



Ohio

Third Frontier
Innovation Creating Opportunity

Entrepreneurial Signature Program Continuity Initiative

FY2011

**Proposal Evaluation Report
January 2011**



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Innovation Creating Opportunity

**Entrepreneurial Signature Program
Continuity Initiative
FY2011**

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Ohio Third Frontier

Vision

To establish, in targeted areas of technology, regional and statewide clusters of excellence that sustains our global competitive advantage in company and product formation, job creation and economic growth.

Objectives

Guided by a focus on Ohio research and industrial strengths:

- Increase the quantity of high quality research that has commercial relevance to Ohio companies;
- Expand access and availability of investment capital to create, grow and attract technology-based enterprises;
- Grow and nurture entrepreneurial management talent supported by organized systems of services and networking;
- Address the technical needs of existing companies pursuing new products and production processes;
- Contribute to the expansion of a technologically proficient workforce.

Focus Areas

Based on a 2002 study by Battelle and revised by the Ohio Third Frontier Commission in 2008, the Ohio Third Frontier embraces five technology focus areas:

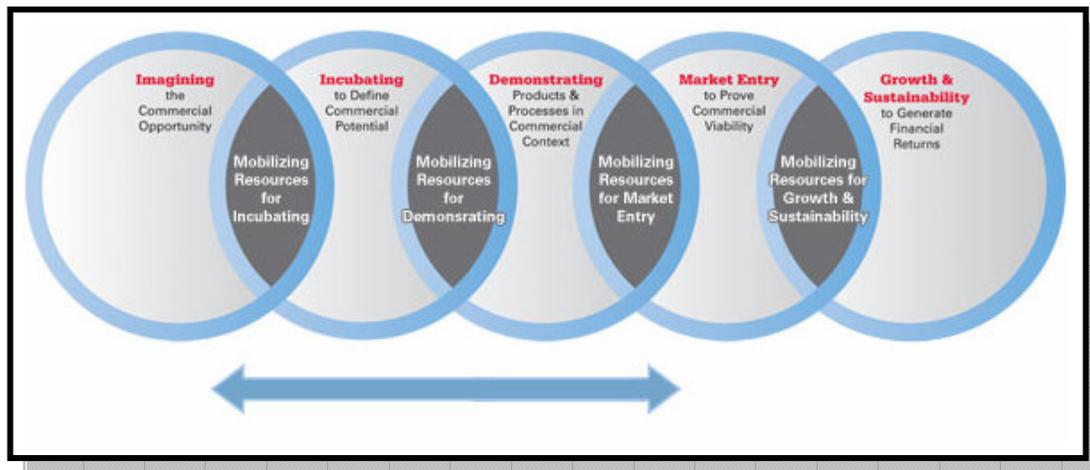
- Biomedical
- Advanced/Alternative Energy
- Instruments, Controls, Electronics
- Advanced Materials
- Advanced Propulsion

Entrepreneurial Signature Program Continuity Initiative

Program Purpose

The FY2011 Ohio Third Frontier Entrepreneurial Signature Program Continuity Initiative (OTFESP) is a direct response to the recognition of the need to provide continuing support to existing entrepreneurial support programs. This initiative targets only existing activities of the OTF Entrepreneurial Signature Programs that have previously been awarded Grant Funds to create measurable economic benefits for the State through the support of Ohio technology-based companies in the Imagining, Incubating, and Demonstrating phases of commercialization and that require continuity funding to maintain the level of services through the end of FY2012.

As a result, this RFP offers support to Entrepreneurial Signature Program (ESP) Lead Applicant organizations and their Collaborators that can establish that they require additional funding to continue successful and regionally supported elements of their programs at capacities consistent with their levels of effort in FY 2010.



According to Ohio Third Frontier materials, the Commercialization Framework consists of three major components:

- A description of the five phases of commercialization;
- A system of metrics designed to provide objective measures of commercial progress well before the project can achieve traditional metrics; and
- A series of steps (the analytical framework) to help improve the probability of success or reduce the unproductive use of scarce resources.

Program Goal and Objectives

The goal of the Ohio Third Frontier Entrepreneurial Signature Program Continuity Initiative (OTFESP), as describe in Section 2 of the RFP, is to provide funding for support of existing programming through FY2012 at capacities consistent with levels in FY2010:

- Maintain critical regional entrepreneurial services put in place as a result of the investments in the six ESP regional networks;
- Create an entrepreneurial assistance climate that supports the creation, retention, and attraction of investable technology companies in Ohio;
- Build a pipeline of technology company deal flow that increasingly attracts the resources of venture capital firms both within and outside of Ohio; and,
- Build a network of universal support and access to all forms of capital for technology companies within their geographic region.

Eligible Proposals

Ohio Third Frontier has determined that OTFESP will fund only proposals with entrepreneurial services focused on one or more of the targeted industry sectors identified within the Ohio Department of Development Strategic Plan and providing services to existing Ohio companies or to companies that will locate a principal place of business in Ohio as a condition of the services. Funding may be available only entrepreneurial services which have a record of success, are deemed necessary within the region, and require additional funding to continue operation through June 30, 2012.

Funding & Cost Share

Development anticipates awarding up to \$10 million in grants through the FY2011 OTFESP. Grant requirements are outlined as follows:

- The level of funding must be based on the need to maintain the continuity of ESP services through FY 2012 as they existed in FY 2010 or may be expected to exist as a result of ESP service awards made prior to the start of FY 2011;
- The funding requested must not exceed an amount based on the historic burn rate for the ESP regional network;
- The Lead Applicant must meet or exceed the cash cost share ratio requirement of 1:1.

Proposal Evaluation Criteria

Section 4 of the RFP details the evaluation criteria to be considered in determining the creditability of proposals for funding. Some of the most important evaluation criteria include the following:

- Alignment of the Proposal with the OTFESP purpose, goals, objectives, eligibility, funding, and Cost Share requirements of this RFP;
- Demonstration that additional funding is needed to maintain the level of services that have been effective and are needed in their region;
- Evidence that cash cost share is available to fund at least 50 percent of the continuity activities;
- Relevance of the proposed continuity activity to achieving the goals of the ESP regional network;
- Qualitative and, to the extent possible, quantitative evidence of the success of the activity in supporting the overall goals of the ESP regional network;
- Evidence of the ongoing need for the service activity; and
- Impact as evidenced by the magnitude and realism of the projected A Metrics.

The amount of funds budgeted by Development for this program was not a proposal evaluation criterion and did not impact the review team's evaluation.

Evaluation Process

Prior to any technical review, the Development staff received and processed proposals, conducting an initial administrative screening review to ensure that submitted Proposals comply with the objective content requirements defined in the RFP. Once the administrative review was finalized, eligible proposals were forwarded to an external evaluation team for a technical review.

A multi-stage evaluation process provides both a more thorough analysis and an opportunity to gain additional insights from a subset of potentially promising proposals.

- Develop an evaluation paradigm in accordance with the RFP criteria.
 - Evaluation criteria based on RFP with scoring ranges and point weighting.
 - Four primary categories with multiple sub-components.
- Assign two expert reviewers per proposal.
 - Conduct a thorough conflict of interest review to avoid potential conflicts.
- Stage One Reviews
 - Thorough reading of assigned proposals by each evaluator pair
 - Independent assignment of preliminary scores
 - Preliminary discussion to reach consensus

- Stage Two Reviews
 - Submit questions to applicants via Development
 - Review responses to questions
 - Detailed review within context of initial proposal and additional information
 - Review by evaluators to reach consensus and assign final scores
 - Rank and review all proposals to recommend funding range
- Preparation of materials for Third Frontier Commission

Proposal Review Team

Invantage Group provides a suite of innovative market development and business strategy services to help organizations succeed through better planning and implementation. By understanding market development, critical metrics, technical requirements, and customer-centric strategies, we assist clients to leverage assets in order to optimize market entry and growth opportunities. A fundamental part of our business plan development and evaluation experience has focused on market entry and commercialization. Our review team has extensive experience with technology-based companies at all phases of commercialization and venture development.

Mr. Ted Bernard

Mr. Bernard has extensive experience in analyzing markets and consumer behavior in order to develop market entry and growth strategies, including a deep understanding of venture development and how public policy impacts private capital formation.

Mr. Bill Tanner

Mr. Tanner brings broad based experience in business strategy, corporate finance, venture capital and business valuation, having served as a CFO and advisor to a range of entrepreneurs and both public and private companies.

Mr. Ken Leachman

Mr. Leachman provides accounting and financial management services to organizations in a variety of industries, particularly assisting with commercialization efforts for early stage companies.

Proposal Evaluation and Ranking Summary

The reviewer teams evaluated, scored, and ranked four Entrepreneurial Signature Program Continuity Initiative proposals. After completing the Stage 1 review process and sharing recommendations with Development, additional information was requested for select areas in order to augment the evaluation. Based on the deeper evaluations conducted during the Stage 2 review process, the review team has offered a recommendation on proposals which have sufficiently met the program criteria for consideration of funding in whole or in part.

| Summary of Entrepreneurial Signature Program Continuity Initiative Evaluations | |
|--|--------------------|
| Proposals received | 4 |
| Recommended for funding | 4 |
| Group score range | 88.0 – 68.5 points |

Please refer to the individual proposal review summaries for specific information relating to each of the proposals reviewed.

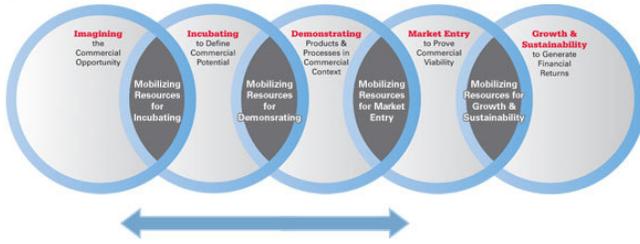


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Proposal Evaluation Summaries



Proposal Evaluation Summary

JumpStart Entrepreneurial Network
JumpStart, Inc.

Demonstrated Need in Alignment with Goals

JumpStart was formed in 2004 through collaboration between NorTech and Case Western Reserve University to serve as the lead organization for the Northeast Ohio 21 county region Entrepreneurial Signature Program. JumpStart's mission is to accelerate the growth of innovative early-stage businesses and ideas into venture-ready companies through providing a continuum of resources to entrepreneurs and the community.

The Northeast Ohio region has developed a strong entrepreneurial culture and several organizations and institutions have evolved to support it. Over the recent years, the growth of these market players has shifted, creating more resources, but not always in a coordinated fashion. In viewing individual organizational performance, the applicant identified significant performance variations. JumpStart believes the regional priority must now shift to building regional collaboration in order to better optimize resources and outcomes.

The JumpStart Entrepreneurial Network (JEN) provides a framework, structure, and resources to leverage and enhance outcomes of all the regional collaborators relevant for entrepreneurs. The proposal narrative includes numerous pieces of historical data, but only qualitative commentary about continued need. It is always difficult to forecast future demand, though it would have been beneficial to show trend data to provide a directional indication to support statements about growing needs.

JumpStart has developed programs which are consistent with the goals of the OTF including deal flow development and tracking, as well as EIRs to assist startups companies in marshalling resources necessary to transition through the commercialization process. In addition, JumpStart is active in delivering services such as education, training and outreach and growth grants.

The application complies with the requirement that the amount of the continuation funding request is

Summary

| | |
|-------------------------------|--------------------|
| Proposal #: | 11-104 |
| Funds request: | \$4,736,877 |
| Cost share: | \$4,736,877 |
| Cost share committed:* | \$2,235,000 |

*Commitment data as of 12/28/2010

Scoring

| <u>Category</u> | <u>Max Pts</u> | <u>Score</u> |
|---|----------------|--------------|
| Demonstrated need in alignment w/goals | 20 | 14.0 |
| Relevance of activities | 25 | 25.0 |
| Evidence of success & impact | 40 | 40.0 |
| Cost share commitments | 15 | 9.0 |
| Total | | 88.0 |

Northeast Region



Proposal Evaluation Summary (Continued)

JumpStart Entrepreneurial Network *JumpStart, Inc.*

consistent with funding and activity levels from the last fiscal period.

Relevance of Activities

The JumpStart Entrepreneurial Network includes an array of activities which can be broadly aggregated into a few categories, including universal services, focused efforts on targeted sectors, aggregated deal flow, capital resources, outreach and educational programming, and inclusion initiatives.

Some notable examples of relevant activities include:

- Universal services are delivered by EIRs, including Venture Partners assisting portfolio companies in building sustainable organizations reducing and mitigating risks; and Inclusion Advisors providing technical assistance to women and/or minority-led firms.
- Given Ohio's history in energy development and innovation, it may not be surprising to see strong entrepreneurial initiatives in the Advanced Energy and CleanTech space. JumpStart has developed support programs and funding to assist advanced energy initiatives using three subject matter EIRs.
- In order to assist with deal flow and capital resources, JEN members provide technical assistance to applicants prior to their review by pre-seed funds in the area and provides due diligence services to determine viability.

- JEN creating a common approach to surfacing deal flow and matching appropriate opportunities with the optimal provider.

All of the requested continuation funding is for the types of activities which support the creation, retention and attraction of investable technology companies. JumpStart has demonstrated its ability to build a pipeline of early stage targeted technology companies in the Northeast region and its ability to assist those companies in gaining access to all forms of capital.

Evidence of Success and Impact

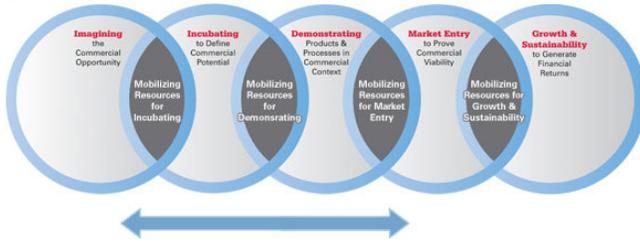
The success and impact of the programs is evidenced by the inclusion of numerous details about success metrics. For example, in the past year, average identified monthly deal flow has more than doubled to 77 opportunities, including a doubling of women and minority entrepreneurs; a tripling of attendance at JumpStart events; and an increase in national media coverage. Overall, JEN cumulative A-level metrics have grown over 250% over the past two years and Total A metrics of \$108 million have been realized to date. Since its inception in 2007, 2,609 qualified deals have been logged and 1,081 client companies that have received services from the ESP, and the pre-seed fund has invested \$18 million in 50 companies.

Cash Cost Share Commitments

Approximately 47% of the cost share commitments are firm commitments. The remaining 53% are contingent, but include identified sources for the fund commitments. Many of the contingent commitments are from governmental agencies and foundations whose commitments are contingent upon receiving an allocation in the next budget or grant cycle. JumpStart historically has had a strong track record of converting contingent commitments into firm commitments.

Summary / Recommendation

The JumpStart Entrepreneurial Network has met the criteria included in the program RFP. They have established the need for additional funding to continue successful and regionally supported elements of their programs at capacities consistent with their levels of effort in the preceding fiscal year. JumpStart has demonstrated that: i) it continues to build an entrepreneurial assistance climate in Northeast Ohio that supports the creation and retention of investable technology companies in Ohio, ii) is building a pipeline of technology company deal flow that attracts resources of venture capital firms and iii) is building a network of universal support and access to all forms of capital for technology companies within their region. We recommend that JumpStart receive the requested continuation funding.



Proposal Evaluation Summary

TechColumbus Continuity Initiative *TechColumbus*

Demonstrated Need in Alignment with Goals

TechColumbus, the Central Ohio ESP, includes six subsidiaries and manages approximately \$27 million in very early stage investment assets. In addition to venture development activities, TechColumbus runs a membership and advocacy organization that includes over 700 member companies representing over 125,000 employees. The membership organization includes peer forums and the staging of over 120 events each year.

With the primary focus on the creation of technology-based startups that will create high paying technology jobs, retain and attract entrepreneurial talent, and create the thriving entrepreneurial ecosystem, there is a broad requirement for entrepreneurial services. At very early stages and with varying levels of experience by founders, entrepreneurial opportunities of very early startups virtually always need significant coaching prior to being able to present their opportunity for any type of funding. Since July 2007, TechColumbus has engaged over 6,300 inquiries from entrepreneurs.

The applicant did not provide extensive details about the current cash reserves or when they are expected to be depleted, therefore it was difficult to evaluate the precise additional funding needed to maintain the level of services. The Department of Development staff has confirmed to the review team that the ESP's current cash reserves will be fully depleted by the time the requested continuation funding is scheduled to begin. The application appears to comply with the RFP requirement that the amount of the continuation funding request is consistent with the FY 2010 funding and activity levels.

Relevance of Activities

TechColumbus is a not-for-profit 501(c)(3) formed in 2005 and is the grantee for the Central Ohio ESP. TechColumbus manages and provides reporting for 12 Ohio Department of Development Grants for the Ohio Third Frontier, Technology Action Fund and Edison Incubator programs. Over the past three years, TechColumbus has reviewed over 1,100 "qualified" deal flow opportunities. Using a well defined assessment process, TechColumbus has assisted TechColumbus Funds in

Summary

| | |
|------------------------|-------------|
| Proposal #: | 11-101 |
| Funds request: | \$1,450,000 |
| Cost share: | \$1,450,000 |
| Cost share committed:* | \$350,000 |

*Commitment data as of 12/28/2010

Scoring

| Category | Max Pts | Score |
|--|---------|-------------|
| Demonstrated need in alignment w/goals | 20 | 14.0 |
| Relevance of activities | 25 | 25.0 |
| Evidence of success & impact | 40 | 32.0 |
| Cost share commitments | 15 | 9.0 |
| Total | | 80.0 |

Central Region



Proposal Evaluation Summary (Continued)

TechColumbus Continuity Initiative *TechColumbus*

putting qualified opportunities through an extensive set of due diligence steps that lead to an investment decision.

TechColumbus has built a broad organizational structure across an array of relative activities. TechColumbus has grouped services into five major categories: deal flow generating activities, coaching and mentoring, capital access, universal services, and administrative functions. The proposal includes extensive information about the variety and relevance of activities offered.

One of the most extensive and evident functions involves deal flow generating activities via collaborations, regional events, and entrepreneurial outreach activities which have attracted over 23,000 attendees since mid-July 2008. These efforts have helped to increase identified deal flow, generating over 6,300 inquiries, including over 1,100 qualified opportunities.

In addition to deal flow identification and review, TechColumbus provides valuable universal services and coaching and mentoring activities. These services engage entrepreneurs, including a special focus on women and minorities, in an effort to promote venture development activities.

Evidence of Success and Impact

In addition to the previously mentioned deal flow, TechColumbus

and the venture funds that they manage have generated in excess of \$345 million in A metrics. TechColumbus has led or participated in 169 events in 2010 representing outreach to 15,928 individuals in attendance. The staff has participated in or led eight woman focused events with 1,238 participants and five minority focused events with 1,423 participants. TechColumbus has also established two regional offices in Dublin and New Albany.

TechColumbus has contracted with the Small Business Development Center at Columbus State to provide support for those opportunities that do not fit within the signature areas or are not technology companies. The ESP will continue Access ESP, a collaboration with the Columbus Chamber of Commerce and the SBDC, to provide outreach, identification of EDGE-certified or certifiable companies and/or entrepreneurs in the imaging, incubating and demonstrating phases. This leverages existing and new partnerships with programs like: Black Data Processors Association, Association of Black Engineers, Ohio Commission of Hispanic and Latino Affairs, Hispanic Chamber.

Other services that TechColumbus provides include:

- Capital Access Activities
- TechGenesis Grant Program
- ESP Direct Pre-Seed Program
- Entrepreneur in Residence
- Federal Grant Support Program

Cash Cost Share Commitments

Cost share is the one area of concern for the TechColumbus proposal. The City of Dublin has made a firm commitment of \$350,000. Additional cost share funding commitments have been received from the cities of Columbus and Upper Arlington, but budgeting cycles preclude their ability to make firm commitments for the \$1,000,000 and \$100,000 cash cost share. While both cities have supported TechColumbus in the past and may likely provide the funding, increasingly challenged public sector budgets always bring some measure of doubt about funding until actually committed.

Summary / Recommendation

The proposal has met the criteria and goals defined by the continuity program RFP. They have established the need for additional funding to continue successful and regionally supported elements of their programs at capacities consistent with their levels of effort in the preceding fiscal year. Subject to the completion of raising the required cost share, it is recommended that funding be continued for TechColumbus.

Proposal Evaluation Summary (Continued)

TechGROWTH Ohio Continuity Program *Ohio University*

- The education, training, and outreach programs offer workshops and events throughout the region to promote a culture of technology-based entrepreneurship and increase awareness of services available to assist technology venture development.
- Operational assistance initiatives provide comprehensive services to identify barriers to commercialization and implement strategies to overcome them. Through an extensive network of Executives in Residence (EIRs), the programs offer a wide range of mentoring, planning, and assessment assistance.
- Milestone-based GROWTH grants can be used to purchase services designed to obtain additional resources, accelerate commercialization pathways, and reduce investment risk.
- Pre-seed investment programs provide services and funds to early-stage technology companies

Since its inception in 2007, TechGROWTH has been successful in creating a culture for early stage investing as evidenced by its leadership in the formation of the first angel fund in the region. The region lacked the indigenous deal flow for technology-based venture development. The quality and quantity of deal flow for the pre-seed fund has improved dramatically across a range of technology sectors, including advanced energy, biosciences, and digital media. Improvements in inquiries and overall deal flow aid in demonstrating the relevance of TechGROWTH's activities

to support early stage technology companies in the region.

Evidence of Success and Impact

Primary evidence of the success and impact of the ESP programs is evidenced by the 319 companies in the Southeast region that have received services. A metrics have been generated by 46 of these companies (nearly 15%) totaling \$51 million. An additional 23 companies have received or are currently being considered for investments by the pre-seed fund. The pre-seed fund has invested in five companies to date and has a pipeline of 15 additional opportunities in various stages of due diligence for funding. Although TechGROWTH got off to a slow start, both the quantity and quality of deal flow have increased significantly in the past year.

Aside from the direct impact of pre-seed investments, the proposal does include other helpful information indicating positive efficacy of the ESP's activities.

- Sixty-five percent of operational-assistance-only companies provide 40% of all TechGROWTH reported A metrics.
- Through mid-2010, TechGROWTH had awarded \$2.6 million in GROWTH grants to over 50 companies. Of this group, 34% subsequently produced A metrics.
- Of all A metrics achieved by the TechGROWTH program, 61% were achieved by companies who had received GROWTH grants. Recipient companies were able to achieve, on average, \$9.55 in follow-on

resources for every \$1 in GROWTH grants.

Cash Cost Share Commitments

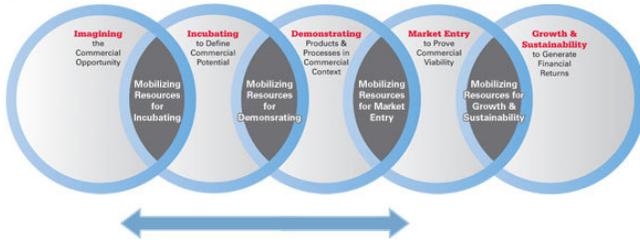
Ohio University, OSU South Centers, and Muskingum County Business Incubator have provided firm commitments for the entire cost share amount required. In each case, the cost share provided has been derived from non-State sources.

Summary / Recommendation

TechGROWTH has met the criteria established by the ESP Continuity Initiative and has established that they require additional funding to continue successful and regionally supported elements of their programs at capacities consistent with their levels of effort in FY 2010.

Although it got off to a slow start due to lack of infrastructure in the region, TechGROWTH has demonstrated that: i) it continues to build an entrepreneurial assistance climate in Southeast Ohio that supports the creation and retention of "investable" technology companies in Ohio, ii) is building a pipeline of technology company deal flow that attracts resources of venture capital firms, and iii) is building a network of universal support and access to all forms of capital for technology companies within their region.

Given the need in the area, it is recommended that the funding for the OU ESP program be continued at the current levels.



Proposal Evaluation Summary

SW Ohio Continuity Proposal for BIOSTART *Cincinnati USA Regional Chamber*

Demonstrated Need in Alignment with Goals

The Cincinnati USA Regional Chamber, through its subsidiary CincyTech, is the Southwest Ohio Entrepreneurial Signature Program provider. CincyTech's collaborators in the Southwest Ohio ESP are BIOSTART, Hamilton County Business Center, and C-Cap. The application by CincyTech is a request for funds to continue the programs of one of its collaborators BIOSTART.

In 2007, CincyTech received an ESP grant of \$14.8 million, of which \$1.05 million was awarded to BIOSTART as a collaborator which raised \$525,000 in cash match. Based on current expenditure rates, these funds will be expended by April, 2011. In order to continue its core services to life science entrepreneurs, BIOSTART needs \$800,000 in total funding. They are seeking \$400,000 in matching grants from two different programs sources. CincyTech, utilizing funds from a 2010 ESP Success Initiative Grant, has offered BIOSTART a sub-award of \$150,000 contingent upon the ability to raise cash match commitments. This results in the need to a way to fill the remaining \$500,000 budget shortfall.

To address this shortfall, CincyTech is submitting this proposal under the 2011 Continuity Initiative. If achieved, this would result in \$400,000 in total state funds and \$400,000 in cash match which will enable BIOSTART to sustain current services through June 2012, based on the 2010 expenditure rates. The application complies with the requirement that the amount of the continuation funding request be consistent with the FY 2010 funding and activity levels.

BIOSTART serves clients in the pharmaceutical, medical device, diagnostic, environmental, and related bioscience industries. Basic services include executive mentoring from EIRs, working capital assistance, commercialization and business plan development, incubator facilities, and business services for companies conducting Small Business Innovation Research (SBIR) grants and product development activities.

Since 2007, the region has seen life science raw deal flow of 224 opportunities. From that deal flow, BIOSTART has directly assisted 34 companies and its services have helped to generate \$10.3 million in A metrics. This compares favorably to the original target of 25 companies. To demonstrate the on-going need for

Summary

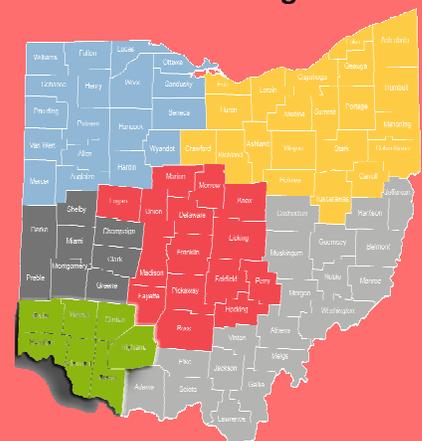
| | |
|-------------------------------|------------------|
| Proposal #: | 11-103 |
| Funds request: | \$250,000 |
| Cost share: | \$250,000 |
| Cost share committed:* | \$100,000 |

*Commitment data as of 12/28/2010

Scoring

| Category | Max Pts | Score |
|---|-----------|-------------|
| Demonstrated need in alignment w/goals | 20 | 17.0 |
| Relevance of activities | 25 | 25.0 |
| Evidence of success & impact | 40 | 23.5 |
| Cost share commitments | 15 | 3.0 |
| Total | | 68.5 |

Southwest Region



Proposal Evaluation Summary (Continued)

SW Ohio Continuity Proposal for BIOSTART *Cincinnati USA Regional Chamber*

service activity, the proposal identifies 23 current client companies and five additional proposals seeking assistance under review.

While there is evidence presented regarding the services provided and benefits achieved, relative to other proposals review, this proposal provides only fairly general information regarding on-going needs.

Relevance of Activities

BIOSTART, as a collaborator of CincyTech, complements the activities of CincyTech in the life sciences development field. BIOSTART operates a bioscience start-up center and serves as the southwest Ohio regional office for BioOhio, Ohio's Life Science Industry Association. BIOSTART catalyzes life science commercialization by finding medical product innovators, by nurturing ventures that develop competitive technology, and by connecting entrepreneurs with the resources needed to create companies, wealth and jobs.

To assist imagining and incubating stage companies, BIOSTART operates a 31,500 square foot facility with wet, dry, and tissue lab space. The facility provides valuable laboratory equipment, instruments, and specialized resources (e.g. a modeling lab and clean room facilities).

In addition, BIOSTART provides business assistance services specifically tailored for the needs of start-up life science companies. Services include identification of qualified management, board development, commercialization and business plan preparation

assistance, business development, access to capital and necessary space for drug development, medical device prototyping and unique bioscience-based services.

These combinations of business services and technical support have provided relevant and valuable assistance in helping early stage life science companies to evaluate concepts and progress through the stages of commercialization.

Evidence of Success and Impact

During the past three years, BIOSTART has assisted 34 life sciences companies. Of those companies, eight very early-stage opportunities have received follow on resources totaling over \$10.3 million of A metrics. Additional funds raised have come from a range of resource providers, including three companies recognized for grants by the National Cancer Institute.

In addition, BIOSTART's resources include a long-standing network of industry experts and advisors that assist clients both on a pro-bono and fee basis. Since 2000, BIOSTART's 120 clients have raised capital of \$150 million and 14 of the 16 "graduates" are still actively in business or have experienced successful exits.

Cash Cost Share Commitments

Since the CincyTech grant offer of \$150,000, from the 2010 ESP Success Initiative Grant, requires a 1:1 cost share match as well as the \$250,000 grant sought from this ESP Continuity Initiative proposal. Therefore,

BIOSTART must raise a total of \$400,000 in total cost share in order to achieve its targeted grant funding.

Thus far, BIOSTART has cost share commitments from two collaborators for a total of only \$100,000 of the \$400,000 needed. The lead applicant has indicated that they would use committed funds to match the CincyTech grant first. The next \$50,000 of cost share commitment raised would also go to the CincyTech grant offer, before any additional funds will be allocated to this proposal. While BIOSTART continues to seek funding options, at present, there does not appear to a source for the remaining \$300,000 of required cost share.

Summary / Recommendation

The applicant provides reasonable qualitative and quantitative information regarding the relevance of BIOSTART's activities. While additional information regarding evidence of success and on-going needs would have been helpful, there is ample information to suggest that the activities and funding are well directed to assisting a targeted sector.

The real challenge will be completing the cost share funding. The proposal has met the criteria and goals defined by the continuity program RFP. Subject to the completion of raising the required cost share, it is recommended that funding be continued for BIOSTART.