“Universities do not get enough credit for the fact that as players in our innovation ecosystem, they’re willing to gamble on cash-strapped startups. At the end of the day, who else is offering to pick up the tab? … Warts and all, universities remain willing to pay patent costs to support expensive and increasingly sophisticated IP strategies for startups who will likely never be able to pay them back.”

Technology Value Curve

Where Universities Traditionally Add Value

Spinoff Value Generation

Services
- Prototype
- Incorporation
- Logo/website
- Corporate Secretary
- CFO Solutions
- Umbrella Insurance
- Market research
- Grants programs

Commercialization Stage
Spinoff Development

31 Technologies in Pipeline (0 counted as startups)

Spinoff Value Generation

Commercialization Stage

IDEA → PROOF OF CONCEPT → PROTOTYPE → COMMERCIAL LAUNCH → MARKET EXPANSION
Utah Spinoff Development

31 Technologies in Pipeline (0 counted startups)

162 Operating Companies
6,361 Utah Employees
Over $30 million
Commercialization Grants (2005-11)
over $249 million Start-up Investments (2005-11)
(202 Start-ups 1970-2011)

Commercialization Stage
Spinoff Development

Spinoff Value Generation

Commercialization Stage

PROTOTYPE

COMMERCIAL LAUNCH
Spinoff Development

Phase 1 Formation
- Legal Formation
- Technology License
- Product Development
- Logo, web
- Product development grants

Phase 2 Business
- Business Plan
- Product Validation
- Product development grants
- Angel & Seed Investors

Phase 3 Operating
- Customers Testing Product
- Investors
- Key Managers
- Board of Directors
- Bank Credit

Phase 4 Market Entry
- Marketing/Sales
- Strategic Partnerships
- New Products & IP in development

Phase 5 Long Term Growth

AUTM Spinoff is Technology Licensed to New Firm

Commercialization Stage
Spinoff Development

**Phase 1: Formation**
- Legal Formation
- Technology License
- Product Development
- Logo, web
- Product development grants

**Phase 2: Business**
- Business Plan
- Product Validation
- Product development grants
- Angel & Seed Investors

**Phase 3: Operating**
- Customers Testing Product
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- Key Managers
- Board of Directors
- Bank Credit

**Phase 4: Market Entry**
- Marketing/Sales
- Strategic Partnerships
- New Products & IP in development

**Phase 5: Long Term Growth**

**Commercialization Stage**
## Spinoff Results 2011

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
<th>Phase 4</th>
<th>Phase 5</th>
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<tbody>
<tr>
<td><strong>Formation</strong></td>
<td><strong>Business</strong></td>
<td><strong>Operating</strong></td>
<td><strong>Entry</strong></td>
<td><strong>Long Term</strong></td>
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<td>27 Companies</td>
<td>24 Companies</td>
<td>20 Companies</td>
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<td>71 Companies</td>
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<td>$5,130,000</td>
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<td>Investments</td>
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<tr>
<td>18 Employees</td>
<td>62 Employees</td>
<td>125 Employees</td>
<td>176 Employees</td>
<td>5,980 Employees</td>
</tr>
</tbody>
</table>

**Commercialization Stage**
Utah Spinoff Development

- 31 Technologies in Pipeline (0 counted startups)
- 23 Total UURF Incubator Cos
- 12
- 11

162 Operating Companies
361 Utah Employees
Over $30 million Commercialization Grants (2005-11)
Over $249 million Start-up Investments (2005-11)
23 Total UURF Incubator Cos

MARKET EXPANSION
COMMERCIAL LAUNCH
PROTOTYPE
PROOF OF CONCEPT
IDEA

Commercialization Stage
Spinoff Results 2011

Phase 1
Formation
- 27 Companies
- $755,000
- Grants
- $800,000
- Investments
- 18 Employees

Phase 2
Business
- 24 Companies
- $5,630,000
- Grants
- $5,700,000
- Investments
- 62 Employees

Phase 3
Operating
- 20 Companies
- $5,082,000
- Grants
- $77,765,000
- Investments
- 125 Employees

Phase 4
Market Entry
- 20 Companies
- $5,130,000
- Grants
- $54,900,000
- Investments
- 176 Employees

Phase 5
Long Term Growth
- 71 Companies
- $13,150,000
- Grants
- $109,950,000
- Investments
- 5,980 Employees

PROTOTYPE → COMMERCIAL LAUNCH → MARKET EXPANSION

Commercialization Stage
Grants Lead Capital

- UURF Program Funding
- Grants to Spinoffs
- New Invested Capital


Investments: 10000000, 20000000, 30000000
Economic Results

• Companies that stay in Utah and create jobs in Utah
  – Companies tied to Utah through University research relationship
  – Good corporate citizens that invest in the community
  – Salaries more than 150% Utah average earnings

• Technologies attract investment
  – Incubating development “de-risks” technology
  – Attracting seed capital to Utah
  – Successful “deals” attract more growth capital to Utah
Economic Significance

“The economic significance of the research university goes far beyond its role of education and training. For several decades, university research has increasingly formed the foundation of significant technological advancements. These technologies enter the marketplace through research collaborations with industry, licenses, and to an increasing extent, university-driven efforts to turn new ideas into start-up companies.”

Jan Crispin, Senior Research Economist.

*The Economic Impact of Startup Companies and Invention Licensees Originating from Research at the University of Utah.*

Bureau of Economic and Business Research, 2011.