

MARKET READINESS PRODUCT LAUNCH PROGRAM

Description & Key Features

The Market Readiness Product Launch Program helps emerging start-up companies commercialize promising technologies developed in an Ontario publicly funded academic research institution. The program aims to keep the technology and sustainable economic benefits in Ontario. The program invests up to \$250,000 in two streams:

- Investment in emerging start-up companies from Ontario's priority sectors in advanced health technologies, advanced manufacturing, ICT and the environment sector. Only start-ups with core intellectual property (IP) from an academic institution may apply.
- Investment in emerging start-up energy companies. OCE's Special Energy Fund supports energy technologies with the potential to be transformative for the Province of Ontario. Companies commercializing data management, energy storage, and grid-control and management technologies are encouraged to apply. Start-ups and early stage energy companies may apply (academic IP or other).

Objectives	Indicators
1. Create sustainable start-ups based on Ontario academic research	<ul style="list-style-type: none"> – Revenues, Jobs, Social & Environmental Impact – Number of start-ups created – Growth over 5 years – Follow-on investment and acquisition over 5 years – HQP retained in Ontario – Patents filed and granted
2. Develop significant license transfers to Ontario companies	<ul style="list-style-type: none"> – Patents filed and granted – Term sheets/licenses completed

Clients	Delivery Partners	Delivery Agents
<ul style="list-style-type: none"> ▪ Ontario academic entrepreneurs <ul style="list-style-type: none"> – researchers and students <p>Ontario based</p> <ul style="list-style-type: none"> ▪ Start-up companies ▪ Early stage companies 	<ul style="list-style-type: none"> ▪ Ontario publicly-funded research institutions, especially the technology transfer offices 	<ul style="list-style-type: none"> ▪ OCE

Linkages to other Programs / Organizations

- IACP Talent components
- TTP
- CCR
- Market assessment, business acceleration to support the industry partner from MaRS BAP
- Examples include NRC IRAP, NSERC, OMDC, etc.

Activities

Typical applications include:

- Marketing Strategy Execution;
- Scalability of product and production/manufacturing process;
- Personnel Training;
- First Customers Engaged;
- Potential follow-on investors engaged;

Eligibility Criteria

Eligible emerging start-up companies:

- The core technology/IP results from research developed in an Ontario publicly funded research academic institution i.e. university, colleges and hospitals
- Applicants are free to use/develop the IP with no third party rights
- Applicants must be pre revenue and have not received previous private investment of over \$100,000 excluding funding from founders, friends and family. Applicant must have in-hand or identified a potential co-investment from a third party at least matching the amount of OCE investment.

Additional Eligibility:

- Emerging company must operate in Ontario
- For the Special Energy Fund, any start-up and early stage energy companies may apply (academic IP or other). For all other sectors, only start-ups with core intellectual property from an academic institution may apply.
- Total Addressable Market for the opportunity must be in excess of \$50 million
- Participants will cooperate in providing reporting and metrics

Assessment Criteria

- Priority given to high growth potential opportunities
- Technology must be disruptive in nature and not an incremental change to existing technologies
- Potential for growth of a sustainable company within Ontario exists. Sustainability assessed based on a variety of factors including the necessary supporting industrial infrastructure within Ontario
- Applicant team evaluated based on its experience and track record, mix of skills, network, openness to advice, ability to attract additional team members, etc.
- Commitment and investment of the team members to the project
- Demonstration of market and customer pull for the technology
- Demonstrable benefit to the Ontario economy in terms of jobs and revenues

Program Process

- OCE will work with applicants to develop the application and will maintain oversight responsibility for the project. Online application package and business plan are required. See link below for business development manager contacts
<http://www.oce-ontario.org/contact-us/business-development-contacts>
- This is a competitive process, those that apply may not be approved for investment
- Applications with customer involvement given priority
- Applications must be signed by all contributing parties including the research institution
- Applicants such as researchers, students, entrepreneurs or graduating students, with the consent of the academic institution or TTN, must provide information on technology status, IP, market and commercialization plan
- OCE will carry out a full due-diligence which is submitted to Internal and External committees for review
- Final approvals made by an Internal Committee based on the recommendations of the External Committee

- All projects subject to annual review and approval for continuation

Important Timelines

Call for Applications announcement	May 25, 2012
Deadline for applications package and business plan	June 22, 2012
Panel selects the application for due diligence. notification to all applicants	July 6, 2012
Due diligence – internal and external	July 13-Aug 10, 2012
Presentation to External Panel	Late Aug 2012
Investment Decisions	Mid - Sept 2012
Contract Negotiations	Sept-Oct 31 2012
Announcement of Awards	Nov 2012

Investment

- Typical total investment of up to \$250,000
- Applicant must have co-investment from a third-party equal to the amount of OCE investment. This co-investment can arise from sources such as institutions or industry partners, private investors.
- Applicant can use up to \$50,000 to engage an Embedded Executive (EE). An EE is an experienced entrepreneur or business executive that works inside a company for a limited time. You cannot use the funds to hire a consultant. The term of the engagement covered can be no less than six concurrent months. If you require an EE, you must list this in the use of funds section of the application. In addition, the applicant must provide the rationale for the position and identify the experienced individual.
- Up to 3 investments in Ontario's priority sectors: advanced health technologies, advanced manufacturing, ICT and the environment sector. Only academic start-ups may apply.
- Up to 3 investments from Special Energy Fund that supports transformative technologies such as energy data management, energy storage, and grid-control and management technologies. Both academic start-ups and non-academic companies may apply.
- OCE will issue a financial instrument such as a convertible debenture.

Outcomes Metrics

- Economic benefit to Ontario creating sustainable start-ups, attracting follow-on investment and the retention of HQP in Ontario-based companies
- Revenues, Jobs, Social & Environmental Impact retained and created in Ontario
- Number of licenses transferred to existing and start-up Ontario companies
- Innovation impact including commercializing new technologies by giving entrepreneurial opportunities to inventors, building new companies and engaging investors
- Client satisfaction including number and impact of success stories

Program Contacts

For Special Energy Fund:	For Other Sectors:	
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