

Agenda

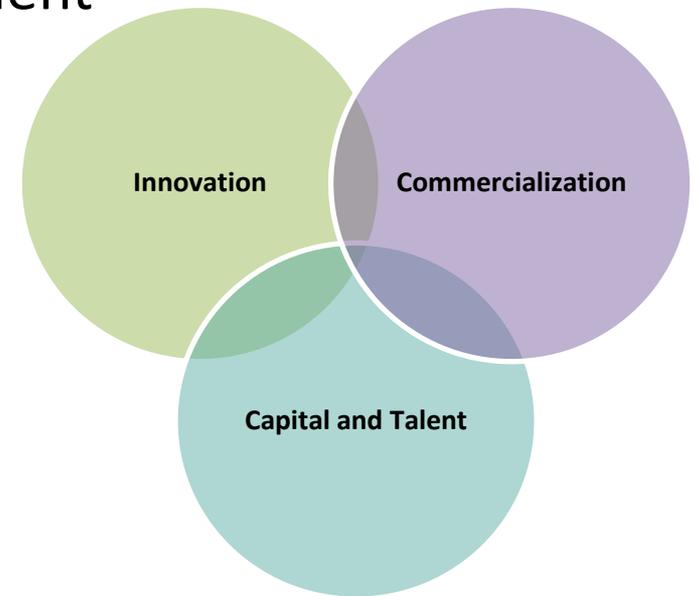
- Welcome and Introductions
- Office of Technology Investments
- Commercialization Framework
- Innovation Platform Program
- Q & A

Office of Technology Investments

- Ohio Thomas Edison Program
 - Edison Centers
 - Edison Incubators
- Ohio Manufacturing Extension Partnership (Ohio MEP)
- Ohio Third Frontier

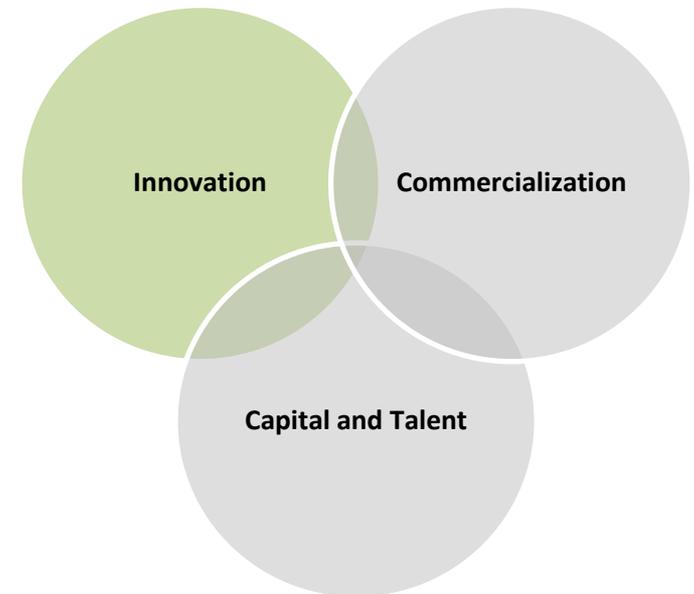
Ohio Third Frontier

- **Innovation** – Foster innovation and promising technologies to bridge voids that discourage risk-takers, innovators, entrepreneurs and companies.
- **Capital & Talent** – Grow capital and talent to create new technologies and new business.
- **Commercialization** – Spur Ohio's research base to commercialize products here in Ohio faster and more efficiently



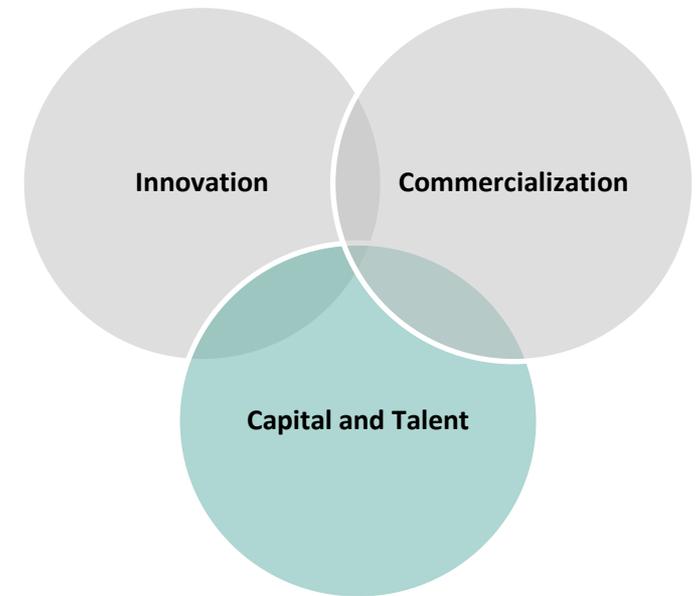
Ohio Third Frontier

- **Innovation** – Foster innovation and promising technologies to bridge voids that discourage risk-takers, innovators, entrepreneurs and companies.
- **\$12 Million**
 - ONE Fund
 - Entrepreneurial Signature Program
 - Incubation Program
 - Open Innovation Incentive



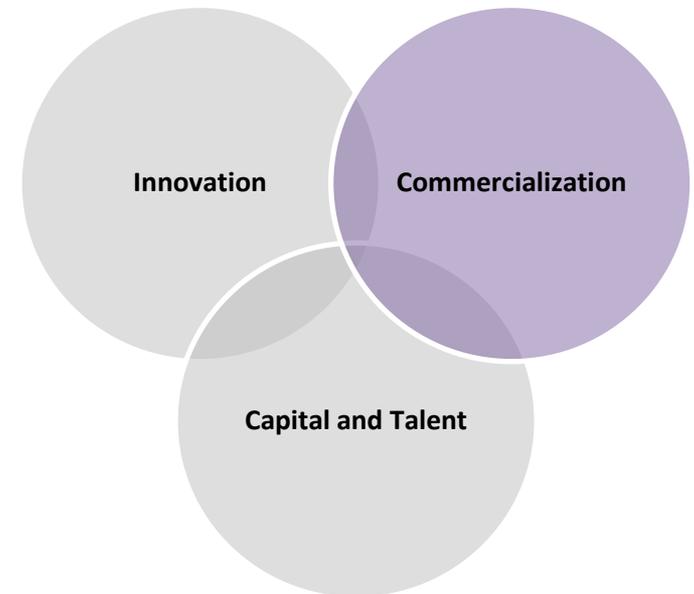
Ohio Third Frontier

- **Capital & Talent** – Grow capital and talent to create new technologies and new business.
- **\$63 Million**
 - Ohio Third Frontier Internship Program
 - Pre-seed Fund Capitalization Program
 - Commercial Acceleration Loan Fund



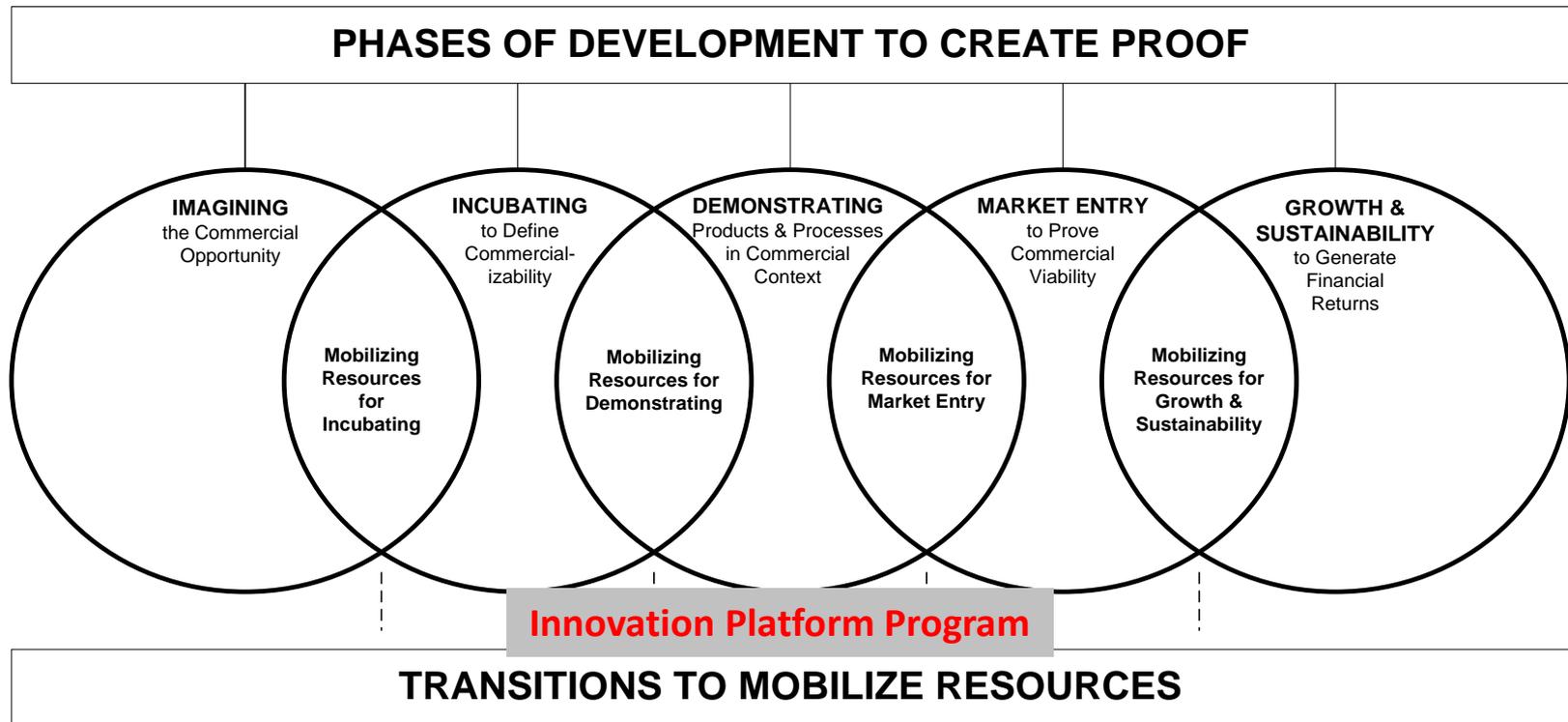
Ohio Third Frontier

- **Commercialization** – Spur Ohio’s research base to commercialize products here in Ohio faster and more efficiently
- **\$130 Million**
 - Technology Validation & Start-up Fund
 - Innovation Platform Program
 - Industrial Research and Development Center Program
 - Technology Asset Grant Program
 - Technology Commercialization Centers



Commercialization Framework

THE PROCESS OF TECHNOLOGY COMMERCIALIZATION



Adapted from Jolly, Vijay K., *Commercializing New Technologies, Getting from Mind to Market*, Harvard Business Press, 1997

Innovation Platform Program

2014

Innovation Platform

What is an Innovation Platform?

- An already existing capability (this is not a capacity building program) at a single Ohio research institution
- Incorporates unique, in-house technology capabilities and strengths such as established talent, equipment, and facilities, as well as a research, development, & innovation track record
- The capabilities and strengths are organized around a cohesive institutional program and technology focus area
- Nationally recognized and ranked
- Has engaged and committed Ohio industry partners

Innovation Platform

What will it do with grant funding?

- Serve as a vehicle for Ohio Client (Ohio companies) defined and directed opportunities
- Match grant funding to Ohio Client directed cost share
- Use grant dollars and company cost share to further the late-stage development of Ohio Client directed new products, next-generation products, and new product innovations

Innovation Platform

Who can be a Lead Applicant?

- An Ohio college or university or a non-profit public or private research organization in Ohio
- The Platform application will be composed of only one such institution
- Innovation Platform Program awardees (by program area, not institution) from previous years are eligible this round only if the platform will serve additional, new clients in a completely new application or industry area

Innovation Platform

Who else can be a part of the proposal?

- Ohio for-profit Client companies, and there must be at least 3 of them unrelated to each other and the Applicant

Innovation Platform

What's a Client?

- A Client is an established Ohio for-profit company
- Has late stage technical needs in bringing to market in Ohio new product, next generation product, and new product innovations that can best be provided by a research institution
- Based on value of services provided by the research institution, three or more Ohio companies are willing to contribute substantial cash cost share to the platform's work on their projects

Innovation Platform

What will the Innovation Platform and its Ohio Clients do and achieve?

- The development and commercialization of late-stage, near-term commercialization in Ohio:
 - New Products
 - Next-generation Products
 - New Product Innovations
- An Ohio Client must have the complete wherewithal to commercialize in Ohio in 3 to 5 years the resulting products, next-gen products and product innovations (i.e. some start-ups may not qualify)

Innovation Platform

What will this look like, what kind of activities will the Innovation Platform and its Ohio Clients be engaged in?

- The development of new products, next-gen products, and new product innovations will entail a combination of Ohio Client services provided by the Innovation Platform:
 - Product design
 - Prototyping
 - Testing/certification of materials, systems, or components
 - Proof of commercial concept
 - Achievement of technical performance standards
 - Alpha/beta testing
 - Pilot production
 - Production design

Innovation Platform

Must every Client utilize every service?

- There must be a minimum of 3 Ohio Clients committed to the Innovation Platform; strong proposals will have 4 or more Clients
- These multiple Ohio Clients will of course have different needs at different stages of the developmental process and will therefore access the Innovation Platform for different services and resources
- An Ohio Client may access as few or as many services of the Innovation Platform as it needs

Innovation Platform

What constitutes a Client commitment?

- Only Cash Cost Share and a commitment to engage in the afore mentioned activities leading to commercialization & economic impacts in Ohio in 3 to 5 yrs.
- In order to be a part of the proposal (or to later access the Innovation Platform), an Ohio company must provide Cash Cost Share and there must be at least 3 Ohio Client companies on a proposal

Innovation Platform

How much Cost Share?

- At least 50% of a proposal's Cash Cost Share must be provided by for-profit Ohio Client companies
- And, all the required cost share must be cash
- Required cost share is 1:1
- All of the required Cost Share must be committed in writing, from known sources, and unconditioned at the time of proposal submission
- Any loss of Client cost share will adversely impact the award

Innovation Platform

What might a good IPP proposal look like?

- A nationally ranked program constituting the Innovation Platform with all requisite capabilities and strengths in-house
- Industry relevant as validated by Ohio Client commitments
- Company driven and Ohio Client focused, not PI driven or research focused
- Multiple Ohio Client companies committed
- Robust development pipeline with multiple near-term commercialization opportunities for Ohio
- Achievability
- Sustainable beyond state support

Administrative considerations

Eligible Subject Matter

- Advanced Materials (advanced polymers, ceramics, composites, carbon fibers and nanotubes, and specialty metals and alloys)
- Aero propulsion Power Management
- Fuel Cells and Energy Storage
- Medical Technology (imaging, surgical instruments/equipment, implant devices, and regenerative medicine)
- Software Applications for business and healthcare
- Sensing and Automation Technologies
- Situational Awareness and Surveillance Systems
- Solar Photovoltaics
- Agribusiness and Food Processing
- Shale

Proposal Evaluation Criteria

- Fit with the definition of a platform as defined in Section 2.1 of the RFP
- Commitment of Ohio for-profit company Clients evidenced by Cash C/S
- Evidence of a sustainable pipeline of commercialization opportunities
- Degree to which technical challenges can be met
- Degree to which applicant/Clients have protected position with respect to their proposed technology
- Quality and likely achievability of the commercial path to market
- Financial stability of the Ohio for-profit company Clients who will take the technologies to market in Ohio
- Degree to which this Innovation Platform will build the State's supply chain and overall technology cluster
- Impact of the Innovation Platform in terms of additional revenue and employment in three and five years
- Realism and achievability of the proposed business model
- Sustainability and continued relevance and likely use of the Innovation Platform by Ohio industry

Funding

- Development anticipates awarding up to \$21 million through the 2014 IPP RFP
- Awards will be in the range of \$1 million - \$3 million
- 1:1 Cash Cost Share. At least 50% must be committed by Ohio for-profit Client companies
- Projects will be in the range of \$2 million - \$ 6 million
- Indirect Costs may not exceed 20% of the total direct Ohio Third Frontier operating funds reflected in the Project budget
- Un-recovered Indirect Costs are an allowable form of Cash Cost Share

Cost Share

- Resources that have been designated as cost share for some other award cannot be used as cost share for an Ohio Third Frontier award
- Cost share must be applied to the project during the project period
- If an organization has a published indirect cost rate, un-recovered indirect costs (the difference between 20% and the published rate) may be used as cost share
 - If not, the lead applicant is limited to using 20 percent of its cost shared direct costs as cost shared indirect costs and no other un-recovered indirect costs from the operating budget may be claimed
- OTF funding and other State funding may not be used as Cash Cost Share for this proposal, and funds awarded under this RFP may not be used as Cost Share against other Third Frontier projects
- Lead applicant will be held to the Cost Share ratio proposed.

Cost Share

- Must be one cash dollar for every one cash dollar of State Grant Funds requested (i.e., a ratio of 1:1)
- Must be in the form of cash
- Must be documented on the budget forms, in the budget narrative, and in a letter from each organization contributing Cost Share signed by a representative authorized to commit the organization to the proposed project and the Cost Share described
- Must represent a specific new commitment to the Innovation Platform described in the proposal
- Must be for allowable costs that are verifiable, auditable and consistent with the Cost Share guidelines

Budget Forms

- **BF1** – Breakdown of Lead Applicant’s requested State funds and committed Cost Share. Subcontract/Subgrant line-item should contain total amount of requested State funds and committed Cost Share from all Client BF2s.

- **BF2** – Must be submitted for each and every Ohio Client receiving State funds and/or committing Cost Share.

Note: All Budget Form 2s are to equal the Subcontract/Subgrant line-item total in Budget Form 1

Review Process

- Administrative Review
 - Office of Technology Investments staff
 - Receive, process and screen proposals for administrative compliance
 - Forward to external evaluators for technical review
- Independent Evaluator Review
 - External evaluators (National Academy of Sciences)
 - First stage review: Technical and commercial
 - Establish a competitive range
 - Second stage review: Questions and interview with NAS
 - Final NAS report recommendations
 - Submit recommendations to Ohio Third Frontier Commission
 - Commission reserves the right to seek OTI staff input

Resubmissions from 2012 or 2013

- If a proposal is based on the same or substantially similar platform as a previous, unsuccessful submission to the IPP, the proposal must include
 - An overview of why the prior proposal was not recommended for funding
 - How the current proposal addresses the prior's deficiencies

Timeline

January 27, 2014

RFP Released

March 14, 2014

Letters of Intent due by noon

May 19, 2014

Proposals due by 2:00 p.m.

May – September 2014

Review Process

September 2014

Award Announcements

Questions

- **All questions must be submitted via email**
- Email: IPP@development.ohio.gov, with subject line “IPP Q&A”
 - * *Proposals are to be submitted to this same e-mail address, with the subject line “2014 IPP Proposal”*
- Frequently asked questions will be posted on the Third Frontier web site: www.thirdfrontier.com
- **BLACK OUT PERIOD** - Any contact with Staff or Commissioners involving a proposal can result in immediate disqualification of that proposal

RFP Modifications and Clarifications

- From time to time, it may be necessary to modify or clarify portions of the RFP, as well as the forms. In that event, we will post a document titled “RFP Modifications and Clarifications” to the RFP page for the particular program on the Third Frontier website.
- It is your responsibility to be aware of any RFP modifications and to ensure that your proposal conforms with any such modifications.

Things to Avoid

Commercialization / Market

- Proposing a program in its infancy
- If NSF/NIH will fund your proposal, OTF likely will not
- Not being industry driven
- Ohio Client companies without the wherewithal to commercialize
- Unrealistic impacts
- Proposing a program that is internal technology push, rather than external pull, oriented – needs to be Seeker driven, not Solver driven

Things to Avoid

Administrative Issues

- Late Proposals
- Requesting above or below the award \$
- Ignoring page limits
- More than 5 key personnel
- Claiming everything as proprietary information
- Appending Material
- Missing letters of commitment
- Incorrect or missing budget forms

Things to Avoid

Cost Share

- Not viewing Cost Share as a true half of the whole
- Not addressing Cost Share specifics in the budget narrative
- Missing letters of commitment
- Not addressing Cost Share specifics in letters of commitment
- “Related” Cost Share
- Bait & switch either by amount or source
- The ratio and company source amount you propose is the ratio and minimum company source we hold you to

Q & A Time