



State Support for New Ventures:

- SBIR/STTR Phase 0/00 Program
 - INCITE Co-Investment fund
 - “Venture Match” Networking

- Administered by the US Small Business Administration
- SBIR Program: **~\$2.5 Billion** per year
- STTR Program: **~\$300 Million** per year
- **11** Federal Agencies
- **33%** awardees are first-time winners
- **70%** of awards go to companies with 25 or fewer employees

SBIR/STTR Award Phases

Phase	Stage of Company	Amount of Award	Length of Award	Win Rate
Phase I	Proof of concept, feasibility study	\$150,000-\$225,000	6 to 12 months	12%
Phase II	Prototype development, field-testing, clinical studies	\$1,000,000-\$1,500,000	18 to 24 months	40%
Phase III*	Follow-on R&D and commercialization	Phase IIb: \$500,000+	18 to 24 months	???

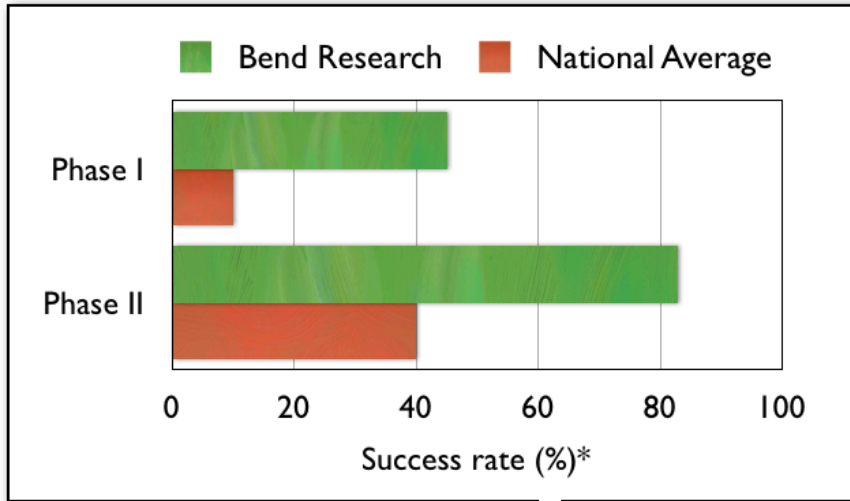
***Company expected to raise private capital (angel or venture capital)**

- Increase the **total amount of federal SBIR/STTR funding** coming to Tennessee on an annual basis
- Increase the **number of Tennessee firms** participating in SBIR/STTR programs
- Assist Tennessee firms in achieving win rates that are at least **double the national averages** for Phase I and Phase II SBIRs/STTRs
- To make every effort to ensure that Phase I winners become **Phase II** winners
- Tie in participating companies with other resources such as the **regional accelerators**

LaunchTN SBIR Phase 0/00 Program

(Dec 2012 – Dec 2013)





- Colorado: 6 for 12 Phase I wins
- Oregon: 5 for 10 Phase I wins
- Hawaii: 2 Phase I winners USDA
- Wyoming: 4 out 4 Phase I winners

- >2000 proposals
- >20 years experience with state Phase 0 programs
- >30 years experience winning SBIR/STTR grant awards
- > 50 presentations at national SBIR/STTR conferences



Mark Henry – Founder, Grow EC
“The Vince Lombardi of the SBIR program”

INCITE Co-investment Fund Overview

Driving Capital Formation in Tennessee

- Co-investment fund **passively invests** alongside the private sector in **Tennessee-based deals**
- Fund acts as an investor and makes **equity investments under the same terms** as other investors
- Investors with \$15MM in AUM can lead deals; other accredited investors can participate in deals

\$30MM Co-investment Fund

Terms

- 25% carried interest to approved investors
- Common & Preferred Equity

Targeted Industries

- Healthcare
- Life Sciences
- Logistics
- Business Services

Deal Sizes *

- (X:Y match) , with X = Consortium, Y = LaunchTN
- \$300,000 - \$1,000,000 before TN contribution (2:1 match)
- \$1,000,001 - \$4,500,000 (3:1 match)
- \$4,500,001 - \$12,000,000 (4:1 match)

Timeline

- 2 weeks to become an approved investor
- 2 weeks to process a qualified investment

Investment Requirements

- Co. must be non-public
- HQ in TN
- At least 60% of employees in TN for NTM following investment
- Fewer than 500 employees
- Cannot be engaged in professional services, real estate, oil & gas E&P, or vice



‘*Venture Match*’ is an opportunity to **engage** in meaningful conversations with some of Tennessee’s top **innovators** and **explore** the best emerging opportunities to **match** entrepreneurs with technologies in order to **develop** new companies, **create** sustainable jobs, and **build** value for investors.

When & Where	Details
<p>Tuesday April 30th 2013 6:00pm-8:00pm Vanderbilt University Club</p>	<ul style="list-style-type: none">• Speaker: Benoit Dawant (co-founder of Neurotargeting)• Host: Bradley Arant Boult Cummings, LLP• Refreshments provided

Free registration at <http://www.launchtn.org/events>

Thank you!

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