

# PropelDayton



University  
of Dayton



University of Dayton  
Research Institute

## Purpose

To stimulate entrepreneurial activity by helping UD entrepreneurs understand the complex world of starting a new business. The Office of Entrepreneurial and Technology Partnerships (OTEP) will assist entrepreneurs in evaluating their idea for a business, help them write a business plan, and connect them with a network of investors and service providers to assist in the new venture. If the UD entrepreneur wishes for formal training in vast world of entrepreneurship, the entrepreneur can officially join the Propel Dayton program.

## Overview

Propel Dayton is designed to help in all phases of the entrepreneurial process. From the initial stage where a novice entrepreneur is curious about the process of starting a business, to a seasoned entrepreneur looking for support and resources. The official Propel Dayton program has three phases to accommodate all points along the journey.

Phase I is about idea exploration and getting a better understanding of what is expected from a Propel Dayton entrepreneur. Here, potential candidates will explore how to write a business plan, how to find resources (UD, private, and governmental), and learn what starting up their own company entails. This is safe environment to explore one's interest and see if the program is the right fit for the entrepreneur and their idea. If the candidate wants to proceed to starting a company and assemble the team and resources to do so, they can move to Phase II.

Phase II is where the candidates will move into formal training. This is conducted offsite, at one of our strategic partners who have a specific program to train new entrepreneurs. After the completion of formal training, the candidate, and what should now be a team, will be eligible for UD internal funds, as well as be better positioned for investment and governmental programs.

Phase III is where the team has begun formal operations. Teams are still eligible for Program benefits and advice, but are now looking to transition off campus.

## Requirements/Eligibility

The following are requirements to enter the Propel Dayton Program and remain a member in good standing of the Propel Dayton Program.

- A. The entrepreneur/team has an active Invention Disclosure or Business Disclosure on file with the Office of Technology and Entrepreneurial Partnerships.
- B. The entrepreneur/team signs the Propel Dayton "Expectations and Requirements" document drafted by OTEP as tailored to each entrepreneur/team's situation.

- C. The entrepreneur/team license the technology or business method that is the subject of their active invention disclosure from the University of Dayton.
- D. The entrepreneur/team during Phase II formally partner with a Mentor or EIR during Phase II
- E. The entrepreneur/team agree to meet with OTEP quarterly through Phase III and provide reporting as outlined in the “Expectations and Requirements” document.
- F. Approval of Propel Dayton Director

## **Three Phases explained**

### **Phase 1 – Exploration of Opportunities**

Phase 1 looks to serve entrepreneurs looking to understand if there is business need for their invention, or if they are looking to do the same for a technology they did not invent or business model, but nonetheless look to commercialize. Since this is an exploratory phase, it is understood that individuals in Phase 1 are the most likely change their initial plans, pivot to alternate models, or decide the opportunity does not have commercial potential. Several entrants in to Track 1 will leave without completing. This is not to be considered a failure of the system, but rather a strength because we will learn at an early stage not to invest further resources in the opportunity.

In this first phase we seek to answer the question of whether there is a viable business or license opportunity before additional resources (funding, labor, opportunity cost) are expended. To that end, OTEP will offer advice and guidance. This advice will be assessing the intellectual property position, initial market, and help defining the problem that the technology addresses. Also, the TPO will link up the entrepreneur to resources such as private databases and business plan software the TPO has assembled or contracted for.

Since each case is unique, each case will need its own blend of services and individual timeline. If the entrepreneur, after the initial assessment, wants to move forward they can avail themselves of formal offsite programming, initial matching with mentors/EIRs, and software for creation of business plan.

Since Phase 1 is an exploratory phase, there is no funding or release time available in this phase. But rather entrepreneurs will have access to analysis tools, business plan software, and advice of experts. Since any great partnership involves the active participation of both parties, this is where entrepreneurs demonstrate that they have “skin in the game” by using their own personal time to go through the exploratory phase.

### **Phase 2 – Learning, Build-Up, and Launch**

Phase 2 is the most detailed phase. This phase has the most resources and activities, and seeks to answer if the articulated business need can be translated into a product or service that the entrepreneur can deliver, the value proposition of the invention, and where to find customers.

The bulk of Phase 2 will have the entrepreneurs participate in either the Pre-Accelerator Program at the University of Cincinnati, or a similar program developed by Dayton’s Entrepreneur’s Center (TEC). It is anticipated we match the entrepreneur and activity to the program that best fits their needs. During

the program it is expected that entrepreneurs will align with an EIR or mentor<sup>1</sup>. While the overall program will be designed to be open to encourage as much participation as possible, funding and premium services will be conditioned on attendance of certain programming elements<sup>2</sup> and linkage with an EIR.

It is in this Phase that entrepreneurs should secure rights to the intellectual property through a license or option agreement. Members of the Flyer family will receive favorable terms over outside entities. Additionally, entrepreneurs can take advantage of funds for release time, Gap Funds to bridge the “valley of death”<sup>3</sup>, and discounted use of UD facilities and labor. All of these resources will be awarded by committee comprised of a mixture of Director’s Office of UDRI, UD experts in business and entrepreneurship, and the Vice President for Research’s office.

In addition to the Pre-Accelerator program that forms the backbone of Phase 2, this is where entrepreneurs will be linked up with other internal and external entrepreneurial resources. Please visit our website for a list of available resources.

Phase 2 requires some formal programming elements that allow entrepreneurs to be eligible for funds and premium resources that are distributed by UD. However, only entrepreneurs seeking this funding require the formal programming, so other entrepreneurs are free to engage this Phase without the formal programming to take advantage of the vast amounts of resources compiled by OTEP for UD entrepreneurs and technology developers.

The ultimate goal of this phase is to have the entrepreneur form a team (venture) capable of moving toward commercialization and putting the entity into a competitive position to receive outside funding.<sup>4</sup>

### **Phase 3 -Launch!**

Phase 3 is where the entrepreneur has graduated from EIR partnership and progressed to the point where the venture is looking for professional management because they are ready to launch their products or services. In this phase, entrepreneurs are still eligible to use the services and resources of Entrepreneurship Program, and funding if still at the proper stage and with committee approval. However, most teams in this Phase will be looking for local, State, and Federal Programs to further their venture. Their completion of Phase 2 should put teams in a very competitive position to compete for and win these governmental programs.

### **Review Committee**

The Review Committee will be responsible for advising the Propel Dayton Director on allocating funds to entrepreneurs that have completed Phase II of the Propel Dayton program. Funds shall be awarded competitively and can be allocated in several ways:

---

<sup>1</sup> EIR – Entrepreneurs in Residence. EIRs are expected to mentor Phase 2 teams in exchange for equity. Teams during the program part of Phase 2 will have access to EIRs from UD, UC, and TEC and will be encouraged to form partnerships with the EIRs. EIR partnership will be a requirement for some of the additional funding under this program.

<sup>2</sup> Specifically attendance in either the UC or TEC pre-accelerator programs

<sup>3</sup> This would be where Gap Funds could be awarded to address the “Valley of Death” which in the technology development world is the gap between working prototype and commercial sales.

<sup>4</sup> Both government and Venture Capital

Gap Funds – funds used to tackle a specific problem in bringing a product to market. This is usually a technical hurdle related to scale-up or prototyping that must be overcome to make the technology commercially viable. The funds are usually allocated in amounts of \$2,000 -\$25,000, and preference is given to those proposed projects that can leverage other funding and provide a return on investment. Any allocation of funds of this type will require an additional pledge of equity to UD, or other arrangement suitable to both parties.

Discounted Lab Space or UDRI Testing Services – If UDRI has the capacity or space available, entrepreneurs can propose to use UDRI testing or Lab Space at a discounted rate with Propel Dayton providing the funding for the discount. This will be based on availability.

Release Time – Entrepreneurs can pitch for competitive awards to pay for release time to work on their new venture. On other words, a charge code that you bill your time to while working on your startup! This competitive award shall be given to those startups that demonstrate high potential and an immediate need for release time.

### **Tracking**

It is required that all Propel Dayton teams meet with the Office of Technology and Entrepreneurial Partnerships at least quarterly and provide metrics as agreed in the “Expectations and Requirements” document. At a minimum this will include employees, sales, other revenue, profit, and debt.

### **Administration**

Propel Dayton will be administered by the Office of Technology and Entrepreneurial Partnerships. The Director of Office of Technology and Entrepreneurial Partnerships shall also be the Director of Propel Dayton. The Director shall be responsible for implementing this Constitution and mediating any disputes that arise from its execution.