



Admission and Progress Metrics

Our incubator is intended for three types of client company:

1. Ventures formed by faculty, staff or students of the University of Missouri;
2. Ventures formed by entrepreneurs in the mid-Missouri community;
3. Ventures from outside the region recruited to accelerate the development of a high tech industry cluster and expand MU's collaborations with industry.

Prospective tenant companies will be evaluated in two primary areas:

1. Progress against their business plan
2. The quality of their relationship with the University of Missouri.

Progress against Business Plan: Incubator managers will evaluate the business plan of an applicant as an admission requirement and will then evaluate progress by revisiting each of the critical elements for the company's success at least annually and more frequently in times of flux. Missouri Innovation Center is a very strong advocate of the business plan and coaches its clients in each dimension of a well structured business plan. MIC coaches maintain an awareness of progress or challenges encountered in each category by each client company. The following dimensions of the business plan will be scored in regards to whether the original case for each remains valid, whether progress is being logged towards execution of the plan consistent with the company's own objectives, and whether the company's position has strengthened or weakened in each category:

- **Opportunity – is the market attractive and growing?**
 - Why does the world need your product/service – qualitative case
 - What is the pain in the marketplace
 - What is the scale of the opportunity – the quantitative case
 - Addressable market
 - Sets the scene – the problem that needs a solution, a better way
 - Who has tried before – why did they fail?
- **Solution – do you have an appropriate solution (technically and economically feasible)**
 - Describe in detail, but in lay terms a business person can understand
 - Scientific and technical diligence on the solution comes in follow-on meetings – that is the time for detail
 - What do you have/what stage are you at vs where you should be at this point?
 - Working model? Commercial prototype? Beta version?
 - Stage of regulatory approval – are approvals on track?

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- What is your value proposition
 - To the customer
- **Ability to compete – is the company able to compete?**
 - By definition you are a startup company with limited resources
 - If the Opportunity really is attractive, how do you keep the 800lb gorilla from eating your lunch?
 - There is no “under the radar” pathway
 - Intellectual property protection!
 - What is your patent status and freedom to operate?
 - Describe the competitive landscape
 - Consider a features/benefits matrix – how do you measure up?
- **Get to Market Strategy – has the company a viable channel to market?**
 - Who is your customer?
 - How does your product get to that customer?
 - Who controls the channel to market?
 - How does this influence your business model?
 - Message and event marketing
 - Geography and sales force
- **Operations – has the company put mechanisms in place to produce and deliver its product?**
 - What will the company look like as it grows?
 - Space
 - Employees
 - Production, sales, order fulfillment, customer service, billing, other?
 - Equipment
 - Manufacturing
 - Warehouse
 - And what are the associated cost implications?
- **Venture Team – is the team strengthening or weakening? Is it the right team?**
 - Who are the people who will execute the plan?
 - Why are they qualified?
 - Have they done it before?
 - Who else is involved?
 - Surround yourself with credible advisors
 - Board of Directors
 - (Scientific) Advisory Board
- **Financial Projections – are the projections and timelines holding up?**
 - 5 years, first two in detail
 - Operating Statement, Cash Flow Statement, and Balance Sheet
 - Where to start – projecting revenues
 - Top down (what the market could give us)
 - Bottom up (what is feasible operationally)
 - Present the “most likely” case
 - Spell out your assumptions
 - Develop as a dynamic model
- **Investment Deal – is the company growing in value? Are amounts and sources of capital identified?**

- How much capital is still needed?
- What will it be used for?
 - Going to market – good; cushy salaries – bad; research – bad; retiring debt – NO!
- What percent ownership (equity) do investors get for their investment?
- What is the projected return for investors and how are investors affected by subsequent rounds?
- How do they get their return out of the company?

University Relationship: In the case of client types 2 and 3, we will also evaluate the potential of your company for collaboration with the University of Missouri. The collaboration requirement can be satisfied in a number of ways. Examples of eligible collaboration are as follows:

- Company licenses MU Intellectual Property.
- Company submits SBIR/STTR grants with MU as R&D subcontractor.
- Company participates in MU-initiated grants (such as Life Science Research Trust Fund).
- Company funds sponsored research at MU.
- Company provides experiential learning opportunities for MU students (e.g., providing projects for courses such as the Capstone Design Course in biological engineering and the consulting courses in the MBA program)
- Company employees contribute time to MU in adjunct faculty or other roles.
- Company engages MU faculty as consultants.
- MU engages company personnel as consultants (committee appointments, reviewers).
- Company and MU researchers publish jointly.
- Company and MU jointly organize seminars, conferences, training courses or similar professional events.
- Company employs a material number of MU graduates in the field of their degree.
- Company is an approved client of the Missouri Innovation Center (potential for high growth and located in, or planning to locate in, mid-Missouri)