

# 2016 KUIC Proof of Concept Fund

## Statement of Purpose

KU Innovation & Collaboration (KUIC) will invest funds to advance the development of novel applied technologies that have near-term potential for licensing into a new faculty-led startup company formed around the technology. The Proof of Concept (POC) Fund is not intended to support basic research or existing startup companies, but rather it will support activities to advance technologies through proof of concept that have already demonstrated potential commercial appeal and the university has applied for IP protection in the form of a provisional patent application (PPA) within the past five years. The POC Fund is designed to facilitate an inventor's ability to leverage external funding to serve as a bridge toward product development and commercialization, with an objective of licensing the technology into a newly formed company in the near term.

## Eligibility

Faculty and staff at all University of Kansas campuses who have at a minimum filed a provisional patent (PPA) application through KUIC in the past five academic years on the subject matter of the proposal can compete for funding through this program. When a compelling case can be made, copyrightable software may also be eligible for funding through this mechanism. Requests for POC funding can be made only after the decision to file a PPA has been made or, in the case of copyright software, the source code has been provided to KUIC.

The technology that the proposal is based on must not be licensed, optioned, or encumbered with other obligations and owned or co-owned by KU.

Preference will be given to proposals with 1) clearly identified commercial products or methods, 2) evidence of inventor(s) investment in entrepreneurial education (e.g., Startup School@KU), and 3) pending or issued patents. Projects are funded for six (6) months with a possible one-time, six month no cost extension.

## Award Amount

Awards will generally be in the range of \$15,000-\$40,000. No indirect costs are allowed. Investigators are encouraged to seek additional matching funds to leverage the POC Fund resources. Matching funds are not required to be considered for POC Fund support but will be viewed as an added-value component to the submission.

## Proposal Preparation Guidelines

Proposals are due by February 2, 2016 at 5:00 PM CST. All submissions must be received electronically as a PDF to [cnuttall@ku.edu](mailto:cnuttall@ku.edu).

The following sections are required in the proposal. Please complete each section quantifying your inputs wherever possible and insuring that evidenced based rationale, from either primary (i.e., customer validation) or secondary sources (i.e., published reports or databases), is included to support your statements. *Do not exceed 5 pages (11 pt. font; 1 inch margins around).*

- Problem (describe the problem/opportunity your technology is intended to address)
- Solution (how does your technology address the users' problem and how is that solution differentiated from others competing in this space)
- Size of Opportunity (identify the target market, its size and recent trends in dollars, units sold or number of users)
- Business Model (complete the business model canvas (see Appendix or <https://canvanizer.com/new/business-model-canvas>) with hypotheses for each component; if customer validation has been undertaken show pivots from hypotheses to reflect learning from this research).
- Management Team (briefly identify team members and qualifications for pursuing development of this technology)
- Current Development Status (describe technology development efforts/results to date)
- Timelines for Major Activities (identify the key next steps in the development of this technology)

- Proposal Request (identify amount, not to exceed \$40,000 over a 6 month period, intended use for funds you are requesting toward accomplishing major activities toward technology development identified above and whether subsequent grants will be needed to reach these key next steps)
- Supplemental Rationale (optional) (include any other support for this proposal which will help communicate why it should be favorably reviewed).

## Budget and Justification

*Budget expenditures encumbered before the award date will not be reimbursed.*

**Student Wages.** Student stipends are allowed; however funding for student tuition or tuition scholarships (waivers) are not permitted. The role and/or task of any personnel on the project should be defined in the justification. This explanation is particularly true for the graduate students employed on the project.

**Other salaries.** Faculty members (including visiting faculty) are not eligible for salary support. Salaries for office/administrative staff are not allowed.

**Equipment or fabrication costs.** In cases where reduction to practice requires a one-time cost to fabricate or produce a working prototype, the investigator should specifically indicate fabrication costs, location of the facilities where the fabrication will occur, and time required to produce the working prototype.

**Travel.** Any travel funds must be thoroughly justified as essential to the project. Travel funds may not exceed \$2,000 unless deemed essential to the development of the product.

**Other.** All other budget line items must directly impact the success of the project and need to be thoroughly justified; budget support must be tightly focused on driving innovations and inventions into the commercial marketplace. Subcontracting to a company to develop a prototype will be considered if there is strong justification. Responsible budgeting is a criterion for award selection.

**Matching Funds.** Industry matching funds are encouraged and may be considered in project evaluation and award.

## Review Criteria and Selection Process

The review process will be carried out within four weeks of the proposal submission date. Funding decisions will be made within an additional two weeks of the end of the review process.

The proposal review process consists of independent review by a panel of external reviewers (venture capitalists, entrepreneurs and other members from the regional business community) with expertise in each area, e.g., health, energy, etc. A score for each proposal will be assigned. The primary criteria include the likelihood of commercial success of the technology as measured by launch of a startup company or ability to secure outside investment and anticipated need of additional funds to bring the product to market.

Elements considered in the criteria scoring may include, but are not limited to, the following:

- Merit of technology opportunity in filling identified gap in the market
- Evidence of well thought out business model
- Evidence funds will accelerate product development
- Discussion of the target market and competition
- Evidence budget is reasonable and sufficient to achieve milestones
- Analysis of strengths, weaknesses, opportunities and threats

Each proposal will receive a final score on which the funding decision will be made. Awards generally will be in the range of \$15,000-\$40,000 depending on the project, with up to \$200,000 in total awards in any one calendar year. **Funding will depend upon the volume of proposals submitted in any one funding cycle and the availability of funds.**

## Reporting Requirements

A report that describes progress toward commercialization of the project including an updated business model canvas must be submitted at the end of the 6-month period. Milestones (e.g., completion of proof of concept) and deliverables (e.g., prototype or market-image product completion) must be clearly identified. A progress report will also be required prior to any no-cost extension. All unused funds will be returned at the end of the award. Awardees will be asked to give a campus wide seminar on project results hosted by KUIC.

