

Overview of the Commercialization Program

The **Oregon BEST Commercialization Program** accelerates the commercialization of technologies developed by universities and small businesses in Oregon. The program focuses on creating commercialization partnerships between industry and Oregon universities or leveraging existing collaborations between Oregon companies and Oregon BEST's Member Faculty.

The commercialization collaborations that are catalyzed by Oregon BEST create much-needed jobs for Oregonians in the cleantech sector, which is expected to experience significant growth for decades to come. Simultaneously, the technologies commercialized help address the challenges of climate change, our nation's dependence on fossil fuels, the environmental impacts of energy generation and building materials production, and the quality of our indoor environments.

The Commercialization Program supports promising cleantech technologies, products, and services that are at an early stage of development. The program seeks to assist researchers, inventors, and entrepreneurs in activities that might include proof-of-concept demonstrations, laboratory validations, prototype development, small scale pilot programs, technology trials, or market validation. These activities are designed to achieve some combination of the following objectives:

- expand the base of cleantech research in the Oregon University System
- support the transition of technology developed at Oregon BEST's partner universities into industry
- provide university-based support, in the form of lab resources and specialized expertise, to Oregon companies
- accelerate the development of new cleantech products by Oregon companies
- facilitate the formation of new cleantech companies in Oregon

Oregon BEST helps commercialize technologies primarily focused on renewable energy (including generation, storage, and smart grid) and sustainable built environment technologies. The Commercialization Program has two main elements: 1) Oregon BEST Commercialization Grants and 2) commercialization acceleration support services provided to researchers and startups by entrepreneurs-in-residence employed by Oregon BEST.

The Commercialization Grants help bridge the gap between traditional R&D funding sources and the availability of private investment – a gap commonly known as the “valley of death.” By working with Oregon BEST Member Faculty at our partner universities, the university tech transfer offices, and small businesses, we identify opportunities for small investments to make a big impact in moving products and services to market and to achieving success in securing follow-on financing and initial customer traction.

The commercialization acceleration support services connect experienced entrepreneurs-in-residence employed by Oregon BEST with researchers and startups that need assistance in making the transition from “technology readiness” to “investment readiness” and “commercial viability.” We provide consulting and mentorship to assist in the areas of business strategy, product strategy, acquisition of private capital, strategic business development, and management team formation. Oregon BEST leverages the wide range of entrepreneur support services available from other entities and provides a focal point for the development of cleantech products and cleantech companies.

Selection Process for Oregon BEST Commercialization Grants

Oregon BEST Commercialization Grants are awarded based on a compelling potential to grow the cleantech economy in Oregon. Grant proposals will be evaluated by Oregon BEST staff, recommended by the Oregon BEST Commercialization Advisory Board, and approved by the Oregon BEST Board of Directors.

Proposals will be evaluated based on a number of selection criteria including the following:

- potential to expand the base of leading-edge cleantech research in the Oregon University System
- alignment with Oregon’s core industry and technology leadership areas that will enable the enterprise to benefit from cluster strengths and contributions
- potential to result in novel cleantech products or services
- potential to create a new cleantech company in Oregon
- potential to grow the base of cleantech jobs within existing Oregon companies
- the uniqueness and viability of the technology and/or the application
- the size, growth and timing of the market for the innovation
- the potential for acquiring defensible intellectual property
- the potential for establishing and maintaining technical and commercial differentiation
- the ability for the grant to propel the recipient to an important developmental milestone
- the strength of the development and/or management team
- level of commitment the Commercialization Partner is making to the project, whether in the form of cash, human resources, equipment, supplies or other in-kind contributions.
- the extent to which existing and incremental resources will be leveraged to contribute to the success of the project

Eligible projects must be a collaboration between a small business in Oregon and one or more of the Oregon BEST partner universities – the Oregon Institute of Technology, Oregon State University, Portland State University, and the University of Oregon. Grant proposals must be submitted by one or more members of Oregon BEST Member Faculty (the “University Partner”) in collaboration with an Oregon-based small business (the “Commercialization Partner”). During and after these commercialization projects, Oregon BEST will provide assistance in connecting project teams with technical, business and financial resources to support their longer-term success.

Types of Commercialization Grants Available

Oregon BEST offers two types of Commercialization Grants –1) Technology Testing and Characterization Grants and 2) Product Development and Deployment Grants.

Technology Testing and Characterization Grants:

Technology Testing and Characterization Grants (TTC Grants) are intended to support technology research and development activities that might include one or more of the following:

- development of a new technology, system or process
- laboratory or field testing
- demonstration of a proof-of-concept
- characterization of technical performance relative to performance targets
- characterization of technology performance relative to a competing technology
- development of analytical tools, models or simulations
- development of a synthesis process or scale-up process
- development of a prototype, model or mockup of a product
- execution of a small scale technology pilot project or market trial

All of the grant funds from TTC Grants will be utilized to fund activities by the University Partner. Use of Oregon BEST Signature Research Facilities at partner universities is encouraged. Those facilities are listed at: <http://oregonbest.org/research/shared-user-facilities>. No funds from TTC Grants can be utilized to fund activities performed by any commercial entity including the Commercialization Partner.

Product Development and Deployment Grants:

Product Development and Deployment Grants (PDD Grants) are intended to support product development and commercialization activities that might include one or more of the following:

- development of a prototype or pre-production product
- testing of product attributes, features or functionality
- re-testing of technical performance after development of a new version or iteration
- product validation or pre-testing to support achievement of industry certification
- characterization testing to achieve 3rd party verification of product claims

Grant funds from PDD Grants can be utilized to fund activities performed by both the University Partner and by the Commercialization Partner (as a subcontractor to the University Partner).

Size of the Commercialization Grants

The size of the TTC Grants will be based on the needed funding to achieve the project goals but will not exceed \$75,000. The size of the PDD Grants will be based on the needed funding to achieve the project goals but will not exceed \$150,000.

Eligibility

Proposals must be submitted by one or more individual Oregon BEST member faculty from Oregon Institute of Technology, Oregon State University, Portland State University or University of Oregon or a combination of those universities. The applicant will be the “University Partner.” A “Commercialization Partner” must be identified that is an Oregon-based small business. Already registered/licensed businesses are preferred, but exceptions may be considered for strong proposals with a valid reason for an individual entrepreneur to serve as the Commercialization Partner.

This program is intended to help bridge the gap between available R&D funding sources and private business investment. Therefore, it is critical that proposals come only from teams with a plan for securing private investment, customer revenue or other funding within 12-18 months.

Process and Timelines

Oregon BEST will accept grant proposals at any time. Grant proposals will be evaluated based on the availability of funds at that time and the guidelines and constraints related to the funding sources. Proposals will be evaluated by the Oregon BEST staff. Promising proposals will be selected by the Commercialization Advisory Board for recommendation to the Board of Directors. Recommendations will be reviewed for approval by the Board of Directors on a quarterly basis.

Generally, grant proposals received by the first day of the a calendar quarter will be eligible for funding about 60 days later if they are successful in the evaluation process. Proposals submitted after the first day of the calendar quarter will not be eligible for funding until about 60 days into the following calendar quarter.

Proposals will be rejected and the proposer will be notified if the proposal falls into any of the following categories:

- they do not fit the eligibility guidelines
- they are outside the scope of Oregon BEST
- they are deemed by the staff to not be aligned with the overall goals of the program

Proposals that have promise but are not successful in the evaluation process may be eligible for further consideration in a future cycle of the selection process. The Oregon BEST staff will return those proposals with comments and will be available for consultations with the proposer to suggest ways to strengthen the proposal for further consideration.

Proposers may be asked to present to the Commercialization Advisory Board as part of the decision process. Additional information or clarifications may be requested from proposers before or after the Advisory Board review.

Oregon BEST will execute a Statement of Work (SOW) under the Master Grant Agreement with the relevant university to provide the grant funding to the University Partner. SOWs will include requirements for deliverables, milestones, reporting and expectations for ongoing collaboration and engagement with Oregon BEST. Commercialization Partner grantees may need to provide additional documentation of their role and contributions to the project in conjunction with the SOW.

Application Process

To apply, email the following items to Ken Vaughn, Commercialization Program Manager, Oregon BEST (ken.vaughn@oregonbest.org):

1. Cover Page – complete the Cover Page form provided on the Oregon BEST website at <http://oregonbest.org/commercialization/grants>.
2. Executive summary (maximum 1 page): Description of the need (including why R&D funding or private investment aren't available/appropriate at this time), the proposed project, amount requested, the key players (University & Commercialization partners), commercialization strategy, product/service/technology being developed, target market and business model.
3. Project narrative with the following sections (maximum 7 pages, including charts, tables, diagrams, etc.):
 - a. The business opportunity, including description/size of target market; customer need being met; the value proposition of the product, service, or technology being developed; competitive landscape; summary of market research and customer receptivity to date.
 - b. If not obvious, be sure to describe the link to Oregon BEST's focus on the sustainable built environment and renewable energy technologies (including generation, storage and/or smart grid).
 - c. A description of the technology or research behind the product or service being developed for the market described above.
 - d. Describe the current stage of technology development including the key past and future development milestones.
 - e. Describe the key risks related to the further development of the technology (e.g. performance risk, cost risk, timing risk).
 - f. Describe the key risks related to eventual commercial success of the product of service that utilizes the technology (e.g. competitive risk, financial risk, regulatory risk).
 - g. Describe the status of IP related to the technology, current state of achievement, IP status, and indicate who developed the technology and their level of involvement in this project.
 - h. Any other partners supporting the project via deployment support, pilot projects, or legal, financial or other assistance should also be identified and their role described.
 - i. Provide a description of the work to be accomplished in the proposed project. Include a specific project plan that includes the tasks, the team, milestones, performance metrics and general use of funds as it relates to major task elements.
 - j. Describe the funding "gap" that a commercialization grant from Oregon BEST will fill, the amount requested and how this grant will deliver the objective of securing funding or revenue for the Commercialization Partner within 12-18 months. Include any feedback already received from discussions with potential investors or customers. Describe the plan for securing private investment, customer revenue or other funding within 12-18 months.
4. Project budget that shows how all project funds will be used, including Oregon BEST's commercialization grant and any other cash or in-kind resources that will be used. The budget should be in table form and include costs of salaries (broken down by person), benefits, materials, equipment, travel, services, indirect and other costs.

5. CV, resume or bio of the key players from both the University Partner and the Commercialization Partner (maximum 2 pages per individual).
6. Confirmation of institutional endorsement /approval, including a letter of support from the appropriate university technology transfer office. University employees should ensure that outside activities are acceptable with the institution that developed the technology, and be prepared to develop a conflict of interest management plan if they have an equity interest in the Commercialization Partner.
7. Signed letter of commitment from the Commercialization Partner that includes the following (maximum 2 pages):
 - a. A short description of the business, including size, history and mission.
 - b. Description of the impact the Commercialization Grant would have on their ability to achieve private financing or customer revenue.
 - c. Describe the level of existing engagement with investors, corporate partners and/or customers, plans for financing the business, technology license or option status.
 - d. A summary of business milestones, including an estimated timeline for reaching them.
 - e. A description of the cash or in-kind resources the Commercialization Partner is contributing to the project.
 - f. A statement that preliminary discussions have been held with the University Partner to discuss intellectual property ownership and any required licensing arrangements.
8. Other attachments should be concise and directly relevant to the Commercialization Grant proposal.

Reporting

Grantees will be expected to provide quarterly progress reports and maintain regular communication with the Oregon BEST Commercialization Program Manager. Oregon BEST staff will review project activities to assure that sufficient progress is being made.

Commercialization Partner grantees will be required to provide their Business Identification Number for the purposes of tracking of jobs created that are related to the project.

Additional Rules

Commercialization Grants may be broken into two or more portions, the awarding of which may be contingent on the successful completion of milestones within certain timeframes by the University Partner and/or Commercialization Partner. Determinations will be made by the Oregon BEST Executive Director and the Commercialization Advisory Board.

Commercialization Partner grantees will be expected to work cooperatively with Oregon BEST staff to occasionally promote the value of Oregon BEST's Commercialization Program in Oregon BEST's marketing and fundraising activities. Additionally, University Partner and Commercialization Partner grantees will be expected to participate in the Oregon BEST F&T conference.

Confidentiality and Intellectual Property

Intellectual property brought to the project or developed during the project will be managed according to agreements between the University Partner and the Commercialization Partner. All information received by Oregon BEST may be shared with members of the Commercialization Advisory Board and Board of Directors, who are individuals who have a volunteer relationship with Oregon BEST. Information shared will be treated confidentially by Oregon BEST staff. Volunteers receiving this information are asked to maintain this same level of confidentiality. Oregon BEST will not sign non-disclosure agreements. Contact Oregon BEST for special circumstances.

Contact Information

Questions about the Oregon BEST Commercialization Grants program may be directed to Ken Vaughn, Commercialization Program Manager (ken.vaughn@oregonbest.org).