



Third Frontier
Innovation Creating Opportunity

Commission Meeting

June 22, 2012

Agenda

- | | | |
|------|---|-----------------|
| 2:30 | Call to Order
Approval of 05/23/12 Meeting Minutes (Vote) | Chair |
| 2:40 | Internship Program
Presentation of Evaluator Report (Vote) | Invantage Group |
| 3:00 | IRDCP Presentations <ul style="list-style-type: none">• Michelman, Inc., Michelman Advanced Materials Collaboration Center (Vote)• Owens-Brockway Glass Container, Inc., O-I Global Research Center (Vote) | Mihaela Jekic |
| 3:40 | Entrepreneurial Signature Program
Presentation of Evaluator Report (Vote) | Invantage Group |
| 4:20 | Other Business | Chris Schmenk |
| 4:30 | Adjourn | |

Ohio Third Frontier Internship Program

FY 2012



Ohio Third Frontier Internship Program

- Implemented in 2002
- **Purpose** – Develop talented workers for Ohio companies commercializing new products, technologies, and processes; Expose students to the strategies and processes of business environments
- **Goals and Objectives** – Prepare and expand a highly talented and technologically proficient workforce; Retain highly knowledgeable and talented students in Ohio

Ohio Third Frontier Internship Program

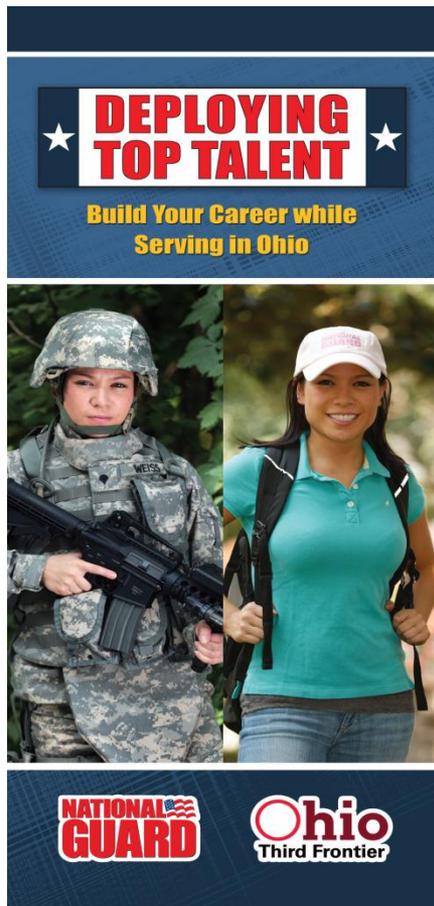
- Competitively bid grants to regional nonprofit partners with strong regional industry and higher education networks
- Currently utilize seven grantees
- Development can move funding within and between regions
- Up to \$3,000 in Third Frontier funds per internship;
Company match on cash basis of 1:1, equating up to \$6,000 per intern's earnings



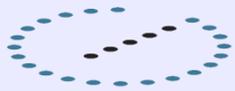
Ohio Third Frontier Internship Program

- **Internships** = Third Frontier technology focus areas plus advanced manufacturing; Technology-based with technical hands-on experiences
- **Students** = Ohio residents attending Ohio and out-of-state colleges and universities; Enrolled in high-tech curriculum; 2nd-year technical or community college student or sophomore, junior, or senior at 4-year college or university or master's or doctoral candidate in high-tech graduate studies
- **Companies** = Principal place of business in Ohio; Offer high-tech growth-oriented internships in Third Frontier focus areas

Ohio Third Frontier Internship Program



Ohio Third Frontier is proud to partner with the Ohio Army National Guard, working together to engage Reserve Officers' Training Corps (ROTC) cadets for internship opportunities through the Ohio Third Frontier Internship Program



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Ohio Third Frontier Internship Program

FY2012

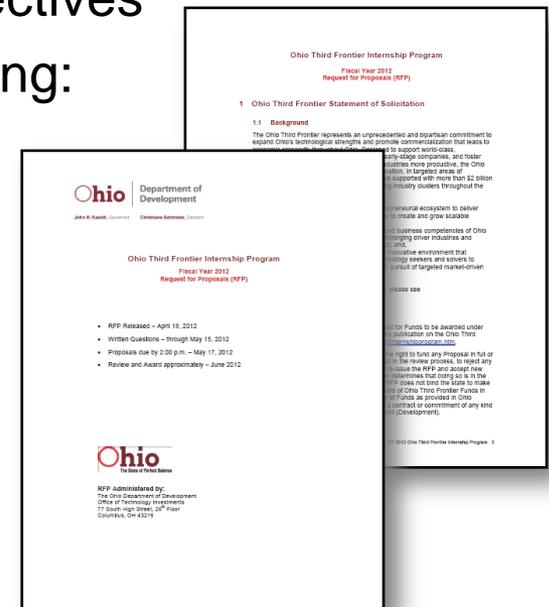
Evaluation Report

June 22, 2012

Invantage Group
www.invantagegroup.com

Proposal Evaluations

- Lead Applicants
 - Existing OTFIP Grantees from each region
 - Invited additional applicants in Southeast region
- Evaluation Criteria
 - OTFIP RFP outlines the evaluation criteria
 - Alignment with the OTFIP purpose, goals, objectives
 - Quality of responses with respect to the following:
 - Organizational experience and qualifications
 - Statement of Work
 - Recruitment of for-profit companies
 - Engagement of educational partners
 - Attraction of qualified students
 - Minority and disadvantaged outreach plans
 - Increase overall number of internships
 - Operating plan and budget
 - Performance goals and history



Evaluation Process

- Proposal evaluations
 - Develop evaluation paradigm based on stated criteria and goals
 - Review plans based on submitted proposals
 - Requested and received supplemental performance data from Development
 - Single stage review process
 - Three primary evaluation categories with weighted sub-components

Organizational Capabilities

Represent both business and education interests

- Organizational structure
- Ability to recruit for-profit companies, access a network of schools, and attract qualified students.
- Outreach plans for minority and diversity targets

Plan, Team, & Budget

Key personnel, relevant experience, and budgets

- Key personnel, backgrounds, and rationale
- Program plan
- Evaluation and assessment
- Budget details and consistency

Performance Goals & History

Assessment of documented performance history

- Past OTFIP or similar internship programs
- Realistic assumptions and supporting projections for the proposed services

Summary of Proposals

Ohio Third Frontier Internship Program FY2012 Proposals Evaluated

Lead Applicant	Region	Total Funds Requested	Funds for Admin Costs	Funds for Internships
TechColumbus	Central	\$428,571	\$21,429	\$407,142
Workforce Initiative Association	Northeast	\$428,571	\$21,408	\$407,163
Workforce Institute of Lorain County	Northeast	\$428,571	\$21,429	\$407,142
Toledo Chamber of Commerce	Northwest	\$428,571	\$21,429	\$407,142
Community Action Organization of Scioto County, Inc.	Southeast	\$189,000	\$9,000	\$180,000
Southeastern Ohio Port Authority	Southeast	\$189,000	\$9,000	\$180,000
Dayton Area Chamber of Commerce	West Central	\$428,571	\$21,429	\$407,142
Cincinnati USA Regional Chamber	Southwest	\$428,571	\$21,429	\$407,142

Summary of Evaluations

- Evaluation Summary
 - Review designed to evaluate...
 - Applicant preparedness and performance
 - Identify the relative strengths and weaknesses of each organization
 - Each applicant met criteria, but to varying degrees
 - Better proposals included...
 - More specific program information & greater supporting details
 - Clearer explanations regarding organizational design
 - Identification of performance expectations & enhancement plans
 - Improvement areas...
 - Greater supporting detail
 - Additional focus on performance tracking
 - Not just during the program year, but over time
 - e.g. Interns accepting high-tech jobs in Ohio

Summary of Evaluations

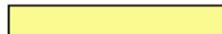
Ohio Third Frontier Internship Program FY2012 Proposals Evaluated				
Lead Applicant	Region	Proposal Evaluation Criteria		
		Organizational Capabilities	Management Plan & Budget	Performance Goals & History
		50%	20%	30%
TechColumbus	Central			
Workforce Initiative Association	Northeast			
Workforce Institute of Lorain County	Northeast			
Toledo Chamber of Commerce	Northwest			
Community Action Organization of Scioto County, Inc.	Southeast			
Southeastern Ohio Port Authority	Southeast			
Dayton Area Chamber of Commerce	West Central			
Cincinnati USA Regional Chamber	Southwest			

Evaluation Definitions

Strong supporting evidence



Adequate supporting evidence



Weak supporting evidence



Proposal Recommendations

- Two levels of funding recommendations
 - Recommendation for program funding
 - TechColumbus
 - Workforce Initiative Association
 - Workforce Institute of Lorain County
 - Toledo Chamber of Commerce
 - Dayton Area Chamber of Commerce
 - Qualified Recommendation for program funding
 - Community Action Organization of Scioto County
 - Southeastern Ohio Port Authority
 - Cincinnati USA Regional Chamber

Proposal Recommendations

- Recommendation for program funding
 - Preponderance of clear and strong evidence
 - Solid organizational infrastructures
 - Experience in workforce development, training, or technology entrepreneurship
 - Strong networks with area businesses and business leaders
 - Relationships and commitments with array of area educational partners
 - Specific performance goals and support for plans

Proposal Recommendations

- Qualified Recommendation for program funding
 - Overall adequate evidence, but less clear in addressing criteria
- Brief summaries
 - Community Action Organization of Scioto County (“CAO”)
 - Ample experience and infrastructure in related program areas
 - Heavy reliance on educational partners for marketing, but need to broaden network
 - Honest assessment of budget challenges, but raises questions
 - Southeastern Ohio Port Authority (“Port Authority”)
 - Sound business and education networks, but limited geography
 - Agreement to split the southeast region between CAO and the Port Authority
 - Marcellus and Utica Shale areas as a key initiative, but no specific details
 - Cincinnati USA Regional Chamber (“The Chamber”)
 - Well positioned due to program experience and role as major regional chamber
 - Limited details regarding plan or support for assumptions
 - No mention of past/current performance, though performance data is solid

Conclusion

- Evaluation Summary

- Recommendations for Funding

- Significantly clearer and stronger job in addressing the specified criteria
 - Demonstrated capabilities to aid potential for program success

- Qualified Recommendations for Funding

- No fatal flaws, but lacked some clarity and supporting data
 - Reasonable potential for each to achieve goals
 - Still merit program funding

Summary of Proposals

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Cincinnati USA Regional Chamber	Southwest	\$428,571	\$21,429	\$407,142
		\$2,949,426	\$146,553	\$2,802,873

Additional Action Requested

- Staff requests an increase of \$50,574 in the award to the Southeast Ohio Port Authority.
- This increase will allow payment to a participating company that was never reimbursed for 17 internships the company employed in late summer 2010 through the Ohio Third Frontier Internship Program.
- The total requested award to the Southeast Ohio Port Authority would increase from \$189,000 to \$239,574

Industrial Research & Development Center Program (IRDCP)

June 22, 2012

IRDCP Objectives

- Attract large, nationally designated and highly visible corporate, non-profit, and federal R&D centers to Ohio by providing matching funds to enhance the potential for a center being located in Ohio
- Increase the reputation and visibility of Ohio within targeted industry areas
- Support centers which conduct value-added applied research at the direction of or in collaboration with Ohio industry, perform industry-directed and industry-oriented problem solving, and develop technologies that can be commercialized by or in partnership with an Ohio for-profit company

Michelman Advanced Materials Collaboration Center

- Applicant/Primary Sponsor: Michelman, Inc.
- Collaborators: TechSolve, National Composite Center, University of Cincinnati
- Primary Sponsor Commitment: \$16,632,611
- Job Commitment: 15 R&D jobs over 5 years at avg. salary of \$85,000
30 non-R&D jobs over 5 years in manufacturing, sales & marketing, & other support roles at avg. salary of \$58,000
- IRDCP Recommended: \$2,494,892
- OTF Alignment: Advanced Materials

Michelman Advanced Materials Collaboration Center

- Develop and commercialize novel, sustainable technologies through applied research on advanced materials
- Build and equip a new two-story 25,000 sq. ft. building
- Increase cooperation with Ohio universities and centers of technological expertise
- Co-develop novel technologies with suppliers and customers, and bring in new product and solution concepts through open innovation

Commitment Recommendation

IRDCP commitment of \$2,494,892 over 5 years to Michelman to support the building, equipment, operations, and collaborative activities of a center for sustainable, advanced materials

O-I Global Research Center

- Applicant/Primary Sponsor: Owens-Brockway Glass Container, Inc.
- Collaborators: University of Toledo (UT)
- Primary Sponsor Commitment: \$32,659,575
- Job Commitment: 45 new R&D jobs over 3 years at avg. salary of \$75,000*
- IRDCP Recommended: \$3,000,000
- OTF Alignment: Advanced Materials and Sensing & Automation

*Owens will hire an additional 55 contract employees comprised of trained technicians and CAD designers and modelers that may lead to permanent employment

O-I Global Research Center

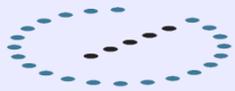
- Expedite the development of novel concepts for melting and forming glass and accelerate the time to market of new product innovations
- Significantly reduce energy consumption and carbon emissions across the company's worldwide operations
- Produce stronger, lighter glass and more sustainable packaging
- Develop innovative manufacturing processes with higher efficiencies, as well as advanced materials and advanced sensor technology
- Build a 27,000 sq. ft. R&D center within an existing industrial building at Owens' campus in Perrysburg, Ohio
- Establish close cooperation with UT

Commitment Recommendation

IRDCP commitment of \$3,000,000 over 3 years to Owens-Brockway Glass Container, Inc. to support the machinery acquisition for a global center for innovation in melting and forming glass, and collaboration with the University of Toledo

Entrepreneurial Signature Program

June 22, 2012



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FY2012

Evaluation Report

June 22, 2012

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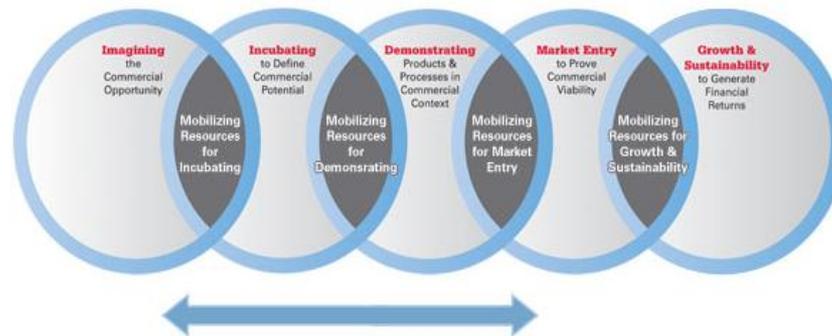
Program Background

- Program Purpose

- Promote technology-based economic development within Ohio
- Focus efforts on strategic technology-based sectors
- Increase technology-based entrepreneurial commercialization

- Program Goals & Objectives

- Maintain critical regional entrepreneurial services
- Create an entrepreneurial assistance climate
- Build a pipeline of technology company deal flow
- Build a network of support and access to capital



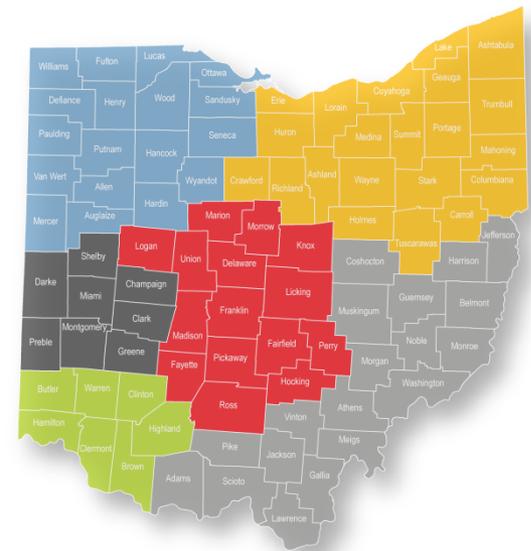
Program Administration

- Funding and Cost Share

- Award up to \$40 million in grants
- Grant parameters:
 - Funding for two year cycle (FY13 – FY14)
 - Cannot use funds to provide new investment fund due diligence or management
 - Continuing support of existing funds is allowed
 - Meet or exceed 1:1 cost share ratio & minimum 50% of match in cash

- Lead Applicants

- Existing ESP Grantees from each region



Proposal Evaluations

- Evaluation Criteria

- Program RFP outlines evaluation criteria
- Alignment with the OTF purpose, goals, & objectives
- Demonstrated success via Level-A metrics
 - The only quantitative metric identified
 - Criteria with the highest relevance and weighting
 - Historical and projected magnitudes demonstrate quantitative evidence
 - Follow-on funding, revenue generation, and grants
- Demonstrated success via qualitative evidence



- Evaluation Scope

- Evaluate qualitative & quantitative data provided
- Beyond scope...
 - Validation of data provided
 - Specific funding recommendations

Proposal Evaluations

- Proposal evaluations
 - Develop evaluation paradigm based on stated criteria and goals
 - Review plans based on submitted proposals
 - Requested and received supplemental data from Development
 - Two stage review process
 - Three primary evaluation categories with weighted sub-components

Relevance & Success of Services

Assess performance and impact of activities

- Review of Level-A metrics
- Productivity and Efficiency
- Qualitative assessments
- Proposed changes and additions to efforts

Organization, Activities, & Collaborators

Organizational design, network, reach, & relevance

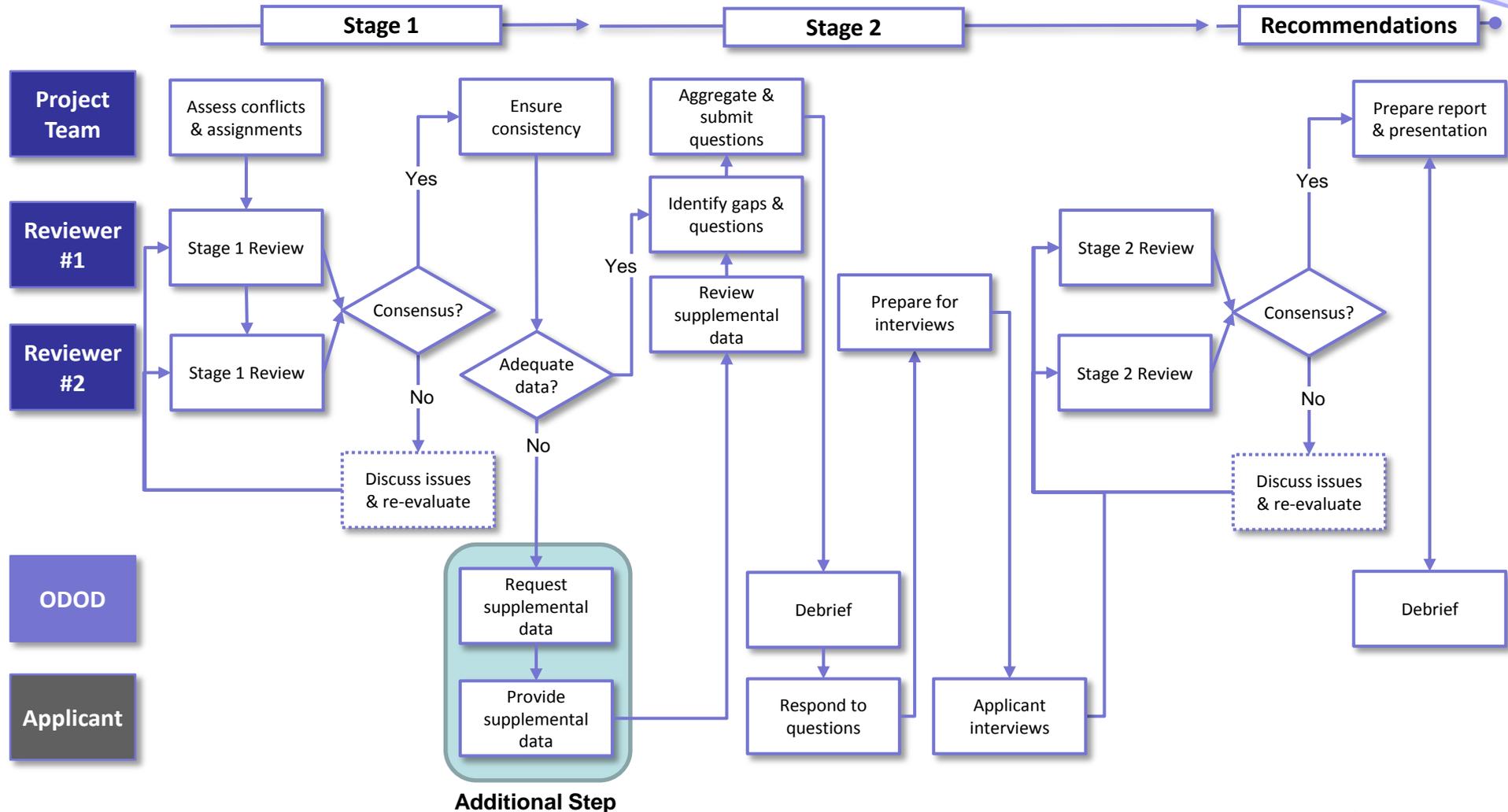
- Ability to generate appropriate deal flow
- Access available resources
- Depth & breadth of network
- Range of services

Funding & Budgets

Qualitative assessment of budget & funding sources

- Reasonableness & consistency with historical usage rates
- Support provided for changes in budgeting amounts
- Cost share commitments
- Realistic assumptions

Evaluation Process



Additional Step

General Findings

- Aggregate Level-A Metrics

- Each ESPs has achieved Level-A metrics
 - Expect Level-A metrics to accelerate over time
- Volume of aggregate Level-A metrics varies by region
 - Significant regional differences in economic activity, population density, and historical venture development infrastructures

Aggregate Level-A Metrics FY07 - FY12 (Projected)

	<u>CincyTech</u>	<u>Dayton</u>	<u>JumpStart</u>	<u>Rocket Ventures</u>	<u>Tech Columbus</u>	<u>Tech GROWTH</u>
State Funding	\$12,263,461	\$9,000,000	\$22,233,638	\$8,556,033	\$12,886,185	\$8,245,499
Level-A Metrics	\$250,900,538	\$133,064,256	\$1,200,495,760	\$147,679,183	\$272,725,367	\$127,202,335
% of total	11.8%	6.2%	56.3%	6.9%	12.8%	6.0%
Leverage Ratio *	20.5	14.8	54.0	17.3	21.2	15.4
ESP Rank	3	6	1	4	2	5

- The average leverage ratio for the ESP network is 29.1 and the median is 18.9. As of 6/30/11, the overall Third Frontier leverage ratio was 8.6 (www.thirdfrontier.com/PerformanceMetrics.htm).

General Findings

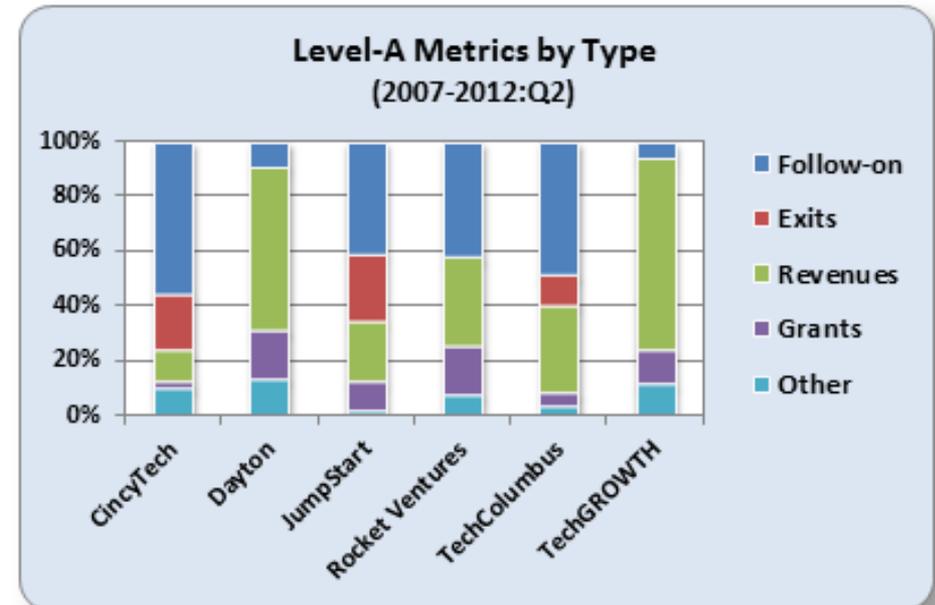
- Aggregate Level-A Metrics

- Level-A Metrics by type

- Total of \$2.2 Billion in cumulative Level-A metrics
- Investment attraction (follow-on funding and successful exits) accounts for 60%
- Revenues and grants received make up bulk of remaining metrics (37%)
- Significant composition variation across regions

- Source of metrics

- Virtually impossible to attribute the source of aggregate metrics to specific activities
- Data does not allow for assessment of ESP contribution to metrics

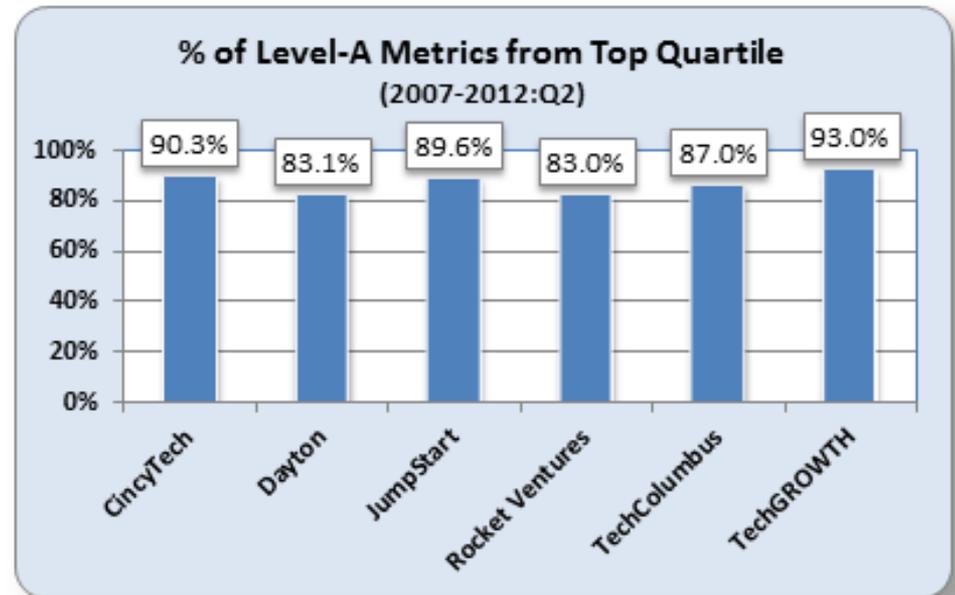


General Findings

- Aggregate Level-A Metrics

- Concentration of Level-A Metrics

- High concentration by top quartile of clients
 - Large outcomes from a relatively small number of opportunities
 - Not surprising given the overall low success rate for very early stage ventures
- Consistent pattern across regions



General Findings

- Developing High Quality Deal Flow
 - Essential precursor in building pipeline to attract venture capital
 - Consistent terminology?
 - ESP program has a defined set of terminology
 - In practice, differences in application and reporting of this metric

Client Engagement and Level-A Metrics

FY07 - FY12 (Projected)

	<u>CincyTech</u>	<u>Dayton</u>	<u>JumpStart</u>	<u>Rocket Ventures</u>	<u>Tech Columbus</u>	<u>Tech GROWTH</u>
Clients engaged	509	72	540	260	317	674
Clients w/ A-Metrics	37	35	255	48	123	79
% of clients	7.3%	48.6%	47.3%	18.5%	38.8%	11.7%
State funding per client w/ A-Metrics	\$331,445	\$257,143	\$87,191	\$178,251	\$104,766	\$104,373
ESP Rank	6	5	1	4	3	2

General Findings

- Jobs Created, Retained, or Attracted
 - Key component of technology-based economic development

Employment Metrics FY07 - FY12:Q2

	<u>Direct Jobs*</u>	<u>Average Salary</u>	<u>Total Payroll ‡</u>	State <u>Funds/Job</u>	<u>ESP Rank</u>
CincyTech	252	\$83,271	\$20,942,837	\$48,761	5
Dayton	375	\$54,718	\$20,519,537	\$24,000	3
JumpStart	1,321	\$69,420	\$91,688,635	\$16,834	1
Rocket Ventures	245	\$60,408	\$14,800,092	\$34,923	4
TechColumbus	573	\$75,049	\$43,003,498	\$22,489	2
TechGROWTH	139	\$33,379	\$4,639,783	\$59,320	6
ESP program	2,904	\$67,346	\$195,594,381	\$25,199	
ESP program median				\$29,461	
Third Frontier overall †		\$62,969		\$57,086	

* Includes only jobs reported with a salary

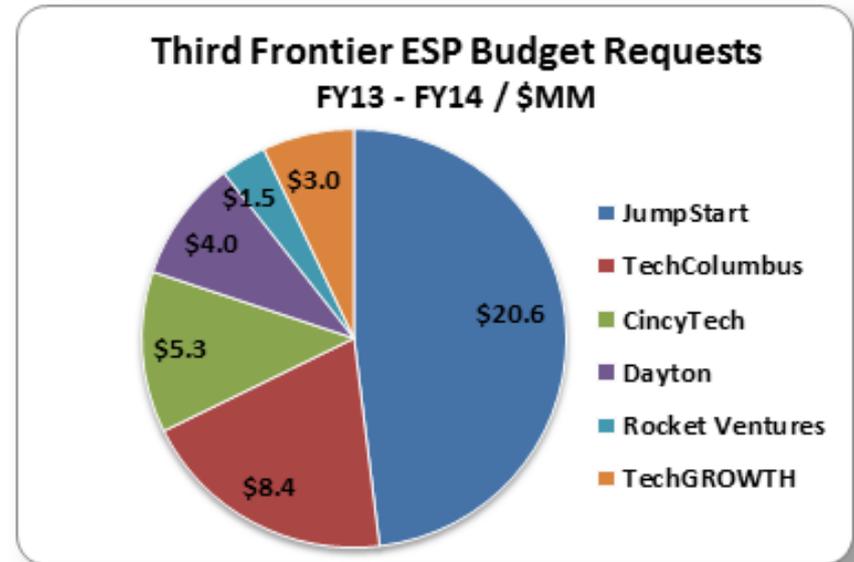
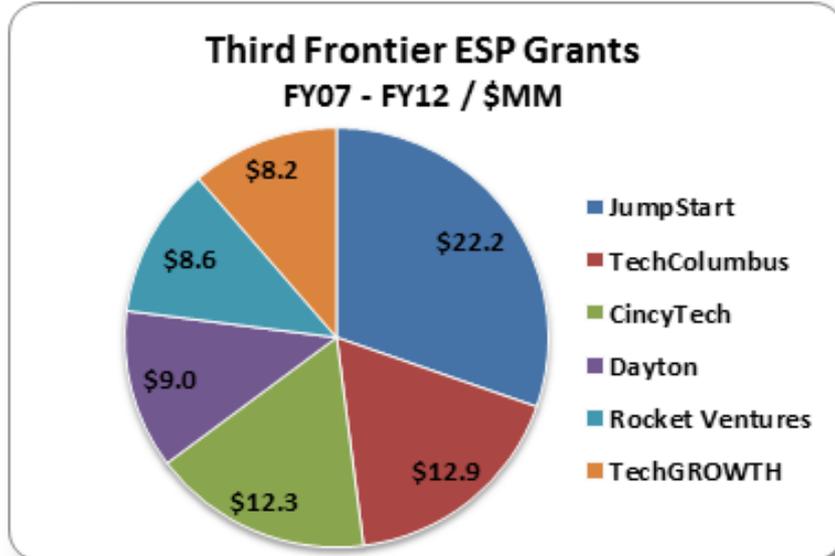
‡ Estimated total payroll based on direct jobs and weighted average salary

† Third Frontier overall program performance metrics as of 6/30/11 (www.thirdfrontier.com/PerformanceMetrics.htm)

General Findings

- Budget Perspective

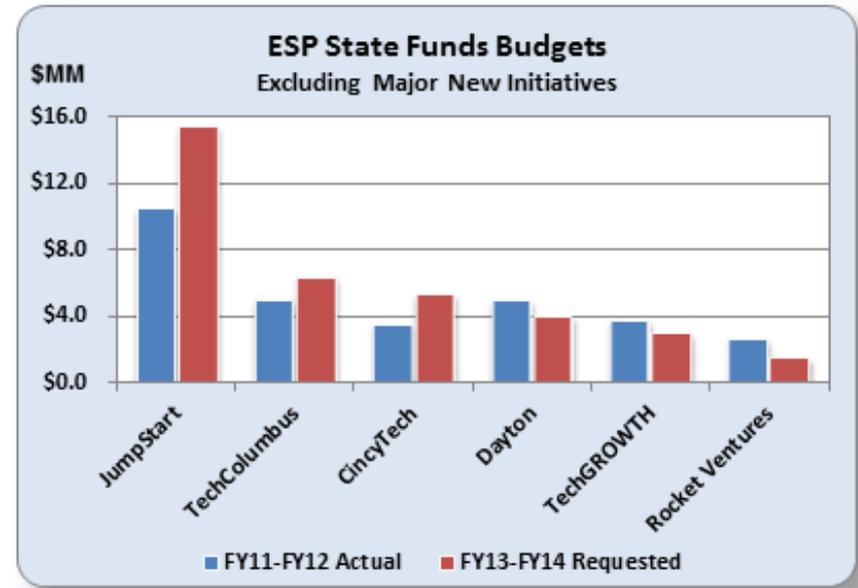
- \$73 MM OTF investment in ESP program since 2007
 - 65% has gone to “big three” regions (JumpStart, TechColumbus, and CincyTech)
- FY13 – FY14 biennial cycle
 - \$43 MM requests up from \$30 MM for the FY10 ESP funding cycle



General Findings

- Budget Requests

- Split on-going programming and major new initiatives
 - Many proposals to improve efficacy or add to existing concepts
 - More reflective of on-going improvements (referred to as “program continuity”)
 - Major new initiatives reflects significant proposed spending on new concepts
- Major new initiatives
 - JumpStart (\$5.2 MM)
 - TechColumbus (\$2.0 MM)
- Program continuity
 - Significant increases by “big three” ESPs
 - State budget decreases by “other three” ESPs
 - Impact of 1:1 cost share requirement



Summary of Evaluations

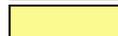
		Summary Evaluation At-A-Glance					
Relative Weights		CincyTech	Dayton	JumpStart	Rocket Ventures	TechColumbus	TechGROWTH
Relevance & Success of Services							
Historical success productivity & efficiency	35%	Yellow	Red	Green	Yellow	Green	Yellow
Desired funding will be impactful	35%	Yellow	Yellow	Yellow	Yellow	Green	Green
Evidence for proposed changes & additions	30%	Yellow	Red	Green	Red	Green	Green
Total section weighting	40%						
Organization, Activities, & Collaborators							
Organizational design and relevance	15%	Green	Red	Green	Red	Yellow	Green
Quantity and quality of deal flow	45%	Yellow	Red	Green	Yellow	Green	Yellow
Collaborator network	30%	Green	Yellow	Green	Red	Green	Yellow
Minority & EDGE services	10%	Green	Yellow	Green	Red	Yellow	Yellow
Total section weighting	35%						
Funding & Budget							
Budget assessment & requirements	35%	Yellow	Yellow	Yellow	Yellow	Yellow	Green
Cost share commitments	50%	Green	Green	Yellow	Green	Green	Green
Donated services	15%	Green	Yellow	Yellow	Green	Yellow	Green
Total section weighting	25%						

Evaluation Definitions

Strong supporting evidence



Adequate supporting evidence



Weak supporting evidence



Proposal Recommendations

- Basis for recommendations
 - Review of quantitative metrics, qualitative dimensions, overall proposal quality, and proposed plans
 - Significant variations of Level-A metrics & ratios across ESP network
 - Identification of relative strengths/weaknesses
- Two levels of recommendations
 - Recommended for continued program funding
 - Substantially met a preponderance of RFP requirements
 - Not recommended unless concerns are addressed
 - Less compelling cases for strength of their entrepreneurial assistance networks
 - Evaluation identified deficiencies in performance and concerns about operations

Recommended

-
- CincyTech
 - JumpStart
 - TechColumbus
 - TechGROWTH

Not recommended unless concerns addressed

-
- Dayton
 - Rocket Ventures

Proposal Reviews

CincyTech

Funds requested: \$5,337,812

Cash cost share: \$5,362,188

Donated services: \$300,000

- Relevance and Success of Services Provided
 - Mixed performance and efficiency record
 - Reasonable evidence of important contributions
 - Progression of several clients through commercialization framework
- Organization, Activities & Collaborators
 - Sound organizational structures
 - Distinct areas of responsibility and lines of reporting
 - Broad collaborator network
 - Strong deal flow of inquiries, but low conversion to metric-generating clients
 - 83% of CincyTech client companies are IT-related fields
- Funding and Budgets
 - 57% budget increase
 - Sizeable shift from purchased services to personnel
 - Increase in subcontractor/collaborator budgets
 - Relatively low amount of donated services to meet budget requirements
- Recommend continued ESP funding

Category	FY07-FY12	ESP Median	ESP Rank
Level-A metrics	\$251 MM	\$199 MM	3
Leverage ratio	20.5	18.9	3
State \$ / A-metric client	\$331.4k	\$144.5k	6
A-metric generating clients	37	64	5
A-metric client conversion	7.3%	28.6%	6
Direct jobs	252	313	4
Average salary	\$83.3k	\$64.9k	1
State \$ / job	\$48.8k	\$29.5k	5

Category	Status
Success productivity & efficiency	
Desired funding will be impactful	
Proposed changes & additions	
Organizational design and relevance	
Quantity and quality of deal flow	
Collaborator network	
Minority & EDGE services	
Budget assessment & requirements	
Cost share commitments	
Donated services	

Proposal Reviews

Dayton

Funds requested: \$4,000,000

Cash cost share: \$2,357,505

Donated services: \$1,642,495

Category	FY07-FY12	ESP Median	ESP Rank
Level-A metrics	\$133 MM	\$199 MM	5
Leverage ratio	14.8	18.9	6
State \$ / A-metric client	\$257.1k	\$144.5k	5
A-metric generating clients	35	64	6
A-metric client conversion	48.6%	28.6%	1
Direct jobs	375	313	3
Average salary	\$54.7k	\$64.9k	5
State \$ / job	\$24.0k	\$29.5k	3

- Relevance and Success of Services Provided

- Performance and efficiency metrics are relatively weak & lag peers

- High client conversion due to very low number of clients engaged
- High percent of clients are also pre-seed fund investments
- Relatively limited progression of clients through commercialization framework

- Organization, Activities & Collaborators

- Relatively small central organization relying heavily on a network model

- Acts more like a “virtual ESP” model of services
- Historic deal flow from the network is relatively low
- History does not seem to support projected increases without any changes noted
- Plan to focus on IP-mining and tech matching, but no identified partners to assist
- Proposed addition of PT outreach positions is too passive to address needs

- Funding and Budgets

- 11% budget increase

- Cost share increases, though majority of increase is from donated & in-kind services
- Some in-kind services appear to help overhead in excess of the 20% cap

- Not recommended unless concerns are addressed

Category	Status
Success productivity & efficiency	Red
Desired funding will be impactful	Yellow
Proposed changes & additions	Red
Organizational design and relevance	Red
Quantity and quality of deal flow	Red
Collaborator network	Yellow
Minority & EDGE services	Yellow
Budget assessment & requirements	Yellow
Cost share commitments	Green
Donated services	Yellow

Proposal Reviews

JumpStart

Regional

Funds requested: \$15,421,042

Cash cost share: \$13,449,325

Donated services: \$2,530,076

- Relevance and Success of Services Provided
 - Performance and efficiency metrics are strong across all measures
 - High client engagement and conversion
 - High percent (66%) of Level-A metrics from follow-on funding and exits
 - Broad programming & clear progression of clients through framework
- Organization, Activities & Collaborators
 - Highly structured organization and broad network of relevant collaborators
 - Strong deal flow from across the network and reasonable projections for growth
 - Nine new collaborators have been added and appear to complement network
- Funding and Budgets
 - 56% budget increase for regional programming
 - Additional \$9.8 MM budget for state-wide initiatives
 - Broad array of cost share partners
 - Significant use of donated services creates non-cash matching fund leverage
- **Recommend continued ESP funding (for regional programs)**

Category	FY07-FY12	ESP Median	ESP Rank
Level-A metrics	\$1,200 MM	\$199 MM	1
Leverage ratio	54.0	18.9	1
State \$ / A-metric client	\$87.2k	\$144.5k	1
A-metric generating clients	255	64	1
A-metric client conversion	47.3%	28.6%	2
Direct jobs	1,321	313	1
Average salary	\$69.4k	\$64.9k	3
State \$ / job	\$16.8k	\$29.5k	1

Category	Status
Success productivity & efficiency	Green
Desired funding will be impactful	Yellow
Proposed changes & additions	Green
Organizational design and relevance	Green
Quantity and quality of deal flow	Green
Collaborator network	Green
Minority & EDGE services	Green
Budget assessment & requirements	Yellow
Cost share commitments	Yellow
Donated services	Yellow

Proposal Reviews

JumpStart – Major New Initiative Proposal

State-wide

Funds requested: \$5,160,000

Cash cost share: \$3,200,000

Donated services: \$1,401,641

- Proposes plan to extend “high impact programs” across the state
 - Four proposed initiatives
 - Entrepreneurial Talent
 - Inclusion
 - Capital Acceleration
 - ESP Marketing
- Proposed organizational design is still unclear
 - Designed with personnel within regions & “dotted line” connection to regional ESP
 - Planning and budgeting controlled by JumpStart
 - No required Cost Share by the regional ESPs
 - Designed like an outsourcing solution
 - Problematic to outsource core services
- Need to coordinate efforts & share best practices
 - Not enough direct evidence to support the proposed structure or large expenditure
- **Not recommended for funding**

Proposal Reviews

Rocket Ventures

Funds requested: \$1,500,000
 Cash cost share: \$1,150,000
 Donated services: \$350,000

Category	FY07-FY12	ESP Median	ESP Rank
Level-A metrics	\$148 MM	\$199 MM	4
Leverage ratio	17.3	18.9	4
State \$ / A-metric client	\$178.3k	\$144.5k	4
A-metric generating clients	48	64	4
A-metric client conversion	18.5%	28.6%	4
Direct jobs	245	313	5
Average salary	\$60.4k	\$64.9k	4
State \$ / job	\$34.9k	\$29.5k	4

- Relevance and Success of Services Provided
 - Performance and efficiency metrics are consistent, though relatively weak
 - Successful grant program ended without clear successor program proposed
 - 43% of A-metrics from just two companies
 - High number clients ceased operations (33% of all metric generating clients)
- Organization, Activities & Collaborators
 - Some organizational and structural changes
 - Limited venture development and technology commercialization backgrounds
 - Recognized need to improve collaborator network, but only nominal plans
 - Small collaborator network for deal flow and little experience with commercialization
 - Strong reliance on "ambassador" approach to informing community
 - Shifted marketing emphasis in 2011, but deal flow has fallen
- Funding and Budgets
 - 13% budget increase
 - No cost share history and significant percent from donated services
- **Not recommended unless concerns are addressed**

Category	Status
Success productivity & efficiency	Yellow
Desired funding will be impactful	Yellow
Proposed changes & additions	Red
Organizational design and relevance	Red
Quantity and quality of deal flow	Yellow
Collaborator network	Red
Minority & EDGE services	Red
Budget assessment & requirements	Yellow
Cost share commitments	Green
Donated services	Green

Proposal Reviews

TechColumbus

Program continuity

Funds requested: \$6,405,350

Cash cost share: \$4,731,185

Donated services: \$1,980,350

- Relevance and Success of Services Provided
 - Performance and efficiency metrics are fairly strong across all measures
 - Strong client engagement and conversion
 - Balanced mix of Level-A metrics from variety of sources
 - Broad programming & clear progression of clients through framework
- Organization, Activities & Collaborators
 - Highly structured organization and broad network of relevant collaborators
 - Strong network deal flow, 88% from grass roots
 - Strong network with leading technology and healthcare organizations
- Funding and Budgets
 - 72% budget increase for programming continuity
 - Additional \$4.0 MM budget for major new initiative with OSU
 - Broad array of cost share partners
 - Significant use of donated services creates non-cash matching fund leverage
- Recommend continued ESP funding

Category	FY07-FY12	ESP Median	ESP Rank
Level-A metrics	\$273 MM	\$199 MM	2
Leverage ratio	21.2	18.9	2
State \$ / A-metric client	\$104.8k	\$144.5k	3
A-metric generating clients	123	64	2
A-metric client conversion	38.8%	28.6%	3
Direct jobs	573	313	2
Average salary	\$75.0k	\$64.9k	2
State \$ / job	\$22.5k	\$29.5k	2

Category	Status
Success productivity & efficiency	Green
Desired funding will be impactful	Green
Proposed changes & additions	Green
Organizational design and relevance	Yellow
Quantity and quality of deal flow	Green
Collaborator network	Green
Minority & EDGE services	Yellow
Budget assessment & requirements	Yellow
Cost share commitments	Green
Donated services	Yellow

Proposal Reviews

TechColumbus – Major New Initiative Proposal

State-wide

Funds requested: \$2,000,000

Cash cost share: \$2,000,000

Donated services: \$0

- “Innovation Gateway” partnership plan with Ohio State TCO
 - TCO investing \$12 MM to build university-wide network
 - Mine and protect new technologies and innovations
 - University Innovation Fund
 - Ohio State University and Ohio University
 - \$100 MM or more in seed and growth capital
- Partnership
 - TechColumbus to provide mentoring, executive recruitment, prototyping, funding, and business validation
 - Focus on hiring dedicated commercialization staff
- Design based successful experiences
 - New TCO leadership
 - Project 18 start-ups and \$46 MM in Level-A metrics
- **Recommended for funding**

Proposal Reviews

TechGROWTH

Funds requested: \$3,000,000

Cash cost share: \$3,241,120

Donated services: \$158,880

- Relevance and Success of Services Provided
 - Mixed performance record, but improving metrics and qualitative elements
 - Slower development partly due to regional characteristics
 - Reasonable evidence of important contributions
 - Revenue represents a greater portion of Level-A metrics (71%)
 - Progression of several clients through commercialization framework
- Organization, Activities & Collaborators
 - Changes to organizational leadership and structure
 - Entrepreneurial and venture development leadership experience
 - Broad collaborator network
 - Strong and expanding collaborator network
 - Solid increase in inquiries and opportunities
- Funding and Budgets
 - 13% budget increase
 - Increases to outreach, advisory, and venture development services
 - Cost share increases 43% and State funding request drops 10%
- Recommend continued ESP funding

Category	FY07-FY12	ESP Median	ESP Rank
Level-A metrics	\$127 MM	\$199 MM	6
Leverage ratio	15.4	18.9	5
State \$ / A-metric client	\$104.3k	\$144.5k	2
A-metric generating clients	79	64	3
A-metric client conversion	11.7%	28.6%	5
Direct jobs	130	313	6
Average salary	\$33.4k	\$64.9k	6
State \$ / job	\$59.3k	\$29.5k	6

Category	Status
Success productivity & efficiency	Yellow
Desired funding will be impactful	Green
Proposed changes & additions	Green
Organizational design and relevance	Green
Quantity and quality of deal flow	Yellow
Collaborator network	Yellow
Minority & EDGE services	Yellow
Budget assessment & requirements	Green
Cost share commitments	Green
Donated services	Green

Summary

Entrepreneurial Signature Program FY12 Proposals

Lead Applicant	Region	Total Funds Requested	Cash Cost Share	Donated Services
CincyTech	Southwest	\$5,337,812	\$5,362,188	\$300,000
Dayton	West Central	\$4,000,000	\$2,357,505	\$1,642,495
JumpStart	Northeast	\$15,421,042	\$13,449,325	\$2,530,076
Rocket Ventures	Northwest	\$1,500,000	\$1,150,000	\$350,000
TechColumbus	Central	\$6,405,350	\$4,731,185	\$1,980,350
TechGROWTH	Southeast	\$3,400,000	\$3,241,120	\$158,880
Major New Initiatives				
JumpStart	State-wide	\$5,160,000	\$3,200,000	\$1,401,641
TechColumbus	Central	\$2,000,000	\$2,000,000	\$0