Incubator Management Committee
Tuesday, January 9, 2001, 2:00-4:00 p.m.
Thomas Giolas Conference Room

Present:  Thomas Anderson, Richard Berlin, Robert Birge, Bruce Carlson, Thomas
Chen, George Hoag, Kazem Kazerounian, Michael Newborg, Regina Smith,
Louis Pierro

Ian Hart, Co-Chair, Ilze Krisst, Co-Chair
Doug Bradway

Absent:  Fred Maryanski, Gerald Maxwell

Interim Vice Provost Hart welcomed members of the committee and thanked them for
participating. The Interim Vice Provost indicated he and Ilze Krisst would co-chair the
committee. The committee has been established to define policies and procedures to manage
incubator activities at UConn, covering all campuses including the Health Center. Hart noted
there is some urgency to the issue as two incubator complexes will open in the next two
years: (1) the Advanced Technology Institute Building (housing five incubators) with
funding from the Department of Energy (DOE) and (2) the School of Engineering's
Advanced Technology Enterprise Incubator facility developed with $2M funding from the
U.S. Economic Development Agency and $660K match from UConn. The School of
Engineering facility is scheduled to open in the next six months while the Advanced
Technology Institute Building is in the planning/pre-construction phase.

Hart outlined the goals for this meeting. They include: (1) describe current incubation
activities at UConn and (2) identify issues or questions that need to be addressed as UConn
moves forward with these incubation activities. Hart identified several issues/questions
including:

- Does Connecticut need more incubation space? How much of such space should be
  attached directly to UConn?
- What type of incubation activities should UConn pursue? Incubate faculty research to
  commercial success?
- How should the incubation activities be managed? By UConn? By an outside company?
- Does UConn have the expertise to attract companies or assist faculty to incubate
  companies?
- What type of legal arrangements does UConn need in place?
- What existing UConn regulations or State laws limit or encourage incubation activities?
- What are the legal relationships between an incubator and the University?
Hart envisions a set of questions grouped by categories. He asked the committee to help determine a strategy that will serve as a guide to look into the questions. Hart asked the committee for comments.

Bruce Carlson elaborated on these questions.

- Do current regulations governing faculty time/leave time encourage incubation activities?
- What additional infrastructure at the University needs to be developed to help manage the incubation process? He noted the University has made a significant investment in bringing Michael Newborg and creating the Center for Science and Technology Commercialization (CSTC). The activities of CSTC directly relate to incubation efforts.
- How do we take advantage of UConn’s role as an economic development entity to create new jobs and businesses for Connecticut?
- What type of incubation activities should we pursue? Do we start from faculty research or do we look at how our research may help existing companies expand or grow new businesses?
- What does UConn need to do to support incubation activities? How much of an investment is UConn willing to make? For how long? What is the payback to UConn?
- What are the conflict of interest issues?
- What are different types of lease arrangements?
- What kind of faculty leave policy needs to be established with regard to incubation activities?
- How would UConn define success as an incubator?

Birge asked what is UConn’s policy for faculty members to incubate right in their own lab? The committee’s consensus was that UConn has no policy. Birge further noted that most Universities try to avoid this but if a policy is to be created it should be very flexible.

Smith asked if there were implications for developing incubator space in buildings financed by UConn 2000. Smith also suggested it was important to understand where UConn wants to go in terms of its strategic investments. Where do incubation activities fit in UConn’s future plans?

Hoag suggested soliciting faculty input on their incubation interests as a way to gage demand and market. Along this line, the Interim Vice Provost asked Michael Newborg to identify some faculty members who have inquired about incubation activities. They include:

* Alex Makriyannis, Pharmacy (Cannabinoids)
* Jerry Yang, Animal Science (Cloning)
* Yi Li, Plant Science (Transgenic Plants)
* Roberto Gaxiola, Plant Science (Transgenic Plants)
* James Fenton, Chemical Engineering
* Hal Mark, Community Medicine UCHC (Software)
* Bahram Javidi, Electrical and Computer Engineering (Software)
* Joseph Civetta, Surgery, UCHC (Software – Track Surgical Residents)
The Committee asked if there were any research driven companies looking to relocate closer to the University. Chen indicated that he knew of a small biotechnology company. Others noted that Geoff Taylor, Electrical and Computer Engineering, was working with a company. Hart noted that some of the faculty members identified may not be appropriate for the Advanced Technology Institute building.

The Interim Vice Provost then moved to a discussion of current incubation activities at UConn.

**Advanced Technology Institute Building**

Funded in part with a grant from the DOE, this new building will be 12,500 sq. ft. (including a greenhouse). The incubator portion of the building (50%) is approximately 6,250 sq. ft. as a condition of the DOE award. The building will be located directly across from the Agriculture Biotechnology Laboratory. The incubator space in this building will be for biotechnology, although not necessarily agriculture related biotechnology. The incubation space is intended for stage one incubation activities – essentially to assist faculty members to incubate their research. The Interim Vice Provost noted that the DOE has given the University two years to complete construction, so time is of the essence.

The new building’s second floor will have lab space, approximately 500 – 550 sq. ft. each, for five incubator companies. The second floor will also house an equipment room and a central office for all companies to share. The first floor of the building will have office space for the Assoc. Director of the School of Agriculture Experiment Station (unrelated to incubation activities); office space for management of incubation activities; space for the Office of Animal Research Services (unrelated to incubation activities); and a Micropropagation facility.

Hoag, reviewing the preliminary design of the building, questioned why the incubator labs only have one entrance. Pierro informed the committee that the number of people expected to be in each of the labs was around 3 or 4 and that this was below the threshold for a second entrance requirement. Hoag suggested the plans be carefully reviewed to be sure they meet existing codes. The Interim Vice Provost agreed and asked the committee to look over the building plans and submit any comments to him by email.

The Interim Vice Provost asked Kazem Kazerounian to brief the committee on UConn’s other current incubation activity being developed by the School of Engineering.

**Advanced Technology Enterprise Incubator**

This $2.66M (including match) incubation facility is located on the Depot Campus. The building has a total of 16,000 sq. ft. with half devoted to incubation activities. The building would also have office space, conference rooms and computer space. Kazerounian noted this facility has four objectives: (1) create infrastructure to support research; (2) create a center
and venue for technology outreach; (3) support new company incubation; and (4) benefit the School of Engineering.

Kazerounian further noted that the School of Engineering is also struggling with several issues involved with incubation activities. They include:

- **Economics.** This is most important issue. The School of Engineering by itself cannot support incubation activities.
- **What kind of infrastructure and management will be required?**
- **University regulations and mindset.** Can you be an entrepreneur in the State system?
- **What does UConn want out of incubation?**
- **Who are our customers?** Faculty, students, entrepreneurs, companies looking for spin-offs.
- **What kind of incubation activities do we want to pursue?** Anderson and Kazerounian noted the current Engineering plan is flexible.

Birge briefly discussed the issue of economics by noting that incubation space in his Syracuse facility costs $50 sq. ft. or approximately $33,000 per year. The incubation company could negotiate a delay in payment for 6 months. The general term of stay at his facility was three years although most companies applied to stay longer. Birge further noted that the State of New York and the University subsidized the cost of running the incubation activities and that the facility was able to break even and begin running at a profit after six years. Birge also noted that it might be beneficial to pay a visit to the Rensselaer Polytechnic Institute (RPI) as they have one of the best managed incubator programs in the country.

The Interim Vice Provost asked the committee for their thoughts on how the group should proceed and what issues need to be discussed. He noted other questions that need to be addressed such as:

- **What do we expect of incubation companies?**
- **How will faculty interact with these companies?**

Newborg thought the committee should first focus on a more practical question. How should these incubation activities be managed? By UConn or by an outside firm? Hoag also agreed.

Berlin brought up the issue of whether or not faculty will get academic credit for their incubation activities. He further noted that Robert Birge seemed to be a good resource and that it would be good for the committee to hear more about his experience at Syracuse. Several other members of the committee agreed.

Krisst noted that she sat on prior committees who organized themselves by focusing on one question per meeting. Alternatively, she noted the committee could divide into subcommittees, each pursuing a different set of questions. The subcommittee would then report back to the main group.
Hoag noted that we have a lot to lose if these incubation efforts do not work. There are significant risk/benefit considerations especially in light of recent set-backs such as the Pfizer research building and the Technology Park.

Carlson asked the group if there was anyone missing who should be on the committee given their interest or experience with incubation activities. Hoag suggested more representation from the Health Center would be good since this committee is setting policy for both campuses. Berlin suggested Pramod Srivastava, who directs the Center for Immunotherapy. Newborg suggested someone from Avery Point. Hoag mentioned that Charles Yarish might be a good candidate. Chen also suggested Richard Cooper, Director of the Marine Science and Technology Center, be considered for the committee.

Smith indicated that she would contact colleagues at the University of Florida to inquire about their recent incubation related activities.

Hart noted it might be beneficial to invite representatives involved with incubation activities at other Universities to UConn to discuss their experiences.

Hoag noted the committee has a lot of work ahead and wondered if the Interim Vice Provost could direct additional resources to handle some of the background research so that the committee could focus on larger issues.

Hart noted the agenda for the next meeting would include Robert Birge reporting on his experience at Syracuse and Gina Smith's report on her inquiry to the University of Florida. He also asked members of the Committee to email additional incubation related questions and comments to him.

The committee agreed to meet every two weeks for the first two or three meetings to see how much progress is made. The committee would reevaluate how often it would meet. The committee also agreed that Tuesday meetings were fine, perhaps later in the afternoon at 3:00 p.m. The next meets was set for Tuesday, January 23, 2001 at 3:00 p.m.
Incubator Management Committee  
Tuesday, February 6, 2001, 3:00-4:10 p.m.  
Thomas Giolas Conference Room

Ian Hart, Co-Chair, Ilze Krisst, Co-Chair  
Doug Bradway, Ann Mathewson

Absent: Richard Berlin, Bruce Carlson, Thomas Chen, Charles Yarish

Assistant Vice Provost Krisst called the meeting to order and asked for a motion to approve the minutes of the January 9, 2001 meeting. Regina Smith (second Thomas Anderson) put forth the motion. Motion approved.

Krisst introduced Robert Birge who reported on his experience managing the Computer Applications and Software Engineering Center (CASE) and the William Keck Center for Molecular Electronics Incubators at Syracuse University.

Birge reported that CASE is one of the thirteen Centers that are funded by NY State for Technology Transfer. CASE features office and lab space, information infrastructure including: networking and internet support and shared instrumentation. Companies incubating must show progress toward business objectives and pay an affiliation fee (rent) to the Center. The facility has 10,000 sq. ft. of incubator space devoted to software companies and 4,800 sq. ft. of lab incubator space for biotech related start-ups. CASE also houses education and economic development programs. The CASE incubator is geared toward new companies, just starting out. These companies do not have to be based on university technology, even though these companies get preference. Also, the companies have to be NY State affiliated.

The State of NY provides CASE with $1M annually in financial support. In addition, $1.3M is provided by sponsor support that does not include companies that pay for incubation space.

The William Keck Center for Molecular Electronics incubator provides lab facilities and specialized instruments. Interested companies had to show evidence of needing the facility.

Hoag asked Birge to contrast the CASE affiliate model with that of the IMS affiliate model. Birge noted an affiliate company would send a researcher to use the CASE facilities and interact with faculty. The results of this interaction might result in a novel or potential commercial idea that would lead the researcher to establish an incubator at CASE.

Hoag then asked about the affiliates' ownership of intellectual property rights. Birge reported that the research results belong to the company when the research is conducted by a company
paid employee. If the research is in collaboration with a faculty member, then the University and faculty own the intellectual property. If a company is willing to pay the University full overhead on a research project then the company owns the intellectual property.

Birge continued his presentation by noting a series of mistakes he made while manager of the CASE and Keck incubation facilities. The specific situations can be found on the attached copies of the Birge presentation.

Birge noted his first mistake involved relaxing entrance requirements (no business plan required) and not asking the companies to sign a three year exit agreement. Now, the companies can request addition time, granted on a year to year basis.

Hoag asked how the three year time period was determined. Birge reported that the time frame just seemed reasonable for a company to become established enough to move out of the incubation facility.

Members of the committee asked Birge about charging companies an affiliate fee instead of rent. Birge reported that due to the nature of SBIR and other federal funding, rent is charged to indirect costs while affiliate fees are not. Thus, leaving extra funds for the companies.

Birge noted his second mistake involved having the CASE director make individual decisions on who would be accepted into the incubation facility. This led to bad applicants being allowed to incubate. The solution was to form a 4-6 person, non-university based advisory committee to review business plans and make recommendations on which companies will be allowed to incubate. His advisory committee was comprised of the CEO of a successful incubator, the CEO of a venture capital firm, the CEO of a large company and a local Syracuse business leader.

Newborg noted the UConn Foundation has many people who fit this criteria for an advisory board.

Birge’s third mistake involved encouraging faculty to start a company using their own lab space. Faculty also did not have to meet the same requirements as other incubators. For example, they did not have to have a business plan in place or pay the affiliate fee. He noted, some faculty had bad ideas and diverted research efforts to commercialization activities. Others had good ideas and used university facilities to create successful ventures that gave the university nothing in return.

Birge’s fourth mistake involved increasing space to house an additional 20 incubators. The additional space was located on Syracuse’s South Campus – roughly equivalent to our own Depot Campus. Birge discovered that the incubator companies felt isolated on South Campus and would rather have been housed together on the main campus. The companies also felt the incubator space on South Campus did not have the same level of quality as the space on the main campus. The quality of the facility was particularly important to software companies who felt the space just was not impressive. This was less important for manufacturing companies.
Paplauskas asked Birge if there was a strategic plan in place to guide the CASE and Keck incubators. Birge reported there was. The CASE facility focused on software companies and the Keck facility focused more on computer related hardware including optical and molecular components. When CASE was in its early development, Birge noted, they were more willing to accept any company that needed incubator facilities.

Birge noted that it would be a good idea for some of the group to visit RPI but cautioned that since RPI is so far ahead in its development it might be hard for us to draw any meaningful comparisons with our situation.

Hoag asked if Birge required the incubators to have special insurance covering hazardous materials or workplace injuries. Birge noted the companies had to sign an agreement stating they had such insurance and that it was the company's responsibility if anything serious happened.

Anderson inquired as to the percent of companies who paid the affiliates' fee that did not have incubator space. Birge reported that in the case of the Keck incubator nearly two-thirds did not have space. For CASE the number was very small. He further noted that Keck made its money on the affiliates' fee while CASE made its money on incubation.

Members of the committee asked Birge about the relationship of CASE to Syracuse University. Birge noted that CASE was managed and “owned” by the University. The State of NY gave CASE $1M in funding. The University in return had to show job growth/retention and revenue growth on the order of $2M - $3M to the State. The State did not expect a direct monetary return.

Members of the committee asked Birge if CASE is earning a profit. Birge reported that yes, CASE is making a small “profit” but that the University would say it was not. The Keck Center is making a “profit” primarily on affiliates fees and return of overhead to the University.

Hoag asked about the percent of Keck companies who have grants with the University. Birge reported that most do because the companies are willing to pay 100% of the indirect costs to own the results of the research.

Birge reported that the issue of graduate students working for an incubator should be carefully considered. In this case, he allowed graduate students to work for companies within the incubator program and stay in the degree program of their department. Birge noted this led to many conflicts of interest that were only resolved when he required that all graduate students take leaves of absence from their Ph.D. program if they were to accept any payments from companies, except for summer "internships". Although the foreign students were then excluded from the academic year because of VISA problems, they could work during the summer. US Citizens were able to take a one or two year leave of absence to work for a company, and then return to full-time graduate status. Birge noted the student's research director had to agree to this- but usually the research director had some connection with the company that made this a working proposition. This also led to potential conflicts of interest.
Paplauskas inquired about compliance regulations such as radiation safety. Birge reported the companies were charged by the University for certification.

Birge noted that without the $1M from NY, CASE was not a good situation. It was good for the local environment but not good for the University.

Hart asked members of the committee to also consider how they would like to structure the committee to begin the process of examining the incubator management questions. Should we consider a full committee or break into subcommittees? Do we want to look at another institution’s incubator facility? Bergman noted that she has an associate at RPI who could spend a few hours with members of the committee at RPI if we choose to go. In addition, Hart discussed other issues including: examining other incubation facilities’ rules and procedures and put them in place; how long would it take to get our facility up and running; whether or not to use RPI in Buffalo as a model, but since RPI was excellent this could not be achieved quickly.

Birge noted that starting small with four incubators is a good idea.

Krisst noted that the agenda for the next meeting in two weeks (February 20, 2001) will include 1) a presentation by Regina Smith who will give an overview of the incubator facility at the University of Florida; 2) Tricia Bergman will give an overview of her research into incubation facilities for the School of Engineering and 3) possibly invite a representative from the incubation facility at Central Connecticut State University.

Krisst further noted that we will distribute copies of Birge’s presentation as well as copies of the Hartford Business Journal article on Central Connecticut State University’s incubator facility.
Incubator Management Committee  
Tuesday, February 20, 2001, 3:00-4:45 p.m.  
Thomas Giolas Conference Room  


Ian Hart, Co-Chair, Ilze Krisst, Co-Chair  
Doug Bradway, Ann Mathewson  

Absent: Thomas Anderson, Richard Berlin, Bruce Carlson, Thomas Chen, George Hoag, Fred Maryanski, Gerald Maxwell  

Assistant Vice Provost Krisst called the meeting to order and asked for a motion to approve the minutes of the February 6, 2001 meeting. Before voting an editorial change was suggested by Regina Smith. On page 3, paragraph 7 the sentence beginning with Birge was changed from “Birge reported that most do because the companies are willing to pay 100% of the indirect costs to own the results of the research” to “Birge reported that most do because the companies are willing to pay an indirect cost rate of 100% to own the results of the research.” Michael Newborg (second Regina Smith) put forth the motion to approve the minutes as amended. Motion approved.  

Krisst introduced Regina Smith who reported on her knowledge of the Biotechnology Development Institute Incubator (BDI) owned by the University of Florida (UF).  

The Institute was established in 1988 and was built with a combination of USDA, UF and UF Research Foundation funding. The goal of the Institute is to support UF’s economic development mission. Construction of the facility was completed in 1995. The Institute is situated on a 204 acre site called Progress Corporate Park. Smith reported that incubator companies frequently graduate and move from BDI to the Progress Corporate facility. Progress Park also houses a SPF Mouse Facility and P-3 Large Animal Containment Facility.  

BDI is UF managed and operated. UF also meets all O&M expenses for the Institute. Smith also reported that UF takes an equity stake in the incubator companies and that the companies must be tied to UF. A member of the committee asked if a Consultant would be a strong enough tie to the university? Smith doubted it and noted UF is looking for strong, tangible ties.  

Smith reported that BDI does not allow commercial and academic activities within the same space. UF faculty members who need space cannot go to BDI. BDI has a Biotechnology Committee comprised of faculty and corporate representatives who review potential incubators’ business plans and admission applications. The decision to accept an incubator is made by consensus of the group. The companies are subject to a three-year limit but the Biotechnology Committee can grant an additional three years as needed. Smith reported BDI has not had many problems with companies unwilling to leave after three years.
Smith reported on “lessons learned” at BDI. These include: (1) do not mix commercial and academic activities in same building, (2) be careful on companies selected to incubate, (3) manage the incubator yourself to maintain control, (4) have a critical mass of incubating companies, (5) establish an incubator is for economic development.

Paplauskas asked about other incubator facilities in Florida. Smith and other members of the committee noted there were others at the University of Miami, the University of Central Florida and in North Florida.

Krisst reported on the Engineering Technology Incubator at Central Connecticut State University. The 72,000 sq. ft. Incubator was established in 1993 subsequent to a legislative study on technology transfer. DECD purchased a building and supported a manufacturing applications center in that location for 4 years. Currently it houses 6 companies and receives no direct support from the State. None of the companies are university spinoffs. There is no limit to how long the companies may stay, however, the incubator has an expectation that the companies will grow.

Rent for space in the Incubator is $9/sq. ft. and includes fax and copiers. Phones and internet access are not included. In addition, the Incubator sells various services including: training (by CCSU professors), technology transfer (prototype testing), business and engineering services (by CCSU professors in their role as consultants) and conferences. The Incubator has a permanent staff of 6 people including a director, who sits on most of the company start-up boards. Birge noted having the director sit on the board seems like a conflict of interest.

Krisst also reported that the Incubator does not make money and that it would take “luck and more help from CCSU to operate in the black.” “Lessons learned” from the CCSU Incubator include: (1) it is difficult to achieve profitability, (2) find niche and not be all things to all people, (3) do only what you know how to do, and (4) remember that all great ideas are not good business ideas.

Krisst further noted that the CCSU incubator appears very different from the models UConn is considering.

Patricia Bergman reported on her research of other university affiliated incubators. Bergman first reported on common equity and royalty agreements. She noted, university equity stakes in incubator companies range from 1 to 10% with 2 to 5% the most common. University royalty stakes range from 2 to 5% of sales. Hart asked if the equity stakes increase above 5%? Bergman reported they frequently do when the companies grow out of incubator space. Birge asked at what point is the 2 to 5% equity collected? Bergman reported that agreements vary. Newborg questioned whether or not it is a good idea to take an equity stake at all?

Bergman reported that Windham Mills in Willimantic has incubator space. The Mills may also house a regional DECD center soon. Bergman suggested that Windham Mills may be a good place for our companies to move once they grow out of the incubator. She further noted that rent ranges from $4.50 to $8.00 sq. ft. for basic space. Most of the Mill space is not outfitted so that a company can construct space according to their needs. Krisst noted the immediate area around
Windham Mills is an enterprise zone. Bergman also noted that much of the space in the Mills may be occupied soon.

Bergman’s research focused on 8 incubators affiliated with the University of Texas at Austin, Rensselaer Polytechnic Institute, the University of Alabama, the University of Arkansas, SUNY Stonybrook and the University of Buffalo. All but one of the incubators was established in the 1980s. The size of each incubator facility varies from 34,000 sq. ft. to 170,000 sq. ft. At least five incubators held an equity stake in the companies and three also held a royalty stake. Each incubator provided space and serviced for a fee. The typical length of time for a company to incubate was three years.

Bergman reported several similarities in the admissions process of all incubators. The most important were a requirement that a potential incubator company submit a formal technical or business plan.

Yarish asked about the Austin Technology Incubator’s (ATI) relationship to NASA and NOAA? Bergman reported she did not know. A member of the committee asked about ATI’s profitability? Bergman reported she did not know.

Bergman reported on the nature of services offered by each incubator and indicated whether they were provided in house or out of house (not offered by the incubator). Bergman noted that services such as research and technology, management and physical infrastructure were frequently provided in house and that services such as legal and regulatory, market and product and finance and capitalization were more likely to be provided out of house.

Newborg asked Bergman on what her recommendations to the committee would be based on her incubator research? Bergman would recommend that the University manage the incubator. In addition, she noted it was difficult for her to get an understanding for how many companies may actually want to locate the Storrs/Mansfield area?

Newborg also noted this implies that we not restrict incubator space to University companies. Smith disagreed and suggested we restrict space to University companies to move the University’s research programs forward. Bergman thought we should keep an open mind to support both University companies and companies with no University affiliation. Birge also emphasized flexibility in the type of companies we incubate. Birge also noted the first companies we allow to incubate will be very important to the future of the University’s incubation activities. Kazeronian noted the School of Engineering is keeping its options open to concentrate on what is best for the School of Engineering and the University.

Hart suggested we consider the pros and cons of both options and determine what is necessary to do both. He further noted that the Chancellor expects a report from the committee in 6 to 12 months. The report should describe the University’s incubator options and include opinions from the committee on which options would best suit the University.
Krisst thanked the presenters and noted that the agenda for the next meeting in four weeks, March 20, 2001, will include developing a clear strategy on how the Committee will move forward to examine the various questions developed during the course of the first three meetings.

Krisst further noted the handouts for today’s meeting will be distributed to members of the committee who were not present. In addition, the minutes and handouts for the February 6, 2001 meeting will be distributed to those members who did not receive them.
Incubator Management Committee
Tuesday, March 20, 2001, 3:00-4:00 p.m.
Thomas Giolas Conference Room


Ian Hart, Co-Chair, Ilze Krisst, Co-Chair
Doug Bradway

Absent: Robert Birge, Kazem Kazerounian, Gerald Maxwell, Leonard Paplauskas, Charles Yarish

Assistant Vice Provost Krisst called the meeting to order and asked for a motion to approve the minutes of the February 20, 2001 meeting. Thomas Anderson (second Regina Smith) put forth the motion. Motion approved.

Krisst then briefly described the background material that had been distributed to the Committee and initiated discussion of the proposed Mission Statement for the Committee.

Berlin suggested that a statement addressing how an incubator would benefit the University should be included in the mission statement.

Newborg suggested adding a statement that would make it clear that the Committee’s mission is to develop incubator management policy across the University to include the Health Center and branch campuses.

Carlson proposed adding a statement to address investigating policies at UConn that may inhibit entrepreneurial activities. Hoag mentioned he is a member of Interim Vice Provost Hart’s Research Support Committee which is charged with looking at barriers to research on campus. Hoag did not want to duplicate efforts among both committees. Smith, also a member of the Research Support Committee, suggested that the Incubator Management Committee should look into the issue specifically as it relates to incubation.

Berlin wondered if the Incubator Committee should also look into the issue of entrepreneurial activities in relation to a faculty member’s academic advancement. It was agreed that this may not be the purview of this Committee, but that is should include in its report issues that will need to be addressed at another time.

Krisst indicated that revisions would be made to the Committee’s Mission Statement to incorporate the above mentioned suggestions.
As next item, the Committee discussed revisions to section C, Tenant Entrance Requirements.

Hoag suggested the term "technology based" might be limiting and cited a hypothetical example of an innovation in survey research the University may wish to incubate that may not be "technology based". Paplauskas noted the requirements should not exclude manufacturing. Hart proposed deleting requirement number 1. The Committee agreed.

Discussion then moved to the other six requirements. Newborg suggested moving requirement three, "The company must have a written business plan", to the first position because of its importance. Hoag suggested we should not exclude "Accelerator" companies who may not have a business plan in place. Newborg suggested preference be given to companies with a business plan. Krisst suggested changing the word "must" in all statements to the word "should". Several committee members noted that Birge emphasized the importance of a business plan. Carlson suggested the leaving the business plan requirement intact so as not to open the door so wide but also allow for Hoag's "Accelerator" opportunities. The Committee agreed to leave the word "must" in statement three and move it to the first position. The Committee further agreed to add substations to the business plan requirement and incorporate statements 4, 5 and 6. The Committee also agreed to delete statement seven.

Hoag proposed adding a statement to the entrance requirements that the company must agree to an exit strategy. Hoag noted Birge thought that this issue was critical. The Committee agreed to add "Contract Generated with Termination Date".

The changes to section C are outlined below

C. Tenant Entrance Requirements

1. The Company must have a written business plan including:
   1.1. Management Structure
   1.2. Demonstrated financial resources to sustain business during start-up.
   1.3. Identify market and assess competition
2. There must be synergism with the University community.
3. Contract Generated with Termination Date

As next item, the Committee discussed revisions to section D, Who Selects Tenants?

Discussion for this item centered on three issues (1) the number of University representatives on the Selection Committee; (2) involvement of the UConn Foundation and (3) reporting structure for the Selection Committee. Yarish suggested that the majority of members be from the University. Carlson suggested that the greater the University control the less opportunity for external funding. Carlson also suggested that the composition of the Selection Committee may depend upon who approves the selection – the Chancellor or President. Newborg recommended the University consult with the UConn Foundation on Selection Committee members. Berlin assumes the Selection Committee will be standing and asked about appointing ad hoc members depending upon type of business. Paplauskas thought the discussion so far suggests the Selection Committee would also act as a Board of Directors and wondered if this is what the
Incubator Management Committee intends. Hart noted the Selection Committee would not act as a Board of Directors. Yarish also noted the Selection Committee should be free to define its own operating procedures.

Finally it was agreed to combine statements 1 and 2 and delete statement 3 specifying that the selection committee will be comprised of both University and external members. The committee further agreed that University members will not comprise the majority of the selection committee.

As next item, the Committee discussed revisions to section E, How Long Do Tenants Stay?

Discussion was brief. The committee agreed it was critical to have a solid, contractually mandated exit strategy. Carlson suggested tying the exit strategy to the incubator meeting milestones outlined in the business plan. The Committee agreed to delete statements 1, 3, and 4. The committee agreed to change statement 2 to the following – “Three years, with the option to extend for one year subject to Selection Committee review”. Statement 5 was left intact.

As next item, the Committee discussed revisions to section F, Define Space?

Some members of the Committee felt a discussion of space issues was a little premature since we there are just two incubators currently under development at the University. The incubators are (1) the Advanced Technology Institute Building (housing five incubators) with funding from the Department of Energy (DOE) and (2) the School of Engineering’s Advanced Technology Enterprise Incubator facility developed with $2M funding from the U.S. Economic Development Agency and $660K match from UConn. Other members of the Committee felt the Space issue was more of a management issue since there were questions about whether incubator and other industrial affiliated space around campus should be under centralized control or more decentralized with incubators reporting to certain units.

The Committee agreed to delete section F from the discussion outline for the time being.

The Committee then turned briefly to section G, Management.

Krisst noted that in her review of incubator facilities most have a full-time manager who does more than just operate the day-to-day activities for the incubator but also helps with the business plan, establishes networking opportunities, has contacts with external funding sources, etc.

The Committee discussed the management reporting structure and agreed that the discussion would resume where it left off, Part G, Management, at the next meeting, April 17, 2001.
Incubator Management Committee
Tuesday, April 3, 2001, 3:00-5:15 p.m.
Thomas Giolas Conference Room

Present: Thomas Anderson, Richard Berlin, Bruce Carlson, Thomas Chen, George Hoag,
Kazem Kazerounian, Gerald Maxwell, Michael Newborg, Leonard Paplauskas,
Louis Pierro, Regina Smith, Charles Yarish

Ian Hart, Co-Chair, Ilze Krisst, Co-Chair
Doug Bradway

Absent: Patricia Bergman, Robert Birge, Fred Maryanski

Assistant Vice Provost Krisst called the meeting to order and asked for a motion to approve the
minutes of the March 20, 2001 meeting. Charles Yarish (second Michael Newborg) put forth the
motion. Motion approved.

Krisst then briefly reviewed the revisions to the proposed Mission Statement for the Committee
and Discussion Outline.

Paplauskas suggested that the Committee is also charged with developing recommendations to
the Executive Vice President for Health Affairs (Peter Deckers). The Committee agreed and will
add the appropriate title to the first sentence in the Mission Statement for the Committee.

No further changes were suggested for the Mission Statement for the Committee or for section
A, Definition of an Incubator.

As next item, the Committee discussed revisions to section B, Mission of UConn Incubator.

Smith proposed adding the following statement to the Mission – “Vehicle to move strategic
initiatives forward”. Hoag suggested that it might not be a good idea to add such a statement
now since the University has not identified what the initiatives are. Hoag was also not in favor
of having the Committee specifically identify what those initiatives should be. Hoag suggested
the following statements as alternatives – “Help advance the research and educational mission of
the University” or “Complement and promote strategic initiatives of the University”. Hart
agreed. Berlin noted there is a difference between priorities and strategic initiatives.

Kazerounian suggested the committee move further and delete statements 3 through 6 to
streamline the mission. Hoag disagreed and thought the statements were important. Yarish
suggested deleting statement 6, “Support one area of activity, such as biotech, or a variety of
areas”. The Committee agreed and item 6 was deleted.

Finally, it was agreed that the following statement be added to the Mission of the UConn
Incubator – “Promote strategic research priorities of UConn”.

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Further, the Committee discussed the proposed definition of an incubator. After a brief discussion as to whether the word “company” should be replaced by “entity” or some other word, it was agreed to leave the definition as presented.

As next item, the Committee discussed the proposed Mission of the UConn Incubator. Certain revisions were proposed which will be incorporated for discussion for the next meeting.

Finally, it was agreed that the discussion would resume where it left off, Part B, Discussion Outline, at the next meeting, April 3, 2001.
Incubator Management Committee
Tuesday, April 17, 2001, 3:00-5:00 p.m.
Thomas Giolas Conference Room


Ian Hart, Co-Chair, Ilze Krisst, Co-Chair
Doug Bradway

Absent: Richard Berlin, Robert Birge, Bruce Carlson, Thomas Chen, George Hoag, Fred Maryanski, Gerald Maxwell, Louis Pierro

I. Krisst called the meeting to order and asked for a motion to approve the minutes of the April 3, 2001 meeting. Thomas Anderson (second Ian Hart) put forth the motion. Motion approved.

Krisst then briefly reviewed the revisions to the Discussion Outline Sections D - Tenant Selection and E – Length of Stay.

Members of the Committee not present at the last meeting asked for clarification as to why the UConn Foundation would be consulted in choosing the Tenant Selection Committee. Members of the Committee noted the Foundation has a good deal of business expertise, especially considering the R & D Corp. Members of the Committee felt other entities should be consulted and therefore suggested a change to Section D, Statement 2. Statement 2 will now become “Selection committee members will not act as the Board of Directors”. A new statement will be added that addresses, “Members will be selected in consultation with the UConn Foundation and others such as Dean’s and Chancellor’s Advisory Committees”.

Regarding Section E – Length of Stay. The Committee asked that the word “approval” be added to statement 1. Statement 1 will now become “Three years, with option to extend for one year subject to selection committee review and approval”. The committee then discussed statement 2. Some members felt rent should be increased every year while others felt it should remain stable. In the end, the Committee felt statement 2 should be changed to “Rent increase tied to option to extend”.

Before moving on to the next item, I. Hart reported that he spoke to Chancellor Petersen regarding the issue of whether or not existing industrial business arrangements should be addressed in the Incubation Management Committee’s recommendations. The Chancellor indicated that this should not be a factor in the committee’s recommendations. Hart explained that these existing industrial business arrangements would likely be “grandfathered” into the incubator guidelines when their current arrangements expire.

Some members of the Committee felt strongly that the issue of existing industrial business arrangements should be examined further since these kind of arrangements may not fit the incubator model currently proposed. They also felt that UConn needs to establish a framework
for departments and schools to establish an incubator. It was proposed that a permanent
Incubator Policy/Management Committee be established.

The Committee agreed to add a separate section to its report to the Chancellor discussing issues
that require further study.

As next item, the Committee discussed revisions to Section F – Space and Utilization Options.

After brief discussion the Committee suggested statement 1 be deleted. The remaining
statements for Section F will be changed as outlined below:

1. Consideration should be given to the following:
   1.1. Shared office space and services – copiers, phones
   1.2. Conference areas
   1.3. Internet Connections
   1.4. Adequate common space to create a sense of community
   1.5. Shipping, receiving, storage
   1.6. Common Equipment Room
   1.7. Security

Members of the Committee also discussed the issue of regulatory compliance and felt it should
become a separate section. L. Paplauskas agreed to assist in developing an outline on
compliance for the Committee’s review.

As next item, the Committee discussed revisions to Section G – Management.

This issue was discussed at length. Some felt there should be one manager who would oversee
all incubator activities at the University. Others felt that each incubator should have its own
manager. The Committee also discussed whether one manager would oversee both the Storrs
and Health Center Campuses or whether each should have its own manager. Reporting
arrangements for the incubator manager(s) were also considered. For example, should the
manager report to the Vice Provost for Research and Graduate Education or to a Dean or
Department Head. Some members felt strongly that since the incubators will have a close,
synergistic relationship with schools and departments, the manager should report to the head of
those units. It was also noted that in most successful incubator models the manager reports to the
institution’s chief research officer. Also considered was one Manager who would oversee all
incubator activities with an Assistant Manager at each incubator who would oversee the daily
business and building management functions.

In the end, the Committee decided to revisit the management issue as well as examine Section H
– Financing at it’s next meeting to be held May 1, 2001.
Incubator Management Committee  
Tuesday, May 1, 2001, 3:00-5:00 p.m.  
Thomas Giolas Conference Room

Present: Patricia Bergman, Bruce Carlson, Thomas Chen, Michael Newborg, Leonard Paplauskas, Louis Pierro, Regina Smith, Charles Yarish

Ian Hart, Co-Chair, Ilze Krisst, Co-Chair
Doug Bradway

Absent: Thomas Anderson, Richard Berlin, Robert Birge, George Hoag, Kazem Kazerounian, Fred Maryanski, Gerald Maxwell,

I. Krisst called the meeting to order and asked for a motion to approve the minutes of the April 17, 2001 meeting. Michael Newborg (second Patricia Bergman) put forth the motion. Motion approved.

Krisst then briefly reviewed what she had learned at a recent conference sponsored by the Association of University Related Research Parks. Among the most important was the need to hire a strong, charismatic manager for the incubator – someone who will make the project his/her life. In addition, she reported that the term “incubator” appears to be obsolete. Terms in use now include “Acceleration Center” or “University Innovation Center”. Krisst also cited an example of the State of Illinois and City of Chicago coming together to fund such Centers. The Illinois legislature even changed the mission of the University of Illinois to include “economic development”.

Krisst then briefly discussed revisions to the Discussion Outline Sections D - TENANT SELECTION. The Committee left the question of who selects the selection committee for a future meeting.

Krisst continued with a discussion of the revisions to Section E – LENGTH OF STAY. The Committee removed “for one year” from statement 1.

The Committee made no changes to Section F – SPACE AND UTILIZATION OPTIONS.

The Committee now turned its attention to Section G – MANAGEMENT and continued the discussion from the April 17, 2001 meeting. Krisst stressed another common thread from the conference – the need to hire a full-time manager who embodies the entrepreneurial spirit. The Committee discussed the manager’s duties and decision-making flexibility he/she would have within the UConn management structure. There seemed to be consensus that the manager should be responsible for all incubators but not have daily operational responsibility. The committee also discussed the manager’s reporting structure. One model favored by some of the Committee members was to have the manager report to a Board of Directors (BoD) who would have ultimate responsibility for management of the incubator. Other members of the Committee felt
the BoD model would not work in an academic setting because UConn, not the BoD, would have ultimate responsibility for certain decisions such as tenant selection. A Committee member suggested someone from the Connecticut Department of Economic and Community Development could serve on the BoD. An alternative model, an Advisory Board appointed by the University President with the manager reporting to the relevant University office was considered.

The Committee continued its discussion on whether or not the manager should be responsible for all incubators. The majority of the Committee agreed a centralized management function, overseeing all incubators, would be preferred. It was proposed that the position one level down from the manager, who oversees each individual incubator, would interface with various Schools and Departments to secure services for the incubator.

Finally, the Committee agreed to modify statement 3 as follows: “Manager responsible for daily operations and establishing networking opportunities within and outside University, marketing of facility, working with the community, facilitate incubator company development”.

As next item, the Committee reviewed Section H – FINANCING. The Committee agreed to delete statement 1. The Committee discussed how the incubator would be financed and agreed that external funding would need to be sought in addition to rental fee income.

Some members of the Committee felt that since the University would take ultimate responsibility for funding some consideration should be given to recommending that funding would not be drawn from academic programs to support the incubator. After some discussion the Committee agreed that such a statement would not be included in its report.

Regarding statement 12, the Committee agreed that equity in lieu of rent is not acceptable.

The Committee agreed with statement 13 but felt it should be pulled out of section H – Financing and placed in its own category.

The Committee further agreed to delete statement 14.

For the next meeting to be held May 15, 2001, the committee will review modifications to Section H, continue a discussion of who the manager reporting structure, review a list of general recommendations and examine the primer on research collaborations with industrial partners and technology transfer.
Incubator Management Committee  
Tuesday, May 29, 2001, 3:00-4:30 p.m.  
Thomas Giolas Conference Room

Ian Hart, Co-Chair, Ilze Krisst, Co-Chair  
Doug Bradway

Absent: Gerald Maxwell, Michael Newborg, Regina Smith

I. Krisst called the meeting to order and asked for a motion to approve the minutes of the May 1, 2001 meeting. Thomas Anderson (second Robert Birge) put forth the motion. Motion approved.

Krisst outlined the proposed upcoming meeting schedule with the Committee. For the June 12 meeting, the Committee will consider intellectual property and conflict of interest issues. For the June 26 meeting, the Committee will consider general recommendations and review work done to date. For the final meeting on July 10, the committee will conclude unfinished business and agree on a time-line and process for document draft.

Carlson then briefly reviewed what he had learned at a recent conference sponsored by the National Business and Industry Association (NBIA) Meeting. Among the most important findings were (1) UConn started the Incubator planning process backwards. We should have started with a feasibility study, etc. before the building; (2) most of the for-profit incubators are not succeeding. Incubator companies are looking for additional value and want to be aligned with a University for additional benefits such as access to University facilities and students; and (3) incubator facilities need a necessary critical mass (~30,000 sq. ft.) to break even and be successful.

Krisst then briefly reviewed what she had learned at the same NBIA meeting. The Renssellear Polytechnic Institute (RPI) incubator’s mission is to (1) enrich the educational experience for students; (2) technology commercialization; (3) regional economic impact; and (4) financial return for the University. RPI’s student and educational activity focus was its most important mission. RPI’s incubator has a simple reporting structure and is self-sustaining financially. The incubator’s staff members are University employees. Krisst also reported that approximately 40% of the incubator companies were started by former RPI students. She noted that RPI encourages internship and other educational opportunities with the incubator. One Committee member observed that RPI incubator was very integrated into the University.

Members of the Committee wondered whether or not the RPI incubator’s success had much to do with RPI having flexibility as a private institution. Krisst agreed that RPI has flexibility in certain areas but felt that the culture of the institution is also a factor in its success.
As next item, Krisst discussed revisions to the Incubator Discussion Outline beginning with Section E—LENGTH OF STAY. The Committee was concerned with using the term “rent” and suggested “program membership fee” instead. Statement 2 will now be “Program management fee tied to option to extend”.

For Section F—SPACE AND UTILIZATION OPTIONS the Committee agreed to add an additional point under Statement 1—“1.8 Access to University services, such as phones, computing and library”.

The Committee then turned its attention to Section G—MANAGEMENT. The Committee was concerned with the term “lease” and suggested “a license to facilities” instead. The Committee also discussed the reporting structure of the incubator manager. The Committee observed that a version of the RPI model might serve UConn’s needs. In the RPI model, the Incubator Director reports to the Office of Economic & Technical Development, which reports to the President. It was suggested that in the UConn model, the Incubator Manager report to the Vice Provost for Research or relevant University officer who reports to the Chancellor. Although RPI has no Advisory Board or Board of Directors, Committee members felt that an Advisory Board, who would review the work of the Manager but report to the Vice Provost for Research, might be useful. The Committee suggested that the Manager would be authorized to “license facilities” and execute contracts according to policy set forth by the University. The Committee also felt that in order to attract a good manager (so important to the success of the incubator) the position should have a significant amount of independent decision making responsibility. Therefore, Statement 1 will now be “Manager responsible to license facilities”. Statement 2 will also be deleted.

Members of the Committee were concerned that state purchasing and contractual guidelines (e.g. three bids for every contract) might constrain the ability of the Incubator Manager to operate effectively in the market. Committee Members wondered if placing the Incubator under the UConn Foundation might be a better alternative. The Committee agreed to ask Paul Shapiro, the Assistant Attorney General, to attend the next meeting to comment on the constraints and opportunities to operate the Incubator within State statues.

The Committee completed its review of the Outline with Section H—FINANCING. The Committee agreed to delete Statement 2. Members suggested deleting specific sq. ft. cost figures from Statement 3 so that it now becomes, “Space and service fees to be assessed at fair market rate”. Statement 4 contains the word “rental” so it was changed to “External funding would need to be sought in addition to program membership fee income”.

For the next meeting to be held June 12, 2001, the committee will invite Paul Shapiro to attend as well as review intellectual property and conflict of interest issues.
Incubator Management Committee  
Tuesday, June 12, 2001, 3:00-4:30 p.m.  
Dodd Research Center, Room 162


Ilze Krisst, Co-Chair  
Paul Shapiro, Assistant Attorney General  
Doug Bradway

Absent: Richard Berlin, Robert Birge, Bruce Carlson, Thomas Chen, Ian Hart, Regina Smith

I. Krisst called the meeting to order and asked for a motion to approve the minutes of the May 29, 2001 meeting. Charles Yarish (second Thomas Anderson) put forth the motion. Motion approved.

Krisst introduced Paul Shapiro, Assistant Attorney General, who was asked to attend this meeting to discuss certain procedural and legal questions of interest to the Incubator Management Committee. Krisst also briefly reviewed the University’s current policies on intellectual property and conflict of interest.

The Committee asked Shapiro for his view on whether or not the University should require companies to sign a “lease” or whether we could call the lease a “license for space.” Shapiro favors a “lease” and feels that most tenants would want a lease. He notes that a lease would take away ambiguity in that the University can put certain protections in the lease (e.g. length of stay, lease rates, etc.). Shapiro further notes that the incubator should not run contrary to ethics regulations in that it should advertise the availability of space in the incubator and that there should be objective criteria for determining which companies (including companies established by faculty members) will be selected to incubate. He further recommends that someone from the Vice Chancellor for Business and Administration’s office be involved in the selection process.

The Committee also discussed the issue of charging market rates for the incubation space and how the rates should be determined.

The Committee also discussed the Avery Point “incubator” situation. A member of the Committee noted that there is a separate committee charged with developing guidelines for how space is used in the new building on the Avery Point campus. This building may house space for incubator and/or industrial affiliate programs. There was consensus that the Incubator Management Committee’s recommendations should pertain to the entire University including its regional campuses and the Health Center.
Members of the Committee asked Shapiro if the former UCEPI might serve as a model for management of the Incubator. Shapiro noted that the non-profit UCEPI was formed at a time when the University had less autonomy to enter into agreements and was very dependent on State regulations than it is now. The University felt it would be advantageous to set up a separate entity, UCEPI, to manage a research park/incubator. Shapiro does not feel that such an arrangement is needed today unless the Committee feels that the management of the incubator is so specialized that it may wish to recommend an outside firm be hired.

The Committee turned to the issue of how the University would handle hazardous waste and other environmental health and safety (EHS) concerns as they relate to the incubator. Shapiro stressed that the University should carefully outline its EHS procedures and policies in the lease agreement (this includes the need for EHS staff to be allowed into the incubator facility for inspections, etc.). Members of the Committee noted it would be helpful to see how other incubators have dealt with these issues. Shapiro further noted that the University should be prepared to incur some costs associated with hazardous waste clean-up as a risk of doing business.

For the next meeting to be held June 26, 2001, the Committee will review work done to date and consider related, general recommendations.
Incubator Management Committee
Tuesday, June 26, 2001, 3:00-5:00 p.m.
Babbidge Library, Class of ’47 Conference Room

Present: Patricia Bergman, Bruce Carlson, Thomas Chen, Ian Hart, George Hoag, Kazem Kazerounian, Michael Newborg, Louis Pierro
Ilze Krisst, Co-Chair
Doug Bradway


I. Krisst called the meeting to order and briefly reviewed the June 12, 2001 minutes for those members of the committee who were not present at the last meeting. The Committee discussed Paul Shapiro’s comments, especially those concerning the University being able to charge below market “lease” or “program fee” rates. The Committee agreed it would like further clarification from Shapiro on this issue. The Committee also suggested that Dale Dreyfus, Vice Chancellor for Business Administration and Frank Labato, Director of Environmental Health and Safety, be given a copy of the minutes since some of what was discussed pertains to their respective University responsibilities. Krisst then asked for a motion to approve the minutes of the June 12, 2001 meeting. Bruce Carlson (second Michael Newborg) put forth the motion. Motion approved.

Krisst then asked the Committee to review all work completed to date. The Committee began with Section A – DEFINITION OF INCUBATOR. Members of the Committee felt the definition was too “business” oriented in that it lacked a University focus. It was agreed that language would be added to remedy that, including words such as “faculty development” and “student educational opportunities”. In addition, the Committee agreed to delete the word “must” from sentence four and replace it with the word “may”.

Members of the Committee also questioned the types of business-related activities the definition would cover. In other words, what would trigger an activity to fall under the definition? Some members of the Committee felt the “trigger” was more of an activity-related issue as opposed to a space-related issue. For example, a School provides services and access to leased space for a faculty start-up company. Members of the Committee felt this situation would fall under the definition of an incubator since the start-up would receive services in addition to leasing space. In another example, a company interested in making fuel cells leases space and renovates a building on the Depot Campus. This company does not receive University services. This situation, members of the Committee felt, would not fall under the definition. The Committee also felt that the report to the Chancellor should include examples of activities that would and would not fall under the definition.
The Committee then considered Section B – MISSION OF THE INCUBATOR and Section C – TENANT ENTRANCE REQUIREMENTS. The Committee felt no changes were necessary to these sections.

Next, the Committee considered Section D – TENANT SELECTION. The Committee agreed to change statement 3 by adding “Selection Committee” before the word “members” and to delete “such as” and replace it with the word “including”.

For Section E – LENGTH OF STAY, the Committee again considered whether or not there should be a maximum length of stay. After some discussion the Committee agreed not to set a maximum. The Committee also considered whether or not the selection or advisory committee to the manager should determine whether or not a company would be given an extension to stay. It appears that there was consensus that the decision to extend would be made by the manager with input from the Advisory Committee. The Committee agreed to add “Increase in” before the word “program” in statement 2.

The Committee then considered Section F – SPACE & UTILIZATION OPTIONS. The Committee felt no changes were necessary to this section.

The next section, G – MANAGEMENT, initiated considerable discussion concerning the kinds of business-related activities that would fall under the Incubator Manager. Would a single lab in a building that houses a company fall under the Incubation Manager’s purview? The Committee also discussed how the revenue from the “lease” or “program fee” would be distributed. For example, the School of Engineering sets aside space to incubate a start-up. This company falls under the definition of an incubator and goes through the selection process. Who gets the lease revenue? Does the University get all of it or is some returned to the School of Engineering? If no revenue is returned to the School, some members of the Committee questioned whether or not there is an incentive for a School to set aside space for incubation.

Members of the Committee considered how best to provide incentives for Schools. One member proposed repackaging the incubator as a service the University is providing to Schools, Centers, etc. The Incubator will provide the management and selection committee expertise, marketing, networking, environmental health and safety oversight, etc. The University would return some revenue to the School and keep a portion to “pay” for the services provided. Another member of the Committee suggested developing a memorandum of understanding between the School and Vice Provost for Research that will determine how revenues will flow and how the Incubator Manager will provide services and support to the Incubator. Generally, members of the Committee were in favor of a central Manager with at least some oversight over all incubator activities on campus.

The Committee also discussed more clearly defining the roles of the Selection Committee and Advisory Committee. It was agreed that the members of the Selection Committee would have the technical skills and expertise to understand the technology and market potential of the start-up. The Advisory Committee would assist the manager in operational decisions and in securing and providing the necessary business, legal, marketing, financial and other relevant services for the company.
OPENING DISCUSSION OUTLINE

Incubator Management Committee

A. Definition of Incubator

Business incubators accelerate the successful development of entrepreneurial companies through an array of business support resources and services, developed or orchestrated by incubator management, and offered both in the incubator and through its network of contacts. The goal is to produce successful firms that will leave the program financially-viable and freestanding. These incubator graduates have the potential to create jobs, revitalize neighborhoods, commercialize new technologies, and strengthen local and national economies. An incubator may provide management guidance, technical assistance, and consulting tailored to young growing companies. Incubators usually also provide clients access to appropriate rental space and flexible leases, shared equipment, technology support, and assistance in obtaining the financing necessary for company growth.

B. Mission of UConn Incubator

1. Facilitate the commercialization of technologies and intellectual properties developed by faculty members and others.
2. Provide opportunities for innovative faculty members to expand their research resources.
3. Provide opportunities for students to function in an entrepreneurial environment.
4. Contribute to the economic development of the state by fostering the establishment of small start-up companies.
5. Create job opportunities in the area and the state.
6. Promote strategic research priorities of the University.

C. Tenant Entrance Requirements

1. A written business plan that would include: management structure; demonstrated financial resources to sustain a business during start-up; and a clear market focus.
2. Synergism with the University community.
3. Agreement to a clear, contractual termination date.

D. Tenant Selection

1. Selection will be done by a committee comprised of external and University members who shall not be in the majority.
2. Selection Committee members will not act as the Board of Directors.
3. Selection Committee members will be selected in consultation with the UConn Foundation and others including the Deans' and Chancellor's Advisory Committees.
E. Length of Stay

1. Three years, with option to extend subject to the discretion of the Manager.
2. Increase in program membership fee will be tied to option to extend.

F. Space and Utilization Options

1. Consideration should be given to the following:
   1.1. Shared office space and services
   1.2. Conference areas
   1.3. Internet Connections
   1.4. Adequate common space to create a sense of community
   1.5. Shipping, receiving, storage
   1.6. Common Equipment Room
   1.7. Security
   1.8. Access to University services, such as phones, computing and library

G. Management

1. Manager responsible for licensing facilities.
2. Manager, with an Advisory Board, reports to Vice Provost for Research.
3. Manager responsible for daily operations and establishing networking opportunities within and outside University, marketing facility, working with community, facilitating company development.

H. Financing

1. External funding would need to be sought in addition to program membership fee income.
2. Corporate partnering would be considered.
NATIONAL BUSINESS INCUBATION ASSOCIATION

INCUBATION BEST PRACTICES FOR ALL

To obtain optimum results from an incubator program, adapt these best practices as appropriate to its mission:

Comprehensive business assistance program - requiring ongoing needs assessments, coaching and facilitation and monitoring client progress.

Professional infrastructure - developing and making use of a know-how network, mentors and advisory boards.

Client capitalization and financing - providing financial training, access and links to funding sources, and relationships that can provide services in lieu of capital.

Client networking - encouraging, providing opportunities for, and having management that can facilitate connections.

Technology licensing and commercialization - developing partnerships, managing conflicts and establishing interfaces that promote technology commercialization through new company formation.

University and federal laboratory linkages - establishing links to leverage assets and making sure all parties get value from the relationships.

Facility fit - providing flexible space and services that meet client needs through their development and encouraging client interaction and financial sustainability for the incubator.

Governance and staffing - ensuring an effective governing body, consensus on mission, appropriate skill level of President/CEO, sufficient, high-quality staff and a CEO who lets clients learn about and grow their business.

Client screening and graduation - selecting clients who can benefit from incubator's value-added services, assessing client needs, and setting up graduation criteria.

Incubator evaluation - instituting qualitative and quantitative measurers of mission fulfillment, client feedback during residence and after graduation, and using this information to improve performance.