, Braintree expressed clear understanding of OTF Incubator objectives. The local need for economic development support is also compelling. For these reasons, funding is recommended for Braintree.

3.1.6 Hamilton County Business Center, Inc. (HCBC) (14-207)

Project Summary

The Hamilton County Business Center (HCBC) is an established incubator located in north central Cincinnati. HCBC is focused on building revenue-supported enterprises and creating firms that create jobs and stay in Ohio. HCBC is seeking \$500,000 for operating expenses, on a total incubator budget of \$1,023,500. Cost share in the amount of \$523,500 is sourced from tenant rent and service income.

Incubator Strategy

HCBC has a defining, unique focus on building revenue-supported enterprises rather than focusing on equity investment as a terminal incubation event. HCBC identified materials, instrumentation, IT, and advanced manufacturing as areas of focus, and acknowledged that its revenue focus means it does not exclusively concentrate on high-growth ventures. During the interviews, incubator management expressed the philosophy that stable, profitable companies created better jobs and were less likely to leave Ohio. Located in southwest Ohio, the incubator management was aware of the competitive threat of both nearby Kentucky and Indiana.

The incubator uses a well-defined, repeatable incubation process. HCBC management understands the vision for the OTF Incubation Program, and articulated plans to align itself with the OTF while maintaining its focus.

Entrepreneurial Assistance and Client Management

HCBC offers flexible space, administrative services, business coaching, mentoring, technical business assistance, and connectivity to the SE Ohio entrepreneurial community. A dedicated business coach is assigned to each tenant. HCBC provides an intense engagement during the initial 30 days of tenancy. HCBC and the new tenant establish short term (0-9 months), intermediate (9 to 24 months and long term goals (+24 months). During this initial 30 days, the business coach interviews the tenant to determine strengths and weaknesses, and then is responsible for working closely with the tenant to address those identified weaknesses.

HCBC offers access to a variety of investors as well as a “Morning Mentoring” program that provides coaching, presentation opportunities, feedback and introduction to angel investors for startup and

early stage entities. HCBC partners with regional resources to provide EIR access and technical guidance.

Environment, Resources, and Facilities

HCBC operates a large facility with diverse resources. Vacancy is higher than desirable, around 50%. Tenant office space can accommodate 60 tenants. Interviews with tenants indicated that there is a positive sense of community within the incubator. While it is substantially occupied by technology tenants, HCBC does not offer unique technical or other facilities.

Technology Tenant Pipeline

HCBC attracts tenants from a diverse set of sources, including academic, other regional entrepreneurial centers, investor groups, and even government agencies such as the US EPA regional office. A collection network of business professionals and intermediaries that remain aware of HCBC’s activities and strengths supports the pipeline. The incubator is actively engaged with the community, holding periodic open houses to encourage community involvement and awareness. It has maintained a long term relationship with the University of Cincinnati. This relationship has generated a number of technology startups. The track record and high profile of the incubator maintains an adequate tenant pipeline. Owing to the large unoccupied space HCBC maintains, a more robust pipeline would have direct benefits to HCBC’s metrics.

5-Year Portfolio, Graduate Track Record, and Tenant Case Studies

The 5-year portfolio is the key strength of HCBC. HCBC produces a steady stream of viable technology startup companies. The strength of HCBC is in generating revenue and employment. Current tenants have accumulated over \$30 million in revenue, an additional \$30 million in professional investment, and 140 jobs. Of 70 companies engaged by HCBC in the past 5 years, only 4 have left Ohio. Tenant companies demonstrate steady progress through the Commercialization Framework. Graduates spent an average of 48 months as tenants.

Experience and Qualification of Incubator Team

The leadership team now in place has an excellent track record of success, and has established a proven methodology and practice for growing strong technology companies. Robust, stable leadership and operating teams are supported by appropriate outside resources and a thoughtfully assembled Advisory Board.

Budget and Cost Share

The budget is appropriate for the size of incubator with the demonstrated ability to generate success. State funds are primarily dedicated to personnel. Cost share, in the amount of \$523,500, is in compliance with program requirements and 100% is from tenant rent income and professional services.

Overall Merit and Recommendations

Ctrl #	Applicant	Stage 1 Review	Merit Criteria							Funding Recommendation
			1	2	3	4	5	6	7	
14-207	HCBC (Hamilton)	Pass	↗	↑	↑	↑	↗	↑	↗	Fund

Funding is recommended for HCBC. Hamilton County Business Center is a successful incubator with a nearly 25 year track record of success. Graduates reliably enter the southeast Ohio region as stable community members, generating solid revenue and creating sustainable, well-paying jobs. HCBC systems and processes are thoughtful and consistently applied. The team is stable and committed, and ably supported by outside service providers and a strong Advisory Board.

3.1.7 The Youngstown Edison Incubator, Corp. (YBI) (14-209)

Project Summary

The Youngstown Business Incubator (YBI) has focused on Business-to-Business software. It has also recently added a secondary focus on additive manufacturing (AM). YBI is a highly-regarded incubator with a national profile. It requested \$250,000 in operating expense funds and \$200,000 in tenant awards, matched by \$250,000 in cost share sourced from tenant rent.

Incubator Strategy

YBI focuses on business to business (B2B) software. The incubator provides a range of services and, as demonstrated in the case studies and examples, strong support for client companies throughout the Commercialization Framework via a network of experienced EIRs. There is a focus on investment and revenues, as well as incubator-sourced funds (e.g., \$15K loans, \$5K grants). The YBI hosted Inspire Lab is an innovative, open space collaborative environment for early stage entrepreneurs that YBI also uses as a pipeline for future tenants. The reviewers viewed this as a strength. YBI is well aligned with the regional ecosystem, particularly for the talent pipeline from regional universities such as Case Western Reserve, Carnegie Mellon University, Youngstown State University (YSU), and Ashland University that also supports the tenant pipeline.

YBI's emerging focus on additive manufacturing leverages (emerging) regional assets in the National Additive Manufacturing Innovation Institute (NAMII) based in Youngstown, but remains much less developed than its B2B focus. The reviewers observe that developing a significant capability in AM is likely to require a greater scale of resources, most notably capital and personnel, than is required for B2B software.

Entrepreneurial Assistance and Client Management

YBI offers well-tailored assistance for B2B tenants, with a detailed timeline for advancing tenants. Intensity of services appears strong, although the reviewers note that this appears to be highly reliant on a single individual (YBI's CEO). The addition of new EIRs is anticipated to help reduce this risk. Tracking infrastructure seems to be in place through Salesforce and frequent tenant contact by EIRs. Processes for addressing non-performance are less well defined. It is unknown how incumbent processes and timelines will need to be modified with the emerging focus on AM. However, management seems aware of challenges that will be encountered as YBI expands into this area. Connectivity to the JumpStart network is a strong source of deal flow and provides the ability to add tenant resources.

Environment, Resources, and Facilities

YBI’s incubation facilities are appropriate for its B2B focus, although appear to lack substantial physical assets for its emerging AM focus. Space is sufficient for B2B, and YBI is considering adding dedicated facilities for AM, including accessing funds for capital equipment purchases. The Inspire Lab supports a strong community of entrepreneurship. The CEO has a substantial network that supports the incubator, including adequate access to capital appropriate for B2B companies.

Technology Tenant Pipeline

Deal flow appears strong, with 88 applications received in 2012. Evidence was provided of a process for quickly vetting and down-selecting these applications. YBI has a strong marketing strategy based on visibility with local organizations including YSU and other regional areas of strength (NAMII). YBI has been featured prominently in news sources including being named the 11th best university-affiliated incubator in the world. They have used this visibility to attract tenants from as far as San Francisco.

5-Year Portfolio, Graduate Track Record, and Tenant Case Studies

YBI’s employment numbers are impressive, as is the ability to rapidly graduate tenants (27 month average). Average stay for current tenants is longer but still reasonable at 42 months. Product sales are a large component of funding with over \$56M, although these metrics are dominated by a small number of graduates. Investment options are clearly available to tenants as well.

YBI’s Performance Goals seem achievable based on current client revenues. YBI’s focus on B2B was viewed as a unique strength. Examples of high growth companies (LearningEgg, Via680, and Hudson Fasteners) was provided with evidence and insight to substantiate this growth potential. This provides confidence of management’s engagement with tenant companies. The only minor weakness noted was the relatively low employment figures for a large number of incubator tenants.

Experience and Qualification of Incubator Team

The YBI team appears well qualified with backgrounds suitable for the support of incubator companies. A well-developed organizational structure is in place. Additional EIR support is being added, which should provide needed bandwidth to the CEO and also reduce risk associated with concentrating incubator activities with the CEO. Tenant interviews substantiated the quality of service from the leadership team.

Budget and Cost Share

YBI’s budget has sufficient detail and budget amounts that are appropriate and justified. Cost share is clearly documented and committed. Substantial portions of grant funds are dedicated to general operations and facilities, rather than direct tenant services. Upgrades to IT infrastructure were considered appropriate given the B2B focus of the incubator.

Overall Merit and Recommendations

Ctrl #	Applicant	Stage 1 Review	Merit Criteria							Funding Recommendation
			1	2	3	4	5	6	7	
14-209	YBI	Pass	↑	↗	↗	↑	↑	↗	↗	Fund

Funding is recommended funding for YBI. YBI provides a strong case for its position in the upper echelon of Ohio and international incubators. YBI leverages a strong support network with a firm understanding of tenant support needs in its primary focus area of B2B Software. The incubator is adding a focus on additive manufacturing, but the specific services and assets required to provide commensurate services as YBI does for B2B software remain less well-defined.

Performance goals are realistic and achievable based on existing and expected tenants, and the Inspire Lab is expected to provide sufficient deal flow to maintain the incubator at or near capacity. Case studies are impressive, as are examples of graduates from earlier periods than allowed in the case studies (e.g., Turing). During the oral interviews, management demonstrated a thorough knowledge of the business plans and growth objectives for a range of current technology tenants (e.g., Hudson Fasteners, Via680) that demonstrated frequent in depth client contact. YBI documented over \$2.5M in capital secured for these companies in the last year.

A number of Northeast Ohio incubators and other resources collaborate and frequently engage in cross-usage of resources and deal flow. YBI is a critical component of this network, and has recently expressed willingness to house technology tenants that may align outside of its core area of expertise while utilizing mentorship from other incubators (e.g., BioEnterprise, MAGNET). This is a strength and leverages State support to the benefit of meritorious companies.

The focus on B2B software, coupled with the availability and low cost of facilities in Youngstown, can contribute to maintaining graduates in the region and in Ohio. Furthermore, the applicant has provided evidence (particularly with the success of Turing) that talent can be attracted or sourced to support tenant growth.

While the application and team is strong, the reviewers have some concern that the success of YBI may be too closely tied to its CEO. This was reinforced by interviews with tenant companies, who reported their primary interaction was with this single individual. An organizational chart and explanation provided during the in-person interview indicated that additional resources are being added, specifically a new EIR, which may alleviate some of this concern.

YBI presents a strong case that it is already a world class incubator. It is undoubtedly an asset to Ohio and its entrepreneurial community.

3.1.8 Dayton/Miami Valley Entrepreneurs Center, Inc. (TEC-Dayton) (14-210)

Project Summary

The Entrepreneurs Center, Dayton (TEC-Dayton) is an existing technology incubator established in 2000. The incubator focuses on business coaching for early stage tenants. TEC-Dayton requests \$250,000 for operating funds and \$200,000 for technology tenant awards on a total program budget of \$700,000. The \$250,000 cost share will be sourced from rent and other incubator income.

Incubator Strategy

TEC-Dayton provides broad-based business guidance to early stage ventures. The incubator lacks deep technical expertise or facilities. TEC-Dayton has a stated technology focus in areas that align

with the strengths of the Dayton region, including advanced materials; situational awareness and surveillance systems; aero propulsion power management; and software systems. TEC-Dayton provided little evidence of tangible support resources in these areas.

TEC-Dayton has created software that monitors tenants and closely aligns with the OTF Technology Commercialization Framework. The software, Advance to Profit® (A2P) is used throughout the program, from intake to goal setting to results reporting. A2P tracks general attributes at each phase of commercialization. The reviewers found this tool to be a useful 'dashboard' to display tenant status.

TEC-Dayton did not express a specific strategy to support tenant graduation through development along the Commercialization Framework. Rather, the incubator relies on raising rents to encourage tenants to move out of their facility.

Entrepreneurial Assistance and Client Management

The incubator hosts a number of programs and services useful for business and technical startups: Wendy Kennedy commercialization clinics; a Know-How Network of subject matter experts; morning mentoring; and other programs. TEC-Dayton does a thorough job of measuring a tenant's progress within the Commercialization Framework. Less capacity is evident to help tenants understand details and specific aspects of a given technical industry. TEC-Dayton demonstrated little technical capacity to directly assist tenants beyond early business needs. Annual formal meetings with tenants were deemed too infrequent. The reviewers observed that TEC-Dayton tenants could be better served with direct, regular access to mentors and coaches with substantially more technical competence.

The reviewers found little evidence that the incubator is an effective pathway to investment capital. Of the \$7 million of professional investment secured in the last 5 years, two companies secured 97%. Advancement and graduation is not a strong focus of the incubator, as evidenced by the lack of graduation criteria and long occupancy times.

Environment, Resources, and Facilities

TEC-Dayton is housed in a 35,000 square foot purpose built facility, constructed in 2000. Tenant space consists of 23,246 square feet of rentable space. The building provides limited wet lab and manufacturing space. Conventional shared facilities (copier, fax, receptionist, etc.) are available. The facility is currently at 91% occupancy, with eight technology tenants and a two graduates also in residence.

Technology Tenant Pipeline

The pipeline plan presented by TEC-Dayton lacks clarity and direction. The proposal lists a number of regional sources of tenant referrals, identifying unnamed local lawyers and accountants as the source of most of their prospective tenants. The proposed goal of four new technology tenant clients during 2014 appears achievable despite the low intensity of tenant recruiting described in the proposal.

5-Year Portfolio, Graduate Track Record, and Tenant Case Studies

TEC-Dayton supports multiple firms with substantial revenue. Professional investment levels are substantially lower, but this was not viewed as a particular weakness. Total economic impact over five years has been \$48M in revenue and 170 jobs with an average salary of close to \$65,000. Each of these is considered a strength. Despite its high occupancy, tenant incubation time is very high, with multiple tenants exceeding 5 years of tenancy. This long tenancy makes the economic impacts appear more positive, but does not align well with OTF goals of rapid advancement and graduation.

Experience and Qualification of Incubator Team

The incubator leadership team is competent in small business startup and launch and economic development. The reviewers note a marked absence of entrepreneurial experience, especially in technical fields of interest to OTF. However, TEC-Dayton is emphasized a large Know-How network of experts that supports their programs, but upon questioning, the substance of this network remained unclear. The team specifically lacked strong expertise or networks in technical fields related to their area of focus.

Budget and Cost Share

The program budget conforms to program requirements, and the budget narrative provides adequate detail to confirm this and determine that State funds will be exclusively directed to support the incubator. Cost share, in the amount of \$250,000, is provided by TEC-Dayton, from rent and other incubator income. Three years of audited financials have been provided, substantiating the adequacy of available funds and high likelihood of availability during the program period.

Overall Merit and Recommendations

Ctrl #	Applicant	Stage 1 Review	Merit Criteria							Funding Recommendation
			1	2	3	4	5	6	7	
14-210	TEC-Dayton	Pass	→	→	↗	↘	→	→	↗	Fund

Funding is recommended for TEC-Dayton. TEC-Dayton has an acceptable past performance and strong programmatic structure. Despite weaknesses in experience for highly technical startups or later-stage incubator tenants, TEC-Dayton has a good track record of offering business resources for early stage companies. The 5-year portfolio contains multiple successful enterprises. TEC-Dayton has also implemented a tenant assessment and tracking system that is closely aligned with the OTF Technology Commercialization Framework. Average length of incubation is long, almost 60 months, partially the result of the lack of intense technology-focused coaching and support.

3.1.9 MAGNET (14-211)

Project Summary

Located in Cleveland, the MAGNET incubator focuses its efforts on engineering product design and development. MAGNET has requested \$450,000 in State funds, including \$250,000 in operating funds and \$200,000 for tenant awards, matched by \$250,000 cash cost share comprised of \$160,000 from tenant rent and \$90,000 in cash contribution from MAGNET.

Incubator Strategy

MAGNET offers a unique and compelling focus on engineering and product development. Although its focus is limited, MAGNET leverages relationships with other NE Ohio incubators to meet tenant needs and fill service gaps. While MAGNET has a firm understanding of its niche, it operates steadfastly in the incubating-demonstrating phases of the Commercialization Framework. A tenant's required capital access is typically limited to prototyping. Adequate funds can be accessed through local sources, such as the Lorain County Community College Foundation (LCCCF) Innovation Fund. Access to larger sources of capital, typically necessary for market entry, is beyond MAGNET's scope.

The MAGNET team has a realistic understanding of their strengths, differentiation, and how their tenants' needs impact incubation time. They have built a series of tools (e.g., lunches, legal support) that appear effective in providing value to tenants, and have developed resources for outreach to regional sources of knowledge and support including JumpStart and the broader community.

MAGNET acknowledges that they are seeking to align their program with the changing direction of the Incubation Program, but this seems to stem from their need for funding rather than an internally recognized need.

Entrepreneurial Assistance and Client Management

MAGNET offers intentionally narrow support services. The breadth of support available outside of coaching from the primary incubator manager (Crain) is limited to engineering staff. While the manager has 5-6 touch points/week with tenants, there is no evidence of a consistent incubation process. Tenant access to external resources is governed by the manager's personal network, which is limited when compared with team-based approaches.

MAGNET does not currently strongly emphasize metrics or tenant tracking. For example, it does not track Ohio employment at graduation. Employment is a key metric in OTF's new vision for incubators. While MAGNET acknowledges needing more robust processes to establish and track milestones and metrics, it does not have a clear plan or vision for achieving this goal beyond implementing Salesforce to improve tracking. Metrics are in place to track those items needed for their own reporting, versus those that align with OTF goals and demonstrate tenant progress on the Commercialization Framework.

Environment, Resources, and Facilities

MAGNET maintains 38,000 square feet of space dedicated to its incubator. The facilities available to support clients with manufacturing and engineering services are significant. Engineering and knowledge resources available to tenants are substantial. Tenants interviewed emphasized the importance of MAGNET's physical facilities beyond office space. While there are some events to support a sense of community among tenants (e.g., engineering lunches), tenants stated there was little diversity or frequency of group learning events.

Technology Tenant Pipeline

MAGNET has a broad set of application review factors defined for selecting tenants, including growth potential, commitment to Ohio, and fit with MAGNET's strengths, in addition to OTF goals

alignment. MAGNET lacks an independent marketing plan and instead leverages the broader NE Ohio network of incubators, word of mouth, and visibility at area meetings (e.g., for grants/loans) to support deal flow. MAGNET received twelve applications for three vacancies in 2012. Since occupancy is high, this pipeline may be sufficient. However, a more thoughtful approach to the tenant pipeline is an area for improvement. Involvement in the JumpStart network is a strength, and MAGNET appears to be an important member of this network.

5-Year Portfolio, Graduate Track Record, and Tenant Case Studies

A high percentage of MAGNET tenants have achieved investment, sales, or non-state grant funds. Multiple examples were provided (in addition to the case studies) of how MAGNET resources assisted their tenants. MAGNET provided case studies that varied in effectiveness in demonstrating support from MAGNET beyond their facilities, with one, Vox, indicating that the facility itself was the primary MAGNET strength (versus additional services offered by MAGNET). Two clients with case studies were in the incubator for a very short time (11 and 12 months), which begs the question of whether the support MAGNET provided was a critical factor in advancing them through the Commercialization Framework.

Six of MAGNET’s current tenants have been in the incubator longer than 60 months, with several others showing long incubation periods. A plan has been presented to graduate most of these by Q1 2014, though several may be forced out versus graduating. Only three graduates remain in Ohio (with few employees) while seven have ceased operations. Several current tenants are experiencing success (e.g., Cleveland Whiskey). While MAGNET’s focus area may require longer incubation, better graduation milestones and more closely monitored metrics may shorten tenancy.

Performance goals were based on past averages, and were deemed reasonable by the reviewers.

Experience and Qualification of Incubator Team

The MAGNET team is not broad enough to offer significant and process-driven support to tenants. While incubator management has considered adding staff (e.g., engineer, business talent), it was not articulated as a high priority. MAGNET frequently relies on neighboring incubators and JumpStart to access EIRs or other coaching. The reviewers believe succession planning represents a significant risk for this incubator.

Budget and Cost Share

The program budget conforms to program requirements, and the budget narrative provides adequate detail to confirm this and determine that State funds will be exclusively directed to support the incubator. Cost share, in the amount of \$250,000, is provided \$160,000 from tenant rent and \$90,000 in cash contribution from MAGNET..

Overall Merit and Recommendations

Ctrl #	Applicant	Stage 1 Review	Merit Criteria							Funding Recommendation
			1	2	3	4	5	6	7	
14-211	MAGNET	Pass	→	→	↗	→	→	→	→	Fund

MAGNET is recommended for funding. MAGNET is a well-differentiated incubator that fills a gap in Ohio's manufacturing economy. MAGNET is also an important component of the NE Ohio network of incubators. Perhaps as a result of MAGNET's intentionally limited services and focus, it enjoys reasonable deal flow and resources from neighboring incubators. Consequently, the tenant experience remains robust. MAGNET's resources, particularly physical facilities for prototyping and product design, are impressive. The case studies and tenant interviews substantiate the value of MAGNET support.

A single individual largely facilitates the tenant experience. Sustainability of the incubator if this individual were to leave is a noted risk. While tenants state they find value in this structure, it is clearly *ad hoc*. MAGNET management was unclear on how they might implement a more milestone-driven approach.

3.1.10 University of Toledo (UT) Launch Pad (14-213)

Project Summary

The University of Toledo (UT) Launch Pad has requested \$450,000 in State funds, including \$250,000 in operating funds and \$200,000 in funds for tenant awards, matched by \$250,000 cash cost share comprised of \$210,000 from tenant rent and \$40,000 cash contribution from UT Innovation Enterprises. Funds are requested to augment Launch Pad incubator programs such as I-Corps, Lean Launch, and Business Model Canvas.

Incubator Strategy

UT provides a substantial mix of services for TTCs, including business support (e.g., legal), business plan development, primary market research, and linkages to regional sources of capital and grant funding. Launch Pad deploys tools and practices to assist in business and technology concept development, including those drawn from the Business Model Canvas and Lean Launch.

Launch Pad is implementing practices to shorten incubation time and tailor services to align more closely with OTF Incubation Program vision. The strategy underlying Launch Pad's change in technology focus area from advanced manufacturing to IT and "near-to-market healthcare" is unclear. Launch Pad's differentiation from other Northern Ohio incubators in IT/Medical Technology is not clear, and the latter may not solve the incubation time challenge (though the principals argue they will focus on more near-term challenges).

While the National Science Foundation (NSF) I-Corps program is featured prominently in the narrative, its role in the incubator is unclear to the reviewers. The in-person interview reinforced that I-Corps is not particularly relevant to incubator operations.

Entrepreneurial Assistance and Client Management

UT presents a detailed process for general aspects of client management (goals/milestones, tracking, and graduation). The process appears to be sufficiently tailored to each individual TTC to provide flexibility. Substantive examples of client metrics are provided (e.g., customer contacts are emerging as an important part of the Launch Pad experience) that are monitored on a bi-weekly basis. These metrics are consistent with advancing the tenant through the Commercialization

Framework, and appear adequate for addressing a range of gaps. Launch Pad Central/Salesforce is being deployed as a tracking tool for measuring progress towards milestones. Interviews with tenants indicated that the process for goal setting and graduation is *ad hoc*, indicating that Launch Pad's transition has not reached all clients.

A detailed application process with standard metrics and processes has been developed. For instance, the initial assessment includes evaluating technology readiness level (TRL), the business, and the entrepreneur. This screening becomes a tool to assist in goal setting. The screening is a recently implemented process. Graduation planning also lacks robustness or reference to the Commercialization Framework; the in-person interview revealed it is really a test for "a pathway to positive cash flow."

The applicant only superficially noted gaps in its service offerings, and gap filling strategies appear to be to purchase services when needed. Launch Pad maintains 17 employees, with an estimate of 8.5 Full Time Equivalents (FTE) dedicated to tenant services. This staffing level is very high given UT supports only 9-10 tenants.

Environment, Resources, and Facilities

UT maintains a 26,500 square foot incubating facility. Facilities appear to be adequate. Launch Pad is planning new facilities that will be tailored to future technology focus areas (e.g., HEPA filtration for medical technology companies). Tenants receive support in key areas (business model development, prototyping, IP protection, some capital access). Tenancy is low, with only 10 of 40 tenant spaces filled.

The reviewers struggled to differentiate those resources in place now versus those that are projected to be offered. Several inconsistencies between the written proposal and the in person interview were noted. Launch Pad has not developed strong relationships with professional investment sources.

Technology Tenant Pipeline

Launch Pad deal flow appears to be more robust now than in past years. In 2012, fifteen applications were received and nine were accepted. The incubator currently houses 9-10 tenants. These figures raise concerns regarding the sustainability and robustness of the pipeline. Applications have increased 40% in the prior 3 months, which may be attributable to the change in technology focus area.

Although recent pipeline performance of Launch Pad has improved, it is unclear if this is a sustainable improvement. In-person interviews indicated that "word of mouth" is the primary source of deal flow, with no clear marketing plan. Likewise, no effort to attract clients external to the region and to reinforce Ohio's strengths was articulated.

5-Year Portfolio, Graduate Track Record, and Tenant Case Studies

Investment and sales across Launch Pad's current tenant portfolio is robust and balanced. Several tenants appear to have experienced employment growth (Nextronex, Notice Software). Two tangible examples of investment facilitated by Launch Pad were presented (LogoBar and Irisense).

Metrics are heavily weighted to a single graduate, Xunlight, contributing over \$135M total impact, balanced between sales, investment, and non-state funding. Beyond this single case, the 5-year graduate history is limited, with only two graduates noted. Five graduates have ceased operations and four have left Ohio. Several graduates had very short tenancy. No evidence was presented to indicate that Launch Pad’s new methodology would improve these results. Performance Metrics were provided but not thoroughly substantiated. The reviewers remain unconvinced that the goals for 2014 will be achieved.

Experience and Qualification of Incubator Team

A total of 17 individuals, including full-time and part-time staff and consultants (a total of ~8.5 FTEs) were presented in the proposal. The core management team has good experience and demonstrates understanding of the Commercialization Framework and Launch Pad’s role in promoting technology startups. The reviewers are uncertain what roles all seventeen staff play, and whether the ~8.5 FTE staff is needed to mentor 9-10 tenants Launch Pad currently houses.

Budget and Cost Share

The budget provided gives a reasonable basis for the costs projected. Cost share sources are well substantiated and appropriately documented.

The reviewers highlight that personnel costs appear extremely high.

Overall Merit and Recommendations

Ctrl #	Applicant	Stage 1 Review	Merit Criteria							Funding Recommendation
			1	2	3	4	5	6	7	
14-213	Univ. of Toledo (Launch Pad)	Pass	→	→	→	↘	→	→	→	Fund

Launch Pad is recommended for funding. Despite several substantial shortcomings in past performance, Launch Pad has presented a reasonable vision and approach to rejuvenate the incubator.

The Launch Pad team is in the process of shifting methodology and to embrace several new technology focus areas. Launch Pad is not yet sufficiently differentiated in its new focus areas of IT and medical technology (which has a notoriously long time-to-market). The direction Launch Pad management is taking is consistent with the direction of the OTF Incubation Program.

Launch Pad has a large staff and considerable resources from UT. Linkages to regional sources of investment funds are detailed, and several firms (e.g., Rocket Ventures) maintain close contact with Launch Pad. Discussions with tenant companies indicated that Launch Pad incubation services are *ad hoc* in nature, and that the recent processes Launch Pad management describes are not yet well understood or ingrained.

Metrics beyond a single large success are weak. A majority of incubator graduates have failed or relocated. The incubator is not close to capacity and the management team's performance goal of 60 new jobs seems unlikely given current occupancy.

3.1.11 Ohio University Innovation Center (OUIIC) (14-214)

Ohio University Innovation Center (OUIIC) is the first university-based incubator founded in Ohio. It has a significant history of helping startups become successful and active businesses, most of whom stay in Ohio. Its focus is in advanced materials, fuel cells and energy storage, medical technology, software applications for business and healthcare, and solar photovoltaics.

OUIIC requests funding of \$350,000 under option 1, secured by a 1:1 cash match from Ohio University. Their application and supporting data support that they are an active incubator with a diverse population of active and graduated tenants/clients. OUIIC has a dedicated facility and dedicated full time staff. They have provided the appropriate letter of commitment, and they conduct business in Ohio.

Incubator Strategy

OUIIC provides many different levels and types of support to new tech companies. It embraces "lean startup" principles, uses an ecosystem type of framework for assisting client/tenants, and uses Business Model Canvas and Lean launch principles. The tenant interviews and direct interview of OUIIC management was consistent with information from OUIIC's application, including using embedded Executives in Residence to advise and assist entrepreneurs to assess markets, provide strategic planning guidance, help with capital access, and in setting and meeting financial goals. OUIIC appears to make good use of client monthly/quarterly progress meetings, providing advice and "direction adjustments" as needed. They have an active process of review that includes goal setting, progress tracking, addressing gaps and non-performance. For example, they are addressing the length of several long-term tenants.

Entrepreneurial Assistance and Client Management

OUIIC provides a wide variety of assistance to entrepreneurial clients, and manages tenants. OUIIC has quarterly progress meetings, and conducts them more often if required. Additionally, they provide steady contact outside the "formal meetings". They have many dedicated mentors (internal and as required, external), as well as good discussion of best practices. They are working on market and capital outreach to be in better contact with potential funding sources. OUIIC is addressing (i.e. "working into") the new focus of OTF, which is to actively track, motivate and graduate tenants.

Environment, Resources, and Facilities

OUIIC has an excellent facility that provides a good environment for incubation tenants, including a facility designed for their target tenants' needs, and which appears to be well used for its intended purposes. The facility includes, for example, bio-lab equipment and modern digital media software/hardware. In addition to its internal facility, OUIIC works with several OU entities and with outside entities. OUIIC has several programs to help entrepreneurs, including hosting a local entrepreneurial development group.

Technology Tenant Pipeline

OUIC’s tenant pipeline appears to have a good balance of OU and non-OU applicants over last 2-1/2 years. They appear to have a good geographic diversity, and with tenants coming from variety of activities such as Startup weekend, Innovation Engine Accelerator. Nonetheless, OUIC is actively working to increase volume of applicants from certain target areas. Their on-campus and off-campus activities (and website) appear to generate good traffic and interest in the facility.

5-Year Portfolio, Graduate Track Record, and Tenant Case Studies

OUIC 5-year portfolio and graduation track record shows good success and effectiveness. This is confirmed by the tenant interviews, including telephone interviews with three tenants. OUIC provides intensive coaching, tracking, and has a focus on successful graduation, including actively working to graduate tenants with longer stays.

Experience and Qualification of Incubator Team

OUIC provides an experienced and qualified incubator team, with strong backgrounds and experience in industry, academia, government, running incubators, and helping and working with entrepreneurs and startup companies. For example, the Innovation Center Director is a former president of the Athens County Economic Development Council and CEO of the Athens Area Chamber of Commerce. Notably, OUIC actively uses off-site experts for mentoring and guidance when needed. Significantly, OUIC also has an experienced associate director on staff who’s job includes actively identifying and filling gaps in expertise and resources in southeastern Ohio that are necessary for company formation, retention, financing, and growth. This aligns well with their strategic plan and places OUIC in a forefront of strategic initiatives and action plans vital to Ohio.

Budget and Cost Share

OUIC’s budget appears to be documented and reasonable. It is noted that the personnel are largely funded by state grant. During the interview of OUIC’s management, there appeared to be some uncertainty about various personnel’s job requirement/duties and time spent on incubator activities. For example, a Director of Edison Biotech Institute was listed as 25% FTE, yet his duties appear to be largely related to introduction to foreign entities/opportunities for tenants and funding – which is important – but the time spent and time commitment of duties required were unclear during the interview. OUIC is continuing efforts to assure that appropriate time is spent and appropriately documented.

Overall Merit and Recommendations

Ctrl #	Applicant	Stage 1 Review	Merit Criteria							Funding Recommendation
			1	2	3	4	5	6	7	
14-214	Ohio University Innovation Center	Pass	↗	↗	↗	↗	↗	↗	↗	Fund

Funding is recommended for the Ohio University Innovation Center. OUIC has a long history of supporting and incubation of client companies. With the adoption of new methodologies, such as the Lean Startup principles, its suite of services and support is increasing. This type of support is

needed in the Southeastern Ohio region. The physical facilities and the access to services and support from Ohio University are also a positive.

3.2 Summary of Proposals Not Recommended for Funding

3.2.1 North Central Campus for Emerging Technology (NCC-ET) (14-208)

Project Summary

The North Central Campus for Emerging Technologies (NCC-ET) requested \$350,000 in State funds matched by an equal amount of tenant rent. Funds requested would support entrepreneurs in residence and equipment purchases.

NCC-ET submitted an incomplete application, with several required sections missing. The application lacked a 5-year Portfolio, Performance Goals, Biographical Sketches, Management Approach, a Budget Narrative, and Letter(s) of commitment. For this reason the NCC-ET proposal did not proceed to Stage 2 of the review process. Funding is not recommended for NCC-ET.

3.2.2 Todd Goldstein (LaunchHouse) (14-215)

Project Summary

LaunchHouse is a for-profit, shared workspace operating in Shaker Heights, Ohio. LaunchHouse offers a variety of programs primarily targeting the IT community, focusing on web and mobile application development. LaunchHouse requested \$250,000 of operating funds and \$200,000 for tenant awards, supporting a stated project budget of \$700,000.

Incubator Strategy

LaunchHouse embraces concepts of Lean Startup, rapid iteration, and “emergent” processes. Particularly for IT startups, a lean philosophy is laudable. However, LaunchHouse lacked a clear tenant management strategy. The reviewers also had concerns about the viability of the one-year graduation timeframe suggested. The improvisational approach of LaunchHouse represents a risky investment for Incubation Program funds; once these innovative approaches are proven, OTF support might be more appropriate.

Entrepreneurial Assistance and Client Management

LaunchHouse identified numerous service provider organizations, but did not specify the level of commitment or intensity of services to be deployed. Goal setting is emphasized in the proposal with monthly tracking by a Mentor Crew to support rapid progress. The Mentor Crew vision lacked specificity in personnel and level of commitment. The proposed incubator team is the same as that for the LaunchHouse Accelerator, but the applicant did not articulate a realistic plan to maintain both incubator and accelerator programs concurrently. Overall, there was not a clear articulation that LaunchHouse intended to offer distinct, intense incubator services, or how those services would differ from the Accelerator program already in place.

The proposal also included a request for tenant award funds. The applicant did not articulate a distinct set of criteria for awards, and appeared to comingle tenant acceptance criteria with

potential award criteria. Combined with a lack of a clearly committed, named review team, the reviewers conclude the applicant's plan for awards is not sufficiently defined; the likelihood of successful awards is uncertain.

Environment, Resources, and Facilities

LaunchHouse maintains a 23,000 square foot facility, although it is unclear how much of that space is specifically designated for incubator tenants. The LaunchHouse facility is primarily a shared workspace for a variety of tenant types. No specialized resources or facilities beyond shared space were articulated. The facility is currently occupied, but the applicant did not present a viable plan for how the facility would transition to a dedicated technology incubator.

Technology Tenant Pipeline

Current LaunchHouse activities generate a great deal of traffic and interest in the facility in their core focus area of IT and mobile apps. Between this programming and the existing accelerator classes, the reviewers conclude that the stated goal of 50 applications in the first year of operation is reasonable. The tenant selection process appears similar to the selection process used for the accelerator program. This has been used multiple times, has been adjusted to become effective, and is therefore judged to be a strong component of the plan.

5-Year Portfolio, Graduate Track Record, and Tenant Case Studies

LaunchHouse is currently a shared workspace, but has not historically offered the intensive coaching, tracking, and focus on graduation that defines an incubator program. The track record presented seems to be based largely on accelerator tenants. The majority of current tenants have little or no track record of sales or outside professional investment. Case studies focus on early market findings, but little evidence was provided of ability to build the foundations of sustainable high-impact enterprises.

Experience and Qualification of Incubator Team

The team consists of an organizational expert, an educator, and an entrepreneur. The team structure appeared to lack the experience or orientation to establish long range plans and enterprise sustainability. The reviewers observed that the current LaunchHouse team and organization seems better aligned for accelerator activities, which have a shorter-term focus on finding and aligning a product with a specific market need, than incubator activities, which have a longer-term focus on building sustainable enterprises.

Budget and Cost Share

The budget submitted did not segregate incubator from existing LaunchHouse operations. Funded personnel shared responsibility for other LaunchHouse programs, and shared expenses were included in the program budget. Other expense categories were not sufficiently detailed nor justified. As a result, the reviewers were not convinced that State funds would be appropriately and exclusively dedicated to incubator activities. The applicant submitted additional information to address these questions. In that supplemental information, the team reduced its funding request, but did not meaningfully address or resolve the core shortcoming related to inadequate detail and segregation of programs.

Overall Merit and Recommendations

Ctrl #	Applicant	Stage 1 Review	Merit Criteria							Funding Recommendation
			1	2	3	4	5	6	7	
14-215	LaunchHouse	Pass	↘	↘	→	↗	↓	↓	↓	Do Not Fund

LaunchHouse is not recommended for funding. LaunchHouse’s high-level vision of a lean incubator represents a unique and attractive approach to incubation. This vision and LaunchHouse’s facilities clearly demonstrate the ability to attract incubation tenants. However, LaunchHouse did not clearly differentiate incubator operations from other programs, and lacked a clear plan for operating the incubator. These significant concerns were further reinforced in the in-person interview and submitted supplemental information. Shortcomings in plan detail were observed in tenant services, graduation focus, staffing allocation, tenant awards process, and managing the incubator in parallel with their accelerator. Lack of clear separation of finances among programs and an inadequate budget narrative further strengthened these concerns. For these reasons, funding is not recommended for LaunchHouse.

3.2.3 Muskingum County Business Incubator (MCBI) (14-216)

Project Summary

Muskingum County Business Incubator (MCBI) has requested \$445,000 in State funds, including \$245,000 in operating funds and \$200,000 in funds for tenant awards, matched by \$245,000 comprised of \$43,000 in tenant rent and \$202,000 sourced from a capital campaign. Funds are requested to augment business and technical consulting expertise for tenants, especially in robotics and manufacturing automation.

Incubator Strategy

MCBI struggled to articulate its place within an ecosystem including TechGrowth, TechColumbus, and Ohio-based angel investors. In particular, the applicant team emphasized its role as a landing pad for local lifestyle businesses or businesses that were unable to secure support from TechGrowth or TechColumbus. The reviewers viewed this focus as reasonable, even laudable, but ultimately not well-aligned with the OTF Incubation Program. Although MCBI offered robotics and manufacturing automation as a differentiating niche, the reviewers questioned its ability to offer technical, business, and capital access support to firms in this domain. MCBI relies strongly on TechGrowth for support resources for its tenants, and is still in the earliest stages of building a team capable of supporting high-tech ventures. MCBI articulated a broad slate of partners, which the reviewers viewed favorably.

Entrepreneurial Assistance and Client Management

MCBI utilizes a “Graduated Business Development” (GBD) process to guide tenants, which emphasizes individualized development plans for each tenant. The GBD is based on a defined six-step process. During oral interviews, the team did not demonstrate understanding of or alignment with the OTF Commercialization Framework. The team was unable to substantiate its ability to

support high-tech, high-growth companies. MCBI lacks independent access to capital, as it relies heavily on other state-funded entities such as TechGrowth for capital access.

Environment, Resources, and Facilities

MCBI operates a community-funded 55,000 square foot facility that includes plans for tenant space and an automation laboratory. The automation lab is still in the planning phase. The facility has very low occupancy, and a low fraction of TTCs, with two TTCs out of eight tenants. MCBI shared a potentially compelling vision for the facility, but the vision remains largely aspirational.

Technology Tenant Pipeline

MCBI provided a number of potential sources of tenants, including referrals from TechGrowth to television publicity, but provided no cohesive strategy for its marketing efforts. As evidenced by its low occupancy, and low fraction of TTCs, MCBI struggles to attract qualified tenants. Additional ideas related to shale gas and commercial kitchens were not well integrated into the MCBI plan.

The reviewers had mixed reactions to MCBI's statements about serving as a home for businesses that were rejected by other incubators. Although this may be a desirable source of economic activity for Muskingum County, it does not align well with the OTF Incubation Program.

Although MCBI articulated general acceptance criteria for tenants, including a sense of product/market and being coachable, there was little emphasis on high-growth TTCs aligned with the OTF vision.

5-Year Portfolio, Graduate Track Record, and Tenant Case Studies

MCBI's 5-year portfolio is based substantially on a single successful graduate. Although MCBI articulated the potential of several current tenants, there is little evidence to suggest additional success stories are imminent. Existing tenants show little track record in generating meaningful revenue or raising capital. Data on other tenants' economic impacts and stage in the Commercialization Framework at graduation was largely missing. The reviewers found MCBI's proposed metrics for 2014 lacked a realistic basis. For example, proposed revenue was five times higher than the five years prior cumulative revenue. The in-person interview underscored MCBI's lack of understanding of realistic incubator metrics.

Experience and Qualification of Incubator Team

MCBI demonstrated a strong dedication and concern for its constituency. The team has strong regional ties, and has a positive, optimistic attitude. The core team has positive entrepreneurial expertise, but lacks expertise in the stated area of technical focus in automation and robotics.

Budget and Cost Share

MCBI's budget is heavily focused on personnel to support tenants. Its funding request is large considering its low deal flow and occupancy. The cost share provided is reliant on capital pledges from local entities, but RFP-compliant commitments were not provided to substantiate these funding sources. MCBI requested funds for tenant awards, but provided no cohesive approach or team for selecting award recipients.

Overall Merit and Recommendations

Ctrl #	Applicant	Stage 1 Review	Merit Criteria							Funding Recommendation
			1	2	3	4	5	6	7	
14-216	MCBI	Pass	↘	↘	↘	↘	↓	→	↓	Do Not Fund

MCBI is not recommended for funding. The incubator is in the early stages of defining a unique and potentially compelling incubator vision related to robotics and manufacturing automation. At present, significant shortcomings exist in intense incubation services, process definition, tenancy, pipeline, metrics tracking, capital access, and alignment with OTF vision. MCBI is too reliant on external entities for core operations. If MCBI can successfully implement its ideas and demonstrate more independent operations, it may become a compelling future funding option for the Incubation Program.

3.2.4 Cintrifuse (14-217)

Project Summary

Founded in 2012, Cintrifuse is a relatively new entrepreneurial support organization located in Southwest Ohio. Although Cintrifuse is not an existing incubator, it has partnered with BizTech, an existing incubator in Hamilton, Ohio, a suburb of Cincinnati. Cintrifuse has requested \$351,100 in operating funds and \$200,000 for tenant awards to support a total program budget of \$902,200. Cost share is sourced from a \$200,000 in cash from the Hamilton Foundation and \$151,100 in cash from a mix of corporate and foundation donations.

Incubator Strategy

In 2012, the Cincinnati Business Committee formed Cintrifuse. Cintrifuse’s purpose is to enhance the Cincinnati environment for early stage ventures by: increasing access to venture capital; facilitating access to pillar companies and institutions; providing mentoring; attracting talent; and establishing a campus to co-locate high growth companies with service providers. Cintrifuse has raised more than \$50 million in a new fund-of-funds, built a new facility in the Over-the-Rhine district of Cincinnati, and established a co-working space where early stage, high growth companies can locate and access mentoring.

The Cintrifuse application states the incubator will be a hybrid residing within envisioned and developing programs, including: fund-of-funds; mentoring; and co-working space. Cintrifuse lacks a clear tenant management philosophy. The reviewers believe the overarching vision of Cintrifuse is compelling, but do not see how a formal, State-funded incubator program is central to that vision. As the overall startup campus develops, the central role of a technology startup incubator may become clearer. At that time, Cintrifuse may be able to present a more coherent strategy for incubation.

Entrepreneurial Assistance and Client Management

The Cintrifuse services model is centered on business coaching. A structured mentoring approach, based on the MIT Venture Mentoring Services (MIT MVS) model, supports the dedicated tenant coach. The application provides no details regarding the level of commitment of the mentors.

Access to capital is at the heart of Cintrifuse. Other benefits to tenants will be discounted services from Cintrifuse partner companies, as well as facilitated access to pillar companies who can become early customers for the tenant.

The proposal includes a request for tenant award funds. The applicant did not articulate a specific set of criteria for awards. Combined with a lack of a clearly committed, named review team, the reviewers conclude the applicant's plan for awards is not sufficiently defined; the likelihood of successful awards is uncertain.

Environment, Resources, and Facilities

The Over-the-Rhine facility, currently under construction, is planned with co-working space predominating. Floor plans do not suggest a clearly segregated or dedicated space for incubator tenants. The proposal includes the existing BizTech incubator facility. No specialized technical or other physical facilities are articulated.

Technology Tenant Pipeline

Cintrifuse intends to become the central hub of the entrepreneurial community in southwest Ohio. It currently hosts frequent networking and educational events and anticipates these will become a driver for new potential tenants. Cintrifuse has also established relationships with potential sources of innovation including: University of Cincinnati; Cincinnati Children's Hospital; CincyTech; The Brandery; and BizTech.

Given Cintrifuse's access to both capital and pillar companies, their claim of interest from the entrepreneurial community is very credible. The goal of 100 applicants is reasonable, but their plan for screening and accepting new tenants remains, like most of the proposed program, largely undefined. Similarly, the stated goal of 60 technology tenants in 2014 seems highly speculative. The reviewers remain unconvinced that 60 new tenants could be effectively brought into a new incubator when no team or process has yet been identified.

5-Year Portfolio, Graduate Track Record, and Tenant Case Studies

Cintrifuse is a new entity, without its own track record. Five case studies were provided. Interviews with contacts at those firms confirmed the absence of a defined process to advance commercialization of tenants. Cintrifuse's collaborator, BizTech, currently operates an incubator. Of 25 current tenants, 21 are not technical. No information was provided regarding economic impact.

Experience and Qualification of Incubator Team

Cintrifuse presents a staffing plan, but no named individuals. Thus, the review team could not assess the experience and qualifications of the incubator team.

Budget and Cost Share

The proposal states a goal of 60 technology tenant clients for 2014, so the reviewers concluded the cost proposal follows the framework for 25+ tenants. Funds request are \$351,000 for operations and \$200,000 for tenant awards. Adequate detail was provided for the operating budget. Cost share is sourced from \$200,000 in cash from the Hamilton Foundation and \$151,100 in cash from a mix of corporate and foundation donations.

Overall Merit and Recommendations

Ctrl #	Applicant	Stage 1 Review	Merit Criteria							Funding Recommendation
			1	2	3	4	5	6	7	
14-217	Cintrifuse	Pass	↓	↘	↘	↗	↓	↓	→	Do Not Fund

Funding is not recommended for Cintrifuse. Cintrifuse’s vision of a hybrid incubator represents a unique approach to incubation. Cintrifuse’s emerging position within the Cincinnati entrepreneurial community demonstrates the ability to attract incubation tenants. However, the lack of a clearly defined strategy, process, or team to deliver incubator services represents profound liabilities. Further, the applicant did not articulate a clear comprehension of the challenge associated with scaling an incubator from inception to 60 tenants in a single year. These significant concerns were further reinforced in interview and submitted supplemental information. Shortcomings in plan detail were observed in tenant services, graduation focus, staffing plan, tenant awards process, and ability to operate the incubator in parallel with existing Cintrifuse activities. For these reasons, funding is not recommended for Cintrifuse.

4 INCUBATION PROGRAM RECOMMENDATIONS AND CONCLUSIONS

The current OTF Incubation Program represents a substantial increase in expectations for incubators. Incubators are expected not just to provide targeted, effective space, but also to increase the quality and intensity of services they offer and to substantially focus on high-growth technology tenant companies. In addition, there is a higher burden to document and validate their impact on tenants. Whereas, in the past, tenants largely drove their own respective growth process, the new model expects incubators to intensively coach and shepherd companies through the Commercialization Framework and toward a formal graduation end point. Incubators must not only show meaningful commercial outcomes, but also show how they are creating larger and nearer term economic impacts for Ohio.

Collectively, the reviewers noted significant cooperation among the community of incubators in Northeast Ohio, more so than in other regions of Ohio. These incubators clearly articulated awareness of each other and an orientation toward a high level of cooperation. The region’s pipeline of tenants was considered collectively and directed to the most appropriate incubator. Although each incubator has its own unique strengths and weaknesses, we observed substantial evidence of the incubators addressing gaps by accessing complementary expertise from other incubators. This is especially evident in areas of specific technical expertise, both in physical

facilities and technically expert personnel. This cooperation was deemed a significant strength for these incubators.

The quality of proposals from the incubators was substantially lower than expected. The applicants demonstrated significantly more expertise during oral interviews than was evidenced in the written proposals. We speculate as causes a combination of factors ranging from inexperience with formal written proposals, a lack of documented incubator processes requiring de novo authoring, and a history of a more informal funding process under the former Edison program. We would highly recommend the applicants improve their proposal response quality in order to meet future requirements. The reviewers allowed for substantial oral clarifications. This permissive process allowed for substantial amounts of clarifications and corrections during the oral and follow-up portions of the process. In the future, such a permissive process may not be employed, which may negatively impact funding recommendations.

We also observed that the applicants shared substantial misunderstandings about how to properly construct and justify their budgets. Although the requirements related to documenting committed cost share were clearly specified in the RFP, numerous applicants submitted materials that initially did not comply with the RFP requirements. All applicants recommended for funding were able to clarify and correct issues identified during the oral questioning phase. More troubling, a clear requirement in the RFP relating to content length for budget justifications was ignored by a majority of applicants. The reviewers concluded it was unlikely this can be explained by a lack of clarity in the RFP alone. We highly recommend that applicants carefully review the budget and cost share requirements and ensure that submissions are compliant.

As a whole, the community of incubators in Ohio have not yet met OTF's higher standard for incubators. Each incubator has respective strengths and weaknesses, the composition of which vary significantly from incubator to incubator. The most common shortcoming related to a lack of formal processes to guide tenants through the Commercialization Framework to an explicit graduation milestone. Similarly, tracking of metrics to support such a process did not meet expectations. The business acumen and networks available to incubator leaders were generally strong. Some incubators offered clear and focused technical services that related to a specific industry or technical focus area. Capital access varied widely, with IT and health care incubators generally showing superior equity track record.

In many cases incubators have articulated a vision and a plan to meet the standards set by the OTF Incubation Program. However, these plans were generally perceived to be prospective and aspirational, as the incubators have not been required nor have demonstrated a history of achieving these new Incubation Program objectives. The reviewers relied heavily on the level of detail of the plans provided to judge the likelihood of incubator succeeding in their new visions. There remains substantial risk that some incubators may not succeed in implementing their plans.

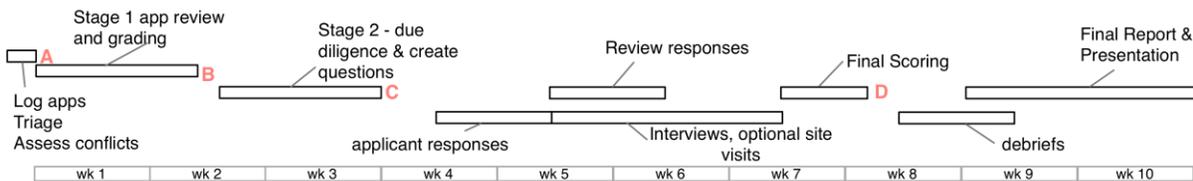
With a year of funded implementation, incubators' plans should have meaningful implementation and documentation. Future funding may require a demonstrated track record of meeting these new objectives.

5 APPENDIX 1: EVALUATION PROCESS AND CRITERIA

5.1 Evaluation Process

UVG’s overall approach and philosophy in reviewing OTF Incubation Program proposals was to execute an objective, consistent, and efficient methodology for all applicants. Proposals were evaluated according to the program mission and objectives resulting in recommendations to fund or not to fund.

Figure 2: Incubation Program Review Timeline



Two independent reviewers each conducted the **Stage 1 Review**. Stage 1 reviews covered all initial evaluation criteria outlined in UVG’s Evaluation Criteria (Section 5.2). The results culminated in recommendations to proceed to Stage 2. Each finding was quality checked and presented to Development in order to determine which applicants advanced to Stage 2 Review.

The **Stage 2 Review** process is an in-depth review of all RFP merit criteria. The two reviewers assigned to each Stage 1 review continued for Stage 2. Based on a review of each applicant’s written application, the review team developed interview questions designed to probe critical success factors. An in-person interview was conducted, consisting of written questions as well as in-person discussion. The interview allowed the review team to gain in-depth understanding of the incubator and personnel. The review team also interviewed some of the current and graduate tenants.

The review process culminated in a funding recommendation for each applicant. Conditions for funding and recommendations for improvements, if any, are also presented for OTF Commission consideration.

Reviewer Selection – Reviewers were selected from UVG’s nationwide network, with consideration for incubator and entrepreneurial expertise, relevant industry experience, and to avoid potential conflicts.

5.2 Evaluation Criteria

UVG established proposal evaluation criteria based on the merit criteria listed in the Incubation Program RFP. The criteria were defined prior to receipt of Incubator RFP responses. Proposals that do not substantially address all criteria are not recommended for funding.

1. Incubator Administrative Compliance

Criteria	Yes	No	Justification
A. Is the proposed program an incubator?			
a. Active Technology Clients at time of application?			

An existing Ohio tech incubator (prior Edison support not required).			
B. Program includes meaningful support resources?			
a. Dedicated facility?			
b. Dedicated full time staff?			
C. Lead Applicant qualified to apply?			
a. Letter of Commitment from Lead Applicant?			
b. Principal place of business in Ohio?			
c. Senior Representative based in Ohio?			
d. Registered with Ohio Secretary of State?			
e. Tangible community support?			

2. Overall Strategy of the Incubation Program

The reviewers consider how the overarching philosophy and strategy of the incubator is established to effectively support technology startup companies through the Commercialization Framework. Specific points addressed include, but are not limited to:

- How the program applies both internal and external resources to meaningfully advance companies through the Framework;
- The vision of the incubator as a launch point, not a long-term home; and
- How the incubator aligns with local resources, OTF focus technologies, and clusters.

3. Entrepreneurial Assistance and Client Management

Central to the vision of the OTF Incubation Program is the expectation that an effective incubator will deploy specialized technical and entrepreneurial services that significantly improve the pace and chances for success of tenant companies. Such services go well beyond inexpensive office rent. Specific points addressed include, but are not limited to:

- Capabilities in providing high quality, intensive services, including access to named capital sources;
- The intensity and character of individualized tenant client engagement;
- Tools and strategy for managing tenant client engagement; and
- Overall program design, including: Progress tracking; Goal and milestone setting; Gap identification and resolution; Plan for achieving graduation.

4. Environment, Resources, and Facilities

While the review recognizes that the nature and quality of an incubator is determined by the service delivered by the incubator team, specialized facilities and resources can have a significant beneficial impact on tenant success. Therefore, the reviewers take note of facilities and specialized equipment available to tenants:

- Quality and criticality of resources available to entrepreneurs;
- Physical facilities (where necessary and appropriate);
- Occupancy substantially by technology tenants; and
- Environment conducive to technology tenants and supports sense of community.

5. Technology Tenant Pipeline

The OTF Incubation Program's intent is to support incubators that fill a demonstrated need in the market or region. A healthy tenant pipeline is an indication of such demand. Specific points addressed include, but are not limited to:

- Selectivity of application acceptance;
- Tenant selection process; Target definition / Fit assessment;
- Existing pipeline – health and “freshness”; and
- Marketing plan, how the pipeline is maintained and grown.

6. 5-Year Portfolio, Graduate Track Record

The reviewers assess the recent performance of the applicant incubator. Specific points addressed include, but are not limited to:

- Track record of graduates:
 - Raising 3rd party investment capital;
 - Bringing products to market;
 - Independent, thriving Ohio firms.
- Advancement in framework (beginning vs. current state);
- Average time to graduation;
- Clear relationship between services/support and advancement;
- Companies that do not advance leave the incubator; and
- Consistency of the five-year portfolio with the incubator strategy.

7. Experience and Qualification of Incubator Team

The character of the incubator's team will have a direct impact on the quality of the services provided to tenants. Specific points addressed include, but are not limited to:

- Experience and qualifications of lead applicant team in technology startup support; and
- Individual track record of success in entrepreneurial support, beyond success in own businesses.

8. Budget and Cost Share

Reviewers confirm that the budget conforms to DSA and OTF requirements, is reasonable, cost share is adequate and compliant, and the lead applicant is judged to be a trustworthy steward of State funds. Specific points addressed include, but are not limited to:

- No State funds to be used for bonus, incentive or other rewards;
- No property acquisition or physical facility improvement paid for using State funds;
- The budget is reasonable and consistent with services described in the proposal;
- Tenant award funds applied to meaningfully and specifically advance the company's products within the Commercialization Framework; and
- Each budget line item is evaluated in detail, with respect to cost share and appropriate use of State funds.

6 APPENDIX 2: ABOUT URBAN VENTURE GROUP (UVG)

6.1 UVG Company Background

Urban Venture Group, Inc. (UVG) is a Columbus, Ohio, based consultancy. Founded in 1998, UVG principals are experienced technology entrepreneurs with over fifty years combined experience founding, funding, growing, and selling technology-based businesses in Ohio.

UVG principals have negotiated and managed \$500MM in corporate M&A activity, helped clients secure over \$140MM in grant awards, built a three time Inc. 500-recognized firm, and evaluated over 200 technologies on behalf of clients. UVG principals have participated in both the buy and sell sides of private equity transactions.

6.2 Nature of UVG Business Activities

UVG provides consulting services focused on commercialization of early-stage technologies. Our clients span energy, materials, medical, defense, and information industries. Our business focuses on market engagement and attraction and effective allocation of resources to advance commercialization.

UVG’s principal business activities are organized into two lines: **Innovation Services** and **Entrepreneurial Support Services**.

Innovation Services focus on the advancement of specific products or technologies, including:

- **Rapid Invention Screening** – High-throughput, market-centric screening of large portfolios
- **Market Guided Research** – Market intelligence to guide technical research
- **Concept Testing** – Guiding product development through direct interaction with customers, partners, or investors

Entrepreneurial Support Services are focused on the advancement of an enterprise, including:

- **Commercialization Strategy** – Identifying paths to market, validate customer needs, plan and fund operations, and identify exit strategies
- **Grant Writing** – Grant writing, agency access, strategy for Federal, State, and other opportunities
- **Venture Services** – Preparing a firm for capital investment, including offering business planning and strategy
- **Sales Pipeline** – Coaching, training, and infrastructure to streamline, manage, and accelerate the sales process

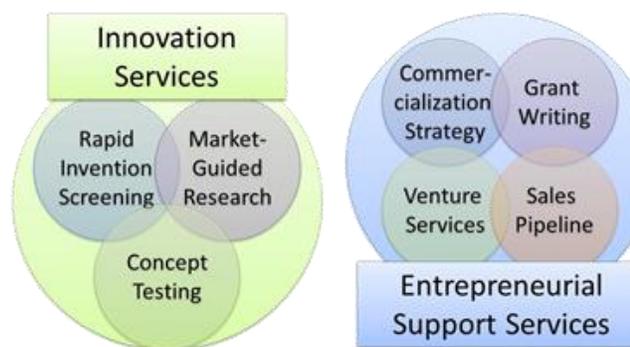


Figure 3: UVG Business Activities