

Ohio Third Frontier

Commission and Advisory Board
December 6, 2018



Development
Services Agency



Third Frontier
Innovation Creating Opportunity

Meeting Minutes

Technology Validation & Start-up Fund

Technology Validation & Start-up Fund Program

Lead Applicants

- Ohio research institutions with sufficient internal deal flow to support a multitude of projects. Awards range from \$200,000-\$500,000 with 1:1 cash cost share.
- Ohio start-ups and young companies that are a prospective licensee of a technology from an Ohio institution. Up to \$100,000 (or \$150,000 if in MedTech) as initial capitalization with no cost share.

External Evaluator: Quantum Commerce

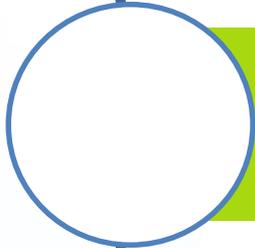
ZeoVation



Technology Validation & Start-up Fund Program Rounds 19 Key Dates



Written Questions December 14, 2018



Proposals December 21, 2018



Awards March 2019

A network diagram background consisting of a complex web of interconnected nodes and lines, rendered in shades of blue and white, set against a light blue gradient background.

OTF TVSF – Round 18 Evaluator Report

December 06, 2018

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Overview – Round 18

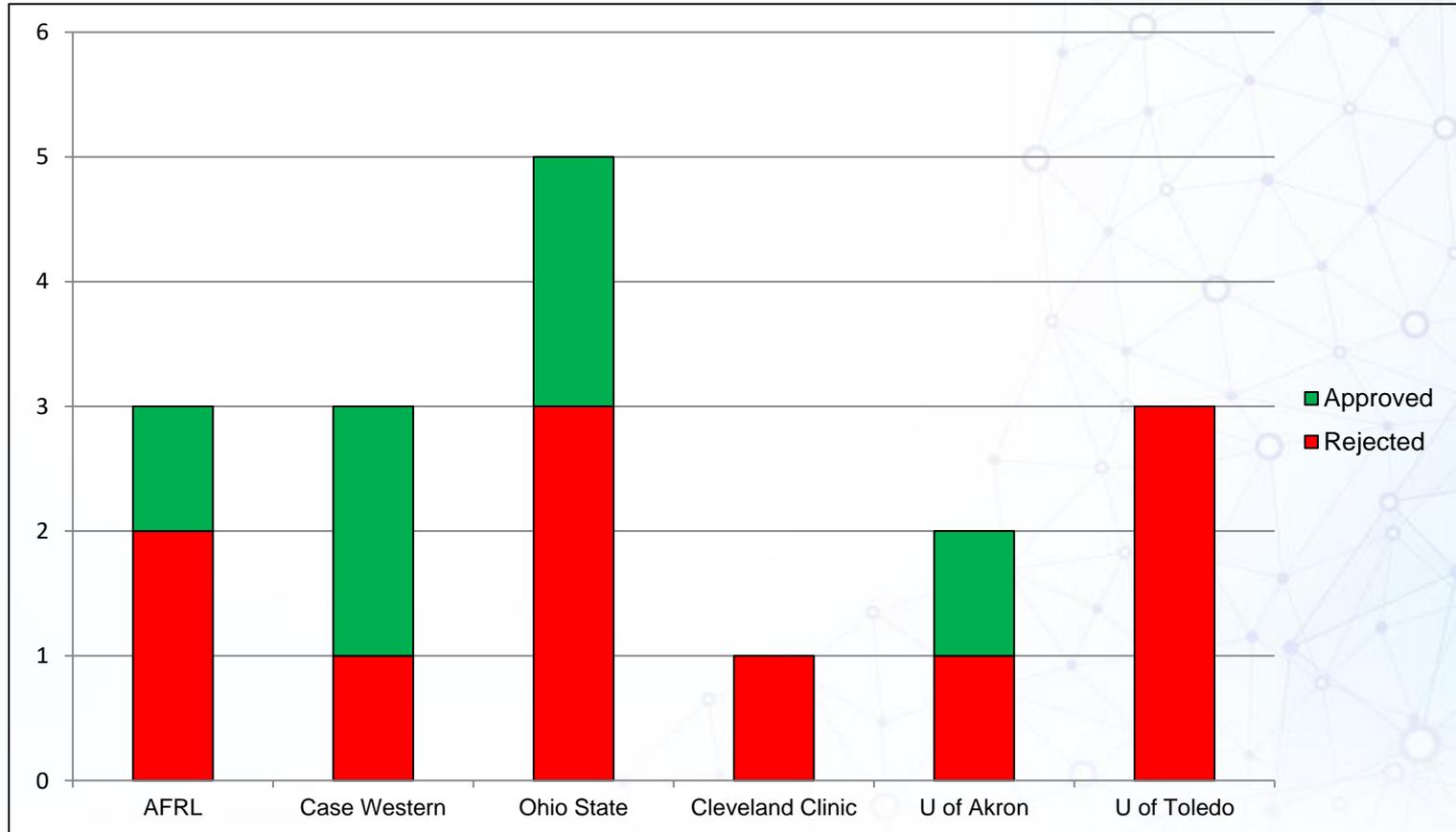
- 6 of 17 proposals submitted this round are recommended for approval
- Total grant dollars recommended is \$1,150,000

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Round	Approval Rate	\$\$ Recommended
1 (APR 2012)	35%	\$950,000
2 (AUG 2012)	52%	\$900,000
3 (DEC 2012)	44%	\$610,000
4 (JUN 2013)	30%	\$864,000
5 (FEB 2014)	46%	\$1,462,000
6 (JUN 2014)	39%	\$998,000
7 (OCT 2014)	57%	\$1,100,000
8 (FEB 2015)	37%	\$710,000
9 (JUN 2015)	31%	\$550,000
10 (DEC 2015)	38%	\$925,000
11 (APR 2016)	46%	\$1,239,000
12 (OCT 2016)	46%	\$3,537,269
13 (MAR 2017)	38%	\$1,567,500
14 (SEP 2017)	27%	\$498,832
15 (DEC 2017)	38%	\$2,250,000
16 (MAR 2018)	52%	\$2,098,600
17 (SEP 2018)	42%	\$2,100,000
18 (DEC 2018)	35%	\$1,150,000
Overall		\$23,510,201
Average	41%	\$1,306,122

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Round 18 Results - Applications by Institution



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Phase 1 Proposals Recommended for Funding

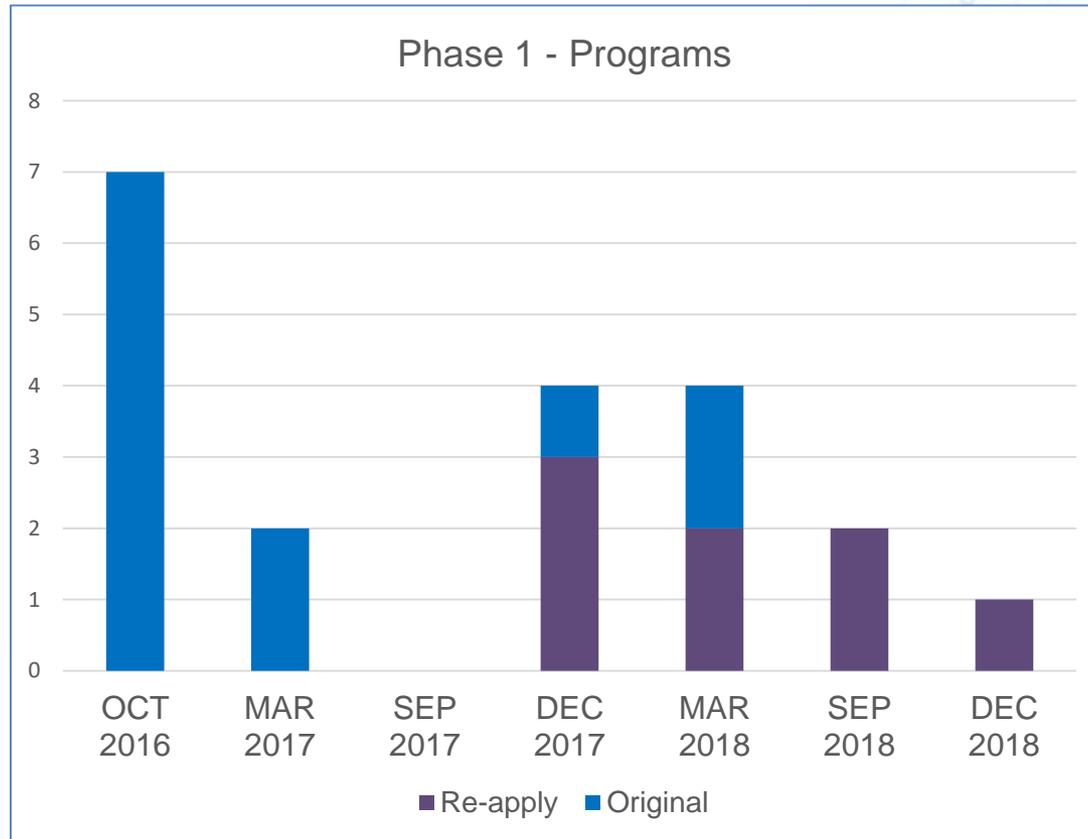
Proposal #	Lead Applicant	Title	State Funds Requested	Total Budget	Recommend
19-0216	CWRU	Phase 1 - TVSF - Pool of Funds	\$500,000	\$1,000,000	\$500,000



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Trends – Phase 1 Programs*

(all rounds to date)



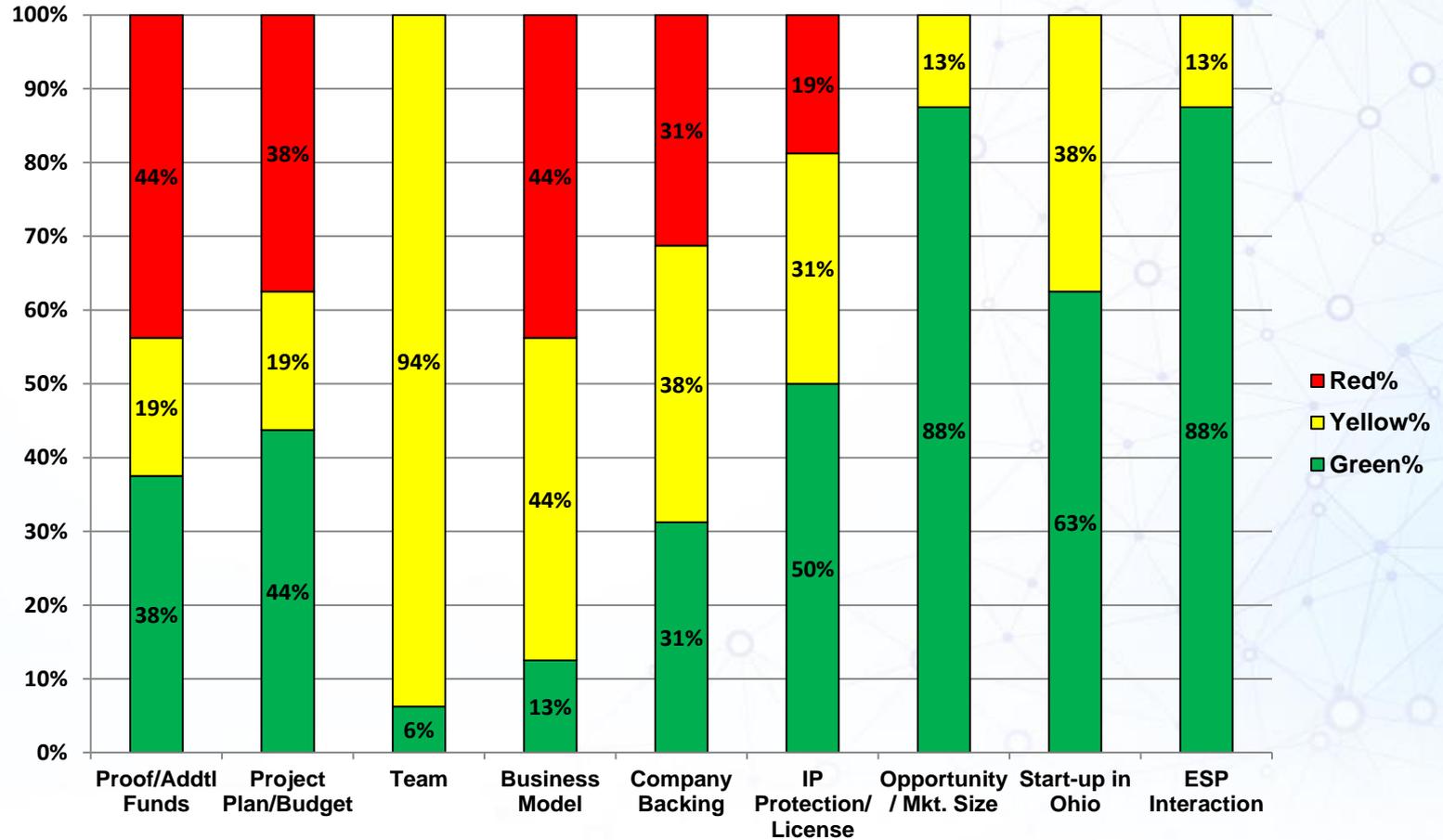
12 Cumulative Phase 1 Programs

*Originally Known as 'Phase 1 – Track B'

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Trends- Round 18

Phase 2 Category Ratings



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Phase 2 Proposals Recommended for Funding

PROPOSAL #	Licensing Institution	Lead Applicant	PROJECT TITLE	Technology	Recommended
19-0218	The Ohio State University	Agile Ultrasonics Corporation	Commercial Scalability of Ultrasonic Processing of Composites	Ultrasonic consolidation of layered composites for increased strength and quality	\$100,000
19-0222	The Ohio State University	Electronic Systems Incorporated	Hyperkalemia Sensor	Real-time continuous measure of in-vivo concentration of potassium in the blood	\$150,000

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Phase 2 Proposals Recommended for Funding Cont.

PROPOSAL #	Licensing Institution	Lead Applicant	PROJECT TITLE	Technology	Recommended
19-0223	University of Akron	Hedgemon, Inc.	Hedgehog-Inspired Impact Protection Liner	Protection platform inspired by hedgehog quill morphology to protect against physical damage	\$150,000
19-0225	Air Force Research Laboratory	MAFAZO LLC dba IgnYTE Assurance Platform	Cybersecurity Technology Development and Integration	Software that reduces malware infiltration and provides three-factor data access control.	\$100,000

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Phase 2 Proposals Recommended for Funding Cont.

PROPOSAL #	Licensing Institution	Lead Applicant	PROJECT TITLE	Technology	Recommended
19-0259	CWRU	CollaMedix Inc.	CollaSling	Replacement of polymer mesh with electrocompacted natural collagen for reduced complications	\$150,000

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Resubmission

Phase 1

- The single Phase 1 proposal is a resubmission.
- It is Recommended for Funding.

Phase 2

- 4 of 16 (25%) Phase 2 proposals are resubmissions.
- 2 of the four (50%) are Recommended for Funding.

Carry Through

- 5 of 16 Phase 2 proposals (31%) were previous Phase 1 awardees.
- 2 are Recommended for Funding (40%) in this round.

A network diagram consisting of numerous small blue circles (nodes) connected by thin, light blue lines. The nodes are arranged in a somewhat irregular, interconnected pattern, with some nodes being larger and more prominent than others. The overall appearance is that of a complex, interconnected system or network.

QUESTIONS?

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Commission Ethics Training

ESP Update: West Central

ESP Update: Northwest



CY 2019

**Entrepreneurial Services Provider (ESP)
Program**

Evaluator's Recommendations

December 6, 2018



About Urban Venture Group (UVG)

- Founded in 2009 and based in Columbus, Ohio
- OTF external evaluators since 2012, including ESP, Incubator, and Accelerator programs
 - Also: OII, Pre-Seed Fund, CALF programs
 - Helped develop initial OTF metrics collection system
- Consulting focus on early stage commercialization
 - Specialty in non-dilutive capital
 - Provide services related to capital, markets, customers, talent, and management
 - International client base includes large and small businesses, non-profits, entrepreneurs and researchers, and state and Federal agencies



Evaluators

Evaluator	Background
Burr Zimmerman, PhD	Co-Founder of UVG; Pharmaceuticals and med device; Ph.D. Chemical Engineering
David Brownstein	Co-Founder of UVG; Software industry serial entrepreneur. M.S. Computer Science
Phillip Smith, PhD	Independent innovation consultant with deep expertise with large corporations. Ph.D. Physics
Robert Wilkins, MD	Medical device and therapeutic product development. Institutional fund venture partner.
Capt. David Whittaker, MD	Practicing vascular surgeon; Expert in defense innovation sourcing and commercialization.
Kathleen Repsher	Budget and cost share compliance, OTF and federal grant and contract budgeting.



Update Since September Meeting

- UVG is presenting an updated funding recommendation for NextTech (Northwest Ohio)
- Per Commission and DSA guidance, UVG performed additional budget and cost share review in close collaboration with NextTech and JumpStart
 - An increased funding amount is being recommended
 - The overall merit review findings remain consistent with previously presented results



NextTech Additional Review



Applicant	Funding Recommendation	CY 2019 State Funding	Total CY 2019 ESP Budget
NextTech (NWO)	Recommended	\$2,000,000	\$4,000,000

- All partners reviewed their activities and submitted new budget requests
 - Accompanied by new projected client company pipelines, responsibilities matrices, and event plans
- NextTech and JumpStart committed to regional management of key pools of funds
 - NT will implement a regional process to award and oversee allocation of funds
 - Including client grant funds and programming purchased services budgets
 - NT committed to transparent reporting of uses of funds and outcomes achieved;
 - NT will seek to improve quality of donated services; these are to be evaluated and approved by DSA post-award.
- Based on the revised budgets, a revised funding recommendation is being presented today.



NextTech Recommended Budget



Entity	Requested	Recommended
NextTech TOTAL	\$4,187,148	\$4,000,000

Entity	Requested	Recommended
NextTech	\$1,327,353	\$1,351,875
ProMedica Innovations	\$1,200,618	\$1,073,181
Mercy Health	\$626,328	\$574,011
UT	\$687,141	\$682,524
BGSU	\$345,708	\$318,409



NextTech Merit Criteria Evaluation



Applicant	Overall	Impact	Metrics	Management	Sustainability	Inclusion	Cost Share
NextTech Inc. (NWO)	→	↓	→	→	→	→	→

 Exceeds Requirements	 Meets Requirements	 Does Not Meet Requirements
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NextTech Inc. (NWO)



Area		Evaluation	Recommendations
Impact	↓	<ul style="list-style-type: none">• Strong set of regional assets• Region is early in establishing ESP infrastructure and operations• Impact is nascent	<ul style="list-style-type: none">• Formalize JumpStart leadership role• Expand collaboration in sectors that make NWO unique (e.g., ag, mfg, trans)
Metrics	→	<ul style="list-style-type: none">• Metrics exceed goals• With low amount of services provided, difficult to attribute these results to NextTech	<ul style="list-style-type: none">• NT (JS) proposed new goals intermediate/leading success metrics
Management	→	<ul style="list-style-type: none">• Leadership of JumpStart is key to regional success• JS Role is being formalized	<ul style="list-style-type: none">• Formalize JumpStart leadership role• Establish formal systems and processes



NextTech Inc. (NWO)



Area		Proposal	Recommendations
Sustainability	→	<ul style="list-style-type: none">• Four regional partners provide funding• Need to validate this model once the ESP is steadily operating	<ul style="list-style-type: none">• Seek cost share providers from regional industrial sectors and charitable/economic development donors
Inclusion	→	<ul style="list-style-type: none">• Inclusion programs limited to outreach	<ul style="list-style-type: none">• Expand inclusive mentoring, capital & talent attraction
Budget and Cost Share	→	<ul style="list-style-type: none">• New commitments of regional oversight address evaluator concerns• Low quality donated service still to be addressed during period of performance	<ul style="list-style-type: none">• New budget recommended based on revisions and additional justification provided by NT



Discussion

CY 2019 Entrepreneurial Services Provider Program

Neuros Medical Discussion

Broadband Development Grants Update

Other Business/Adjournment