

Ohio

Third Frontier

Innovation Creating Opportunity

Ohio's New Entrepreneurs (ONE) Fund

**FY 2013 Bidders Conference
November 30, 2012**

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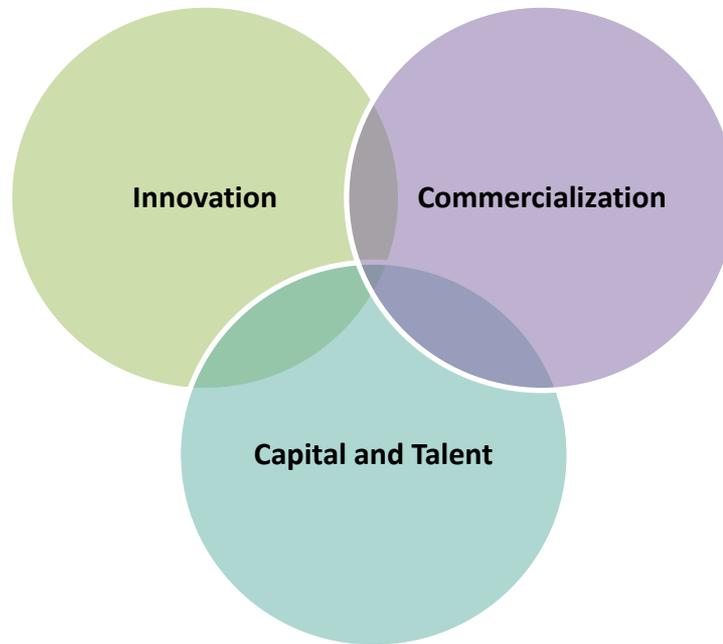
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Agenda

- Welcome and Introductions
- Ohio Third Frontier
- Commercialization Framework
- Ohio's New Entrepreneurs (ONE) Fund
- Q & A

Ohio Third Frontier

\$2.3 billion technology-based economic development initiative that offers programs to help Ohio companies grow



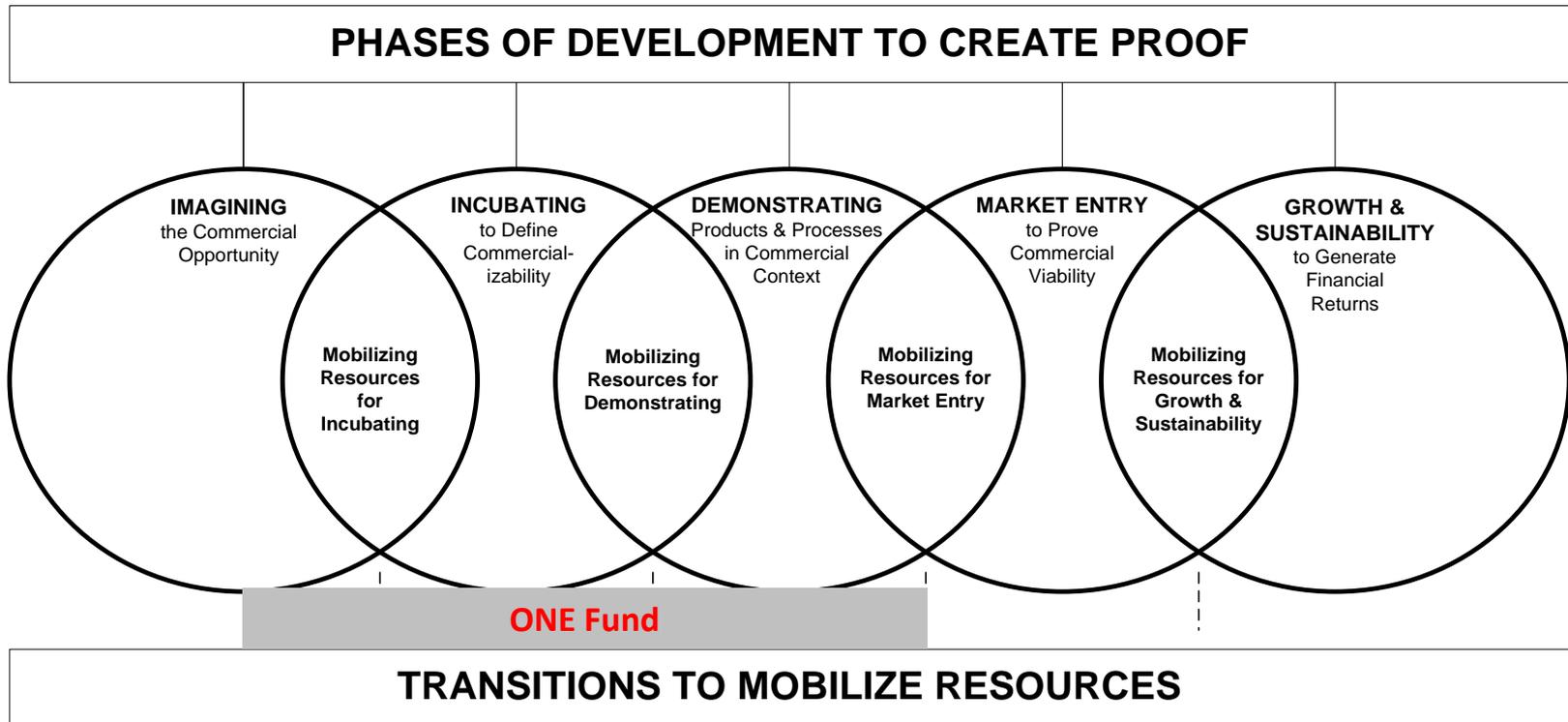
ONEFUND!
OHIO'S NEW ENTREPRENEURS

Ohio Third Frontier: Outcomes

- Produce a high level of economic return for the state in quality jobs, company growth, and wealth creation
- Create sustainable engines of economic development activity in key areas of technology and industry strengths
- Reduce the risk of pursuing entrepreneurial, innovation and development activities in Ohio
- Sustain best practices and relationships that lead to efficient commercialization
- Increase the visibility and reputation of Ohio as an innovation and entrepreneurial destination

Commercialization Framework

THE PROCESS OF TECHNOLOGY COMMERCIALIZATION



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

Ohio's New Entrepreneurs (ONE) Fund

Fiscal Year 2013



Program Goals

- Attract and retain top entrepreneurial talent in Ohio
- Assist young companies in attracting follow-on investment
- Raise visibility and excitement about entrepreneurship in Ohio

Program Objective

Support Ohio business accelerators which have the potential to become world-class by providing funding to teams of entrepreneurs participating in these accelerators

ONE Fund Timeline

2011: Launched pilot program, 10x

2012: Expanded program to four Ohio accelerators

2013: Plan to support up to five accelerators

Accelerator Model

- Emerged in 2005 with the launch of YCombinator in California, followed by TechStars in Colorado
- Accelerate the time to market by rapidly connecting emerging technologies with market needs, and link promising new ventures with investment capital
- Mentorship-driven
- Has greatly proliferated since 2005

Accelerator Model

Programmatic Structure

- Highly defined
- Identifiable progression targets
- Set number of participating companies
- Short program duration of approximately three months

Companies

- Typically able to launch a beta prototype during the program, and raise follow-on capital by the end of the program or within a few months of program completion

Focus Area

- Primarily Information Technology
 - Leverage platform technologies
 - Inexpensive development tools
 - Ability to quickly validate the business model and demonstrate traction
 - Capital efficiency

Eligible Subject Matter

The accelerator does NOT have to be focused on Information Technology, but the Lead Applicant will need to make a case for:

- Why this is a good fit for the accelerator model
- Which points in the technology/business development timeframe can be accelerated
- How the participating teams will be able to achieve rapid business validation and raise meaningful follow-on capital within six months of program completion

Lead Applicant Eligibility (1)

Have a Principal Place of Business in Ohio

- Facility located in the State of Ohio where the Lead Applicant, who is registered with the Secretary of State to conduct business in Ohio, maintains physical operations managed by a senior representative of the Lead Applicant who is authorized to make decisions and to obligate the Lead Applicant and its resources
- Facility must be owned by the Lead Applicant or be subject to a long-term lease
- Principal Place of Business does NOT need to be the same as the accelerator facility

Lead Applicant Eligibility (2)

Follow standard accelerator format

- Last approximately three months
- Support five to ten teams of entrepreneurs
- Expect a high level of team commitment and progress, and maintain graduation standards
- Provide a broad and deep mentor network with relevant expertise, actively engaged and committed to the teams
- End with a Showcase or Demo Day where entrepreneurs pitch their ventures to an expert audience of local, regional, and national investors
- Provide a dedicated collaborative facility to the participating teams

Entrepreneurial Signature Program (ESP) Grantees are not eligible

- However, ESP Grantees are encouraged to look at accelerators for a potential pipeline of quality deal flow

Performance Goals

The Lead Applicant should demonstrate why the accelerator is likely to have a significant impact on Ohio in the following areas:

- Assisting companies in raising follow-on capital, with at least 50% of companies having raised meaningful capital within no later than six months of program completion
- Increasing the ability to attract top talent in order to create and grow scalable technology-based enterprises
- Selecting teams likely to derive meaningful benefit from the accelerator
- Retaining top talent in Ohio following graduation from the accelerator
- A meaningful experiential-based education for entrepreneurs
- Enhanced national and/or international recognition for Ohio

Proposal Evaluation Criteria

In addition to Proposal alignment with the ONE Fund purpose, goals, objectives, eligibility, and funding as described in the RFP, the following are examples of specific elements which will be considered:

- Breadth, depth, and relevant expertise of the mentor network
- Mentor commitment level
- Resources and services available to the participating teams
- Likelihood that the program will result in a world-class accelerator, and help garner national and international recognition for Ohio

Proposal Evaluation Criteria

Continued...

- Availability of all financial and other resources needed to deploy and sustain* the accelerator
- Likelihood of achieving the proposed performance goals
- Ability to attract top teams from Ohio and outside the State
- Team selection process and criteria
- Experience and qualifications of the Lead Applicant
- Strategy to retain teams in Ohio following program completion

***New accelerators must outline a path to self sustainability, and existing accelerators must describe the progress toward self sustainability**

Funding

- Anticipate awarding up to \$960,000 to up to five Ohio business accelerators
- Each award will be \$100,000 to \$200,000 to support five to ten teams of entrepreneurs with funding of \$20,000 per team
- The accelerator sessions need to take place in *calendar* year 2013

Funding

- There is no formal cost share required from the Lead Applicant; **however, all costs pertaining to the accelerator other than team funding will be borne by the Lead Applicant**
- The non-Third Frontier funds must be committed to the accelerator by the time the Grant Agreement with Development is executed

Accelerator Operating Funds

FY2013 Ohio Third Frontier Ohio's New Entrepreneurs Fund					
Accelerator Operating Funds (*)					
Use of Funds	Cash (\$)	Donated (\$)	Source(s) of Funds	Already Committed or Date Expected	Explanation/Breakdown
Personnel/Fringe					
Accelerator Facility (Rent/Utilities)					
Marketing/PR					
Website/Online Tools					
Program Events					
Supplies					
Travel					
Non-state Funds Awarded to Selected Companies					
Other (Specify)					
Total Funds:	\$0	\$0			

() Describe the sources and uses of funds needed to successfully operate the accelerator other than the Ohio Third Frontier Funds.*

- New, smart, and meaningful funds to complement Third Frontier funds
- Letter of Commitment from Lead Applicant

Review Process

- **Administrative Review**
- **External Review**
 - Independent evaluators will down-select applications, and may conduct interviews with finalists
 - The evaluators will recommend selected applications to the Ohio Third Frontier Commission for approval

Timeline

November 8, 2012

RFP Released

December 17, 2012

Proposals due by 1:00 p.m.

Winter/Spring 2013

Review and Award

Questions

All questions must be submitted via email to ONEFund@development.ohio.gov, with subject line “ONE Fund Q&A”

Frequently asked questions will be posted on the Third Frontier website at http://development.ohio.gov/bs_thirdfrontier/default.htm

Proposal Submission

Proposals must be submitted as PDF email attachments to ONEFund@development.ohio.gov, with subject line “ONE Fund Proposal Submission”

Application Deadline: December 17, 2012, 1:00 p.m.

RFP Modifications and Clarifications

- If necessary, Development will post a document titled “RFP Modifications and Clarifications” to the RFP page for the particular program on the Third Frontier website
- It is the Lead Applicant’s responsibility to be aware of any RFP modifications and to ensure that Proposal conforms with any such modifications

Things to Avoid

- Late proposals
- Requesting more than Award Limit
- Ignoring page limitations
- Claiming proprietary information
- Appending material
- Support letters not specifically requested

Questions

