Building a Management & Leadership Team and a Board of Directors and Advisors

UNIVERSITY STARTUP DEVELOPMENT WEBINAR SERIES
SPEAKERS

Glenn Vonk, PhD
Director of Business Development and Alliances
Former Director of Advanced Technology, BD

Christine Copple, PhD
NCET2 Startup Development Officer
Angel Investor, Board of Washington D.C. ArchAngels
BACKGROUND ON THE STARTUP DEVELOPMENT PROGRAM
Congress seeks to understand commercialization of $B137 annual R&D in Fed Labs / Universities

NCET2 Congressional Commercialization Summit – Corporate Sub-committee Formed

First Model Proposed

Model Vetting Roadshows: CA; PA; NY

2015

Congressional Briefs

(Pilot) First Demo Day

Second Demo Day

2016

2017

Startup Development Officers Pgm Announced

IP2 Startup Pgm Announced

Commercialization Model Timeline

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CORPORATE COMMERCIALIZATION CENTER (CCC)

GLOBAL 1000 CORPORATE COMMERCIALIZATION COUNCIL (NCET2 CORPORATE MEMBERS) (COORDINATION CENTER)

FEDERALLY FUNDED R&D AT UNIVERSITIES ($37 Billion)
FEDERALLY FUNDED R&D AT FEDERAL LABS ($93 Billion)
OUTBOUND CORPORATE R&D

RESEARCHER-ENTREPRENEURS (UNIVERSITY STARTUP CREATION)

PRIVATE FUNDING
- UNIVERSITY MENTORING-ANGELS
- CVCs
- ANGELS
- VCs

GAP FUNDING
- SBIR FUNDING
- STARTUP R&D TAX CREDITS

IPO / CORPORATE BUSINESS UNITS

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Startup Development Program

• Congress funds $137 billion in federal funded research at universities and federal labs

• Excellent opportunity for researchers and entrepreneurs to build a university startup around that IP
  – Universities have programs to help you

• NCET2 Fortune 500 members and SDOs who will partner with university startups to help develop and fund those startups
Startup Development Program

• NCET2 Startup Development Officer will also help university entrepreneurs, faculty, researchers, and students create, develop and fund market aligned university startups (http://ncet2.org/sdo)
SDO SERVICES

• Early management teams of university entrepreneurs, graduating students, faculty, and researchers
  • Business plan
  • proof-of-concept
  • prototyping
  • early product development
  • SBIR, Angel, and VC funding
  • Building teams
  – “Commercialization Experiments”
    • Get to work with Fortune 500 companies, angels, VCs, and serial entrepreneurs to help commercialize university and Federal Lab technologies
Benefits

• Startups/Entrepreneurs/Faculty/Researchers/Students
  – Access to professional SDO talent to help create, develop, and fund your startup

• Universities
  – Moving IP to market for significant market impacts
  – Graduating students into startups and working with Fortune 500 and SDOs
Engage with NCET2 and the SDOs

1. Submit your IP or startups to NCET2
   - The SDOs and Corporates review your IP and startups to determine if you are a good candidate for the Startup Development Program
   - Now accepting applications for IP and startups, visit: http://ncet2.org

2. Become an NCET2 SDO
   - Open to: Ex-Corporates in Open Innovation/Venture Capital, Serial Entrepreneurs, Active Angel Investors
   - Send your CV and with a short note about wanting to know more about being an SDO to startupdevelopment@ncet2.org
SPEAKER

Christine Copple, PhD
NCET2 Startup Development Officer
Angel Investor, Board of Washington D.C. ArchAngels
Building a Management & Leadership Team & Board of Directors & Advisors

NCET2

Christine D. Copple, Ph.D.
Beyond Discovery & Patents

What does it take to turn your ideas into a vibrant, sustainable, successful commercial venture that delivers your discovery to the end user?
Envisioning your NewCo

- Develop a credible Action Plan
- Share your underlying Assumptions
- Create a detailed Operating Plan
  - Project Year 1 month by month
  - Project Quarterly thereafter
- Defend your Capital Requirements
- Know your Competition
- Show a clear path to possible exits
Framing the Path to Success

Not a good idea to go it alone

Never too soon to start building your Teams

Varieties of Teams

– Board of Directors
– Management
– Scientific Advisory Board
– Business Advisory Board
Board of Directors

- Founders
- External Member(s)
- Keep it small and always uneven #s
- Fiduciary Responsibility/Oversight
- Investors will require Board seats
- Some Investors will seek visitation rights instead
Management

Founders/Inventors
- May not always join as CEO or CSO
- May bring skilled professionals to task
- May bring students/post docs to task

Fractional Executives
- CEO/President - >50%
- Legal, COO, CSO, CFO,
- VP Bus Dev, VP Regulatory Affairs
Scientific Advisory Board

- Recognized experts with connections
  - Academic leaders
    - validating
    - contributory
  - Clinical leaders
    - validating
    - access to clinical site(s)
- Prefer prior Board experience
Business Advisory Board

Select varied expertise
Start Up savvy
Capital Access routes
Expansion stage knowledge
Corporate connections
Recruiting Teams

Core management
- Founders shares, Stock Options, cash

Fractional management
- Expenses, Stock Options, Warrants

BoD, Scientific Advisory Board, Business Advisory Board
- Expenses, Stock Options, Warrants, Grant Participation
Non-Cash Compensation

Equity

- Common Shares
- Preferred Shares
- Options
- Warrants
- ESOP & Non-Qual Plans
Contracts

- Paper relationships with contracts
- Allow for mutual termination at will
- Remember to get IP assignments
- Also Non-compete agreements
- Recognize that the field of reference may be quite tight
- Keep your RCDAs up to date
- Start out with an Option Plan
Managing Your Teams

- Weekly Corporate Meetings
- Monthly Board Meetings
- Quarterly Advisory Board Meetings
- Annual all hands on deck Meetings
- Strategic Retreats
- Keep up communication
- Assign Tasks & Extract Deliverables
What Team Members Look For

- Management
- Market Opportunity
- Competitive Advantage
- IP Coverage & Freedom to Operate
- Financials
- Is the “Ask” enough to get inflection
- Use of Funds
- Anticipated Exit Opportunities
Who Are They?

- Serial Entrepreneurs
- Industry veterans with non-conflicting day jobs
- Retired Corporate executives
- Academic & Clinical Faculty
- Angels & VCs
- Corporate Venture Funds
- Strategic Corporate Partners
- Foreign Investors
Where to find Them?

**Angel Groups**
- D.C., Chicago, San Diego Arch Angels
- New York Angels, Blue Ventures

**Incubators**

**Equity Forums**
- Keiretsu Forum, Yale Club Equity Forum

**National & International Meetings**

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