

**CENTRAL TEXAS**  
**REGIONAL CENTER *of* INNOVATION**  
***and* COMMERCIALIZATION**

Texas Emerging Technology Fund  
Subchapter D Commercialization Grant Check List

**PREFERRED METHOD OF CONTACT**

First Name \_\_\_\_\_ Last Name \_\_\_\_\_  
Company \_\_\_\_\_  
Phone (office) \_\_\_\_\_ Phone (mobile) \_\_\_\_\_  
Email \_\_\_\_\_

**APPLICATION CHECK LIST**

I have...

- Completed a Business Retention & Expansion survey with CenTex RCIC staff (updated 2-27-07)
- Submitted my application to [applications@austinchamber.com](mailto:applications@austinchamber.com)
- Attached my business plan with my application
- Reviewed the sample term sheet located at [www.centexrcic.org](http://www.centexrcic.org)
- Sent in the \$250 application fee (checks made payable to GACC/Central Texas RCIC) to

Jan Riepen  
GACC/Central Texas RCIC  
210 Barton Springs Rd., Suite 400  
Austin, TX 78704

**CENTEX RCIC CONTACTS**

Susan Davenport  
512.322.5657  
[sdavenport@austinchamber.com](mailto:sdavenport@austinchamber.com)

Skyleen Mabry  
512.322.5663  
[smabry@austinchamber.com](mailto:smabry@austinchamber.com)



# Emerging Technology Fund RCIC

## Commercialization Grant (Subchapter D)

### Project Proposal

Office of the Governor  
Emerging Technology

For OOGEDT Use Only:

Date Received: \_\_\_\_\_

Project: \_\_\_\_\_

RCIC: \_\_\_\_\_

File Number: \_\_\_\_\_

## **DIRECTIONS FOR COMPLETING THE APPLICATION**

Submit completed applications with the required attachments to a state designated Regional Center of Innovation and Commercialization (RCIC). A link to all the state designated regional centers of innovation and commercialization can be found at [www.governor.state.tx.us](http://www.governor.state.tx.us). Only completed applications with the required attachments will be reviewed.

All emerging technology commercialization grant (Subchapter D) project applications to be considered for funding by the Governor, Lt. Governor and Speaker of the House, on a quarterly basis, must originate from or be sponsored by a state designated Regional Center of Innovation and Commercialization.

NOTE: Use a separate application for ETF Matching Grant (Subchapter E) or Research Superiority (Subchapter F) applications. The applications can be found on the governor's web site at [www.governor.state.tx.us](http://www.governor.state.tx.us).

The application package must include this application with the required attachments. All fields in the application **must be completed** for there to be a successful submission. **Any fields that do not apply to the project, please put "not applicable or n/a" in the space provided.** A detailed business plan is required as an attachment to this application (see below).

**All confidential and proprietary information must be clearly identified by the applicant in each section, where applicable, in the application.**

**NOTE: The applicant's company name should appear in the footer of all pages.**

**CONFIDENTIAL AND PROPRIETARY INFORMATION**

The Office of the Governor must comply with the Texas Public Information Act (the "Act"). Under the Act, however, we do have authority to maintain the confidentiality of the name of and other information related to a company seeking to locate in the state until after the location negotiations are completed.<sup>1</sup>

In the event a public information request related to an applicant is submitted to our office, we will:

- (1) promptly notify the applicant of the request,
- (2) take all possible and appropriate actions with the Attorney General of Texas to prevent release of the information, including asserting exemptions under the Act (including the Economic Development Negotiations exception of section 555.131<sup>2</sup> and the Trade Secrets/Commercial Information exception of section 555.110)<sup>3</sup>, and
- (3) provide the company with full information and opportunity to participate in such process.

After a grant is awarded and a contract is signed, the Office will release non-confidential information in response to public information requests.

Applicants should consult legal counsel in regards to disclosing confidential information and the applicability of the Public Information Act.

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<sup>1</sup> Sec. 490.057 Texas Government Code: "CONFIDENTIALITY. Information collected by the governor's office, the committee, or the committee's advisory panels concerning the identity, background, finance, marketing plans, trade secrets, or other commercially or academically sensitive information of an individual or entity being considered for an award from the fund is confidential unless the individual or entity consents to disclosure of the information."

<sup>2</sup> Sec. 552.131 Texas Government Code: "EXCEPTION: ECONOMIC DEVELOPMENT INFORMATION. (a) Information is excepted from the requirements of Section 552.021 if the information relates to economic development negotiations involving a governmental body and a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and the information relates to:

- (1) a trade secret of the business prospect; or
- (2) commercial or financial information for which it is demonstrated based on specific factual evidence that disclosure would cause substantial competitive harm to the person from whom the information was obtained.

(b) Unless and until an agreement is made with the business prospect, information about a financial or other incentive being offered to the business prospect by the governmental body or by another person is excepted from the requirements of Section 552.021.

(c) After an agreement is made with the business prospect, this section does not except from the requirements of Section 552.021 information about a financial or other incentive being offered to the business prospect:

- (1) by the governmental body; or
- (2) by another person, if the financial or other incentive may directly or indirectly result in the expenditure of public funds by a governmental body or a reduction in revenue received by a governmental body from any source."

<sup>3</sup> Sec. 552.110 Texas Government Code: "EXCEPTION: TRADE SECRETS; CERTAIN COMMERCIAL OR FINANCIAL INFORMATION. (a) A trade secret obtained from a person and privileged or confidential by statute or judicial decision is excepted from the requirements of Section 552.021.

(b) Commercial or financial information for which it is demonstrated based on specific factual evidence that disclosure would cause substantial competitive harm to the person from whom the information was obtained is excepted from the requirements of Section 552.021.

0.1 CERTIFICATION OF APPLICATION

Authorized Business Representative (This is the applicant)

First Name \_\_\_\_\_ Last Name \_\_\_\_\_

Title \_\_\_\_\_

Organization \_\_\_\_\_

Street Address \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_ - \_\_\_\_\_

Office Phone Number \_\_\_\_\_ Direct Office \_\_\_\_\_

Mobile Number \_\_\_\_\_ Fax Number \_\_\_\_\_

Email Address \_\_\_\_\_

Company does not have to be headquartered in Texas; however, the project funded by the ETF should be principally conducted in the state of Texas and produce a significant positive economic impact for the state.

0.2 BUSINESS APPLICANT INFORMATION

Exact Legal Name of Business which application is made \_\_\_\_\_

Name the product(s) that will be produced with ETF funds; not other company products

Federal Tax ID Number \_\_\_\_\_ Comptroller of Public Accounts Number \_\_\_\_\_

Corporate Credit rating & Source \_\_\_\_\_ Product produced \_\_\_\_\_

NAIC \_\_\_\_\_

Will the business be required to pay State Sales Tax?  No  Undetermined

Does the applicant have a Dun & Bradstreet number?  Yes  No

Is the applicant registered to do business in Texas with the Texas Secretary of State?  Yes  No

Identify structure of Applicant (private, public, Inc., LLP, LP, etc.) \_\_\_\_\_

Use Texas Comptroller of Public Accounts Number

Acronym - North American Industry Classification system. NAICs codes replaced the old Standard Industrial Classification (SIC) codes and are referred by the IRS on some 1120 forms as the Principal Business Activity Code.

Type N/A in all boxes that are not applicable

Please identify the state RCIC(s) that is originating or sponsoring the project \_\_\_\_\_

State Designated RCIC \_\_\_\_\_

Acronym – Regional Center of Innovation & Commercialization. Note: For applications submitted in the Gulf Coast Region, please write Gulf Coast RCIC.

## SECTION 1 – Executive Summary

**Please Note: All confidential and proprietary information must be clearly identified by the applicant, where applicable, throughout this application. Confidential and proprietary information must be clearly noted and marked on the applicable page within the application, attachments and business plan.** All portions of the application, attachments and business plan that are not marked as being confidential may automatically be considered public information. The Office of the Governor assumes no responsibility for asserting legal arguments for Applicants. Applicants are advised to consult with their legal counsel concerning disclosure issues resulting from this proposal process and to take precautions to safeguard trade secrets and other proprietary information

### 1.1 NAME OF PROJECT

Please provide the name of the project

Name of project or product to be funded through ETF

### 1.2 COMMERCIALIZATION GRANT (SUBCHAPTER D) AMOUNT REQUESTED

NOTE: Use separate application for Matching Grant (Subchapter E) or Research Superiority (Subchapter F) applications. The applications can be found on the governor's web site at [www.governor.state.tx.us](http://www.governor.state.tx.us)

Award amount requested for project \$ \_\_\_\_\_

Grant requests are typically in the range of \$500K to \$2.5M (not to exceed \$5M). Pre-Seed grant requests (not requiring prior equity investment) can be up to \$250K – note here that you are requesting a Pre-Seed grant.

### 1.3 EXECUTIVE SUMMARY AND BUSINESS PLAN

Give a brief **non-confidential** summary of the project in the space provided below. Limit response to 250 words.

The focus of the executive summary should be on the project or product to be funded by ETF. Briefly describe the nature of the project/product, the technology involved, its potential uses, the target market, and potential economic impact.

Briefly mention university collaboration and the nature of the relationship with the company applying for ETF funding.

Also briefly describe the company and its mission if space remains.

**IMPORTANT: Do not exceed the word length limit for this section and all other sections.**

## 1.4 MISSION AND GOALS OF PROJECT

Briefly describe the mission and goals of this project. Limit response to 100 words.

Describe what the project will accomplish if ETF funds are received. For example, will the company:

- Build a prototype?
- Build a manufacturing facility?
- Conduct proof-of-concept testing?
- Conduct quality-assurance-tests?
- Run experiments to improve the technology?
- Purchase raw materials?
- Purchase a license agreement or intellectual property?
- Install the product at a customer site?
- Etc.

## 1.5 KEY TECHNICAL & COMMERCIALIZATION MILESTONES OF PROJECT

List specific technical & commercialization activities to be conducted, indicate responsible parties and timeframes for each specific activity. Limit response to 150 words.

This information could be formatted as a table, as shown below:

| Milestone  | Date        | Responsible Party |
|--|-------------|-------------------|
| Complete research at xxx University                                    | June 2006   | Reynolds          |
| Complete computational prototype simulations                           | July 2006   | Peterson          |
| Conceptual engineering design for increased capacity in prototype unit | August 2006 | Smith             |
| Engineering design for fabrication pilot facility                      | June 2006   | Johnson           |

## SECTION 2 - DEAL STRUCTURE

**2.1 Size and Life stage of the deal.** Give a brief description if this project is an Early, Mid, or Late stage deal. Will the ETF funds leverage this deal through the pre-venture stage to a point where the project can attract next round financing and valuation? Explain why. Limit response to 100 words.

Early stage deals are those such that the majority of the following apply:

1. Company has received little or no outside venture capital or outside financing.
2. Most financing has been contributed by friends, family, and founders.
3. Company has not yet produced significant revenues.
4. Proof of concept may not yet fully be established.
5. Company does not yet have a significant customer base.

Mid stage deals are those such that the majority of the following apply:

1. Company has received one or more rounds of venture capital or outside financing.
2. Formal management structure and business processes are in place.
3. Company has successfully established some customer relationships.
4. Company has begun to produce a revenue stream related to its core business.
5. Company is beginning to experience growth.

Late stage companies are those such that the majority of the following apply:

1. Company has received multiple rounds of significant venture capital or outside financing.
2. Company has experienced significant growth which is projected to continue.
3. Company has developed a sustainable revenue stream.
4. A liquidity event for initial investors is likely to occur.
5. Company is attractive to both debt and equity investors.

The State does not want to compete against other funding sources. Explain why you can not easily acquire funding from other sources and how the ETF award will help attract the additional investment needed for your success.

**2.2 Job and wealth creation.** Will the project create new jobs, new wealth, and investment? Will the project create a substantial increase in high-quality jobs? Please explain and include proposed wages for the new job creation. Will the jobs last beyond the use of ETF funds? Limit response to 100 words.

Please describe the economic impact of the project to the State of Texas. You should include the immediate economic impact that will occur during the duration of the project as well as the future impact if the project succeeds. Be specific and use quantitative data when possible. For example:

- list the number of jobs created and the projected salaries
- describe and quantify the supporting businesses that will be established
- describe how this could enhance the State's national or global competitiveness
- describe how long the economic benefits are expected to last

If you run out of space in this section, you may provide additional information in the "Economic Impact" section below.

You may submit a supporting economic impact study to support your claims.

Note: Successful completion of this section is critical to earning a high score with the ETF review board. The State of Texas wants to see a strong case presented that demonstrates positive economic benefits will result if ETF funds are awarded for the project in question.

Use numbers, headings, or bullets when formatting if possible.

**2.3 Collaboration.** How is the project collaborative? Is there regional / cluster/ institutional collaboration? Which Institutes of Higher Education (IHE) are involved? How does the project break down barriers? Leverage strengths? Limit response to 100 words.

Please describe the collaboration between your company and public/private Texas Universities, and how this materially impacts the commercialization of the project technology. This description should include items such as:

- licensing agreements for intellectual property developed at the university
- design or engineering work provided by universities
- Business School assistance in planning the commercialization strategy for the product in question

You must submit supporting documentation to verify the claims stated herein. These documents may include, legal agreements concerning intellectual property, contracts for usage of lab space or engineering work, or letters of support describing the relationship of faculty/students associated with the company. This documentation may describe a future relationship that is contingent on receiving ETF funds.

**Prior collaboration is preferred, but not required. Future collaboration could be documented by an LOI or MOU, possibly contingent upon receiving an ETF award.**

**2.4 Valuation and ROI.** What is the current and future valuation of the company? Are the project's financial valuations in line with market comparisons? Please explain and identify comparable company valuations where possible. What will the ROI back to the state of Texas? Limit response to 100 words.

You should provide a REASONABLE valuation for your company; inflated valuations may hurt your chances for receiving a ETF grant. You may use any valuation method to complete this section. Some methods may include:

- Discounted free cash flow
- Earnings multiples
- Book value of entire firm or equity
- Value of last equity shares sold times total outstanding shares
- Comparison to similar companies

Please try to provide a valuation of similar competitor companies if possible. Also describe how successful completion of the project funded by ETF could affect the valuation. The best analysis will provide a possible range of valuations rather than a single figure.

Companies should state they want the State of Texas to see a reasonable return on its investment through ETF and that the company is willing to negotiate specific terms. Companies should review the State's standard grant terms.

Note: Please do not forget to provide a current and future value of the company. A three or five year future value prediction is most appropriate.

**2.5 Economic Impact.** Will the state benefit directly or indirectly from this investment? How? Limit response to 100 words.

You should use this section to bolster the material provided in the “Jobs and Wealth Creation” section above. You may choose to highlight information provided by an outside economic impact study. For example, consider the multiplier effect. If you plan on having multiple partners, vendors, distributors, etc in Texas, you may want to speak on how an investment in your company will benefit other Texas-based enterprises. Again, provide quantitative data if possible along with a timeline that explains when benefits are expected to accrue.

Note: Successful completion of this section is critical to earning a high score with the ETF review board. The State of Texas wants to see a strong case presented that demonstrates significant collaboration between the company and a Texas University. The purpose of the collaboration is the create synergy between technology development at universities and commercialization at companies. Please try to demonstrate this synergy in your description.

## SECTION 3 - FINANCIAL ANALYSIS

**3.1 Company Financials.** Provide summary cash flow, balance sheet, and P&L projections for the last two and next three years below. Limit response to 250 words. Provide detailed Cash Flow, Balance Sheet, and P&L for the last two and next three years in the attached business plan.

The following example is a suggested format for completing this section. Please give financial data from the perspective of the entire company. You may elect show the financial impact of the project to be funded by ETF.

Thousands of Dollars (\$000s)

|                           | 2004 | 2005  | 2006    | 2007  | 2008  |
|---------------------------|------|-------|---------|-------|-------|
| <b>Cash Flow:</b>         |      |       |         |       |       |
| Investing                 | 9    | (144) | (1,132) | (776) | (700) |
| Operating                 | 46   | 43    | (619)   | (165) | 528   |
| Financing                 | 5    | 87    | 1,860   | 1,110 | 325   |
| TOTAL                     | 60   | 46    | 155     | 325   | 153   |
| <b>Balance Sheet:</b>     |      |       |         |       |       |
| Assets                    | 177  | 307   | 1,630   | 3,167 | 3,482 |
| Liabilities               | 73   | 63    | 129     | 217   | 253   |
| Owners Equity             | 104  | 244   | 1,501   | 2,950 | 2,229 |
| <b>Profit &amp; Loss:</b> |      |       |         |       |       |
| Revenues                  | 203  | 900   | 800     | 2,220 | 3,325 |
| GOGS                      | 157  | 745   | 1,560   | 2,612 | 3,047 |
| Gross Margin              | 46   | 155   | (760)   | (392) | 278   |
| G&A                       | 6    | 55    | 140     | 208   | 250   |
| Net Profit                | 40   | 100   | (900)   | (600) | 28    |

**Texas Emerging Technology Fund Proposal – Commercialization Grant (Subchapter D)**

**3.2 Capitalization Table.** Fill in the summary capitalization table below. Provide detailed Cash Flow, Balance Sheet, and P&L for the last two and next three years in the attached business plan.

**Number of Common Shares Authorized:** \_\_\_\_\_  
**Number of Preferred Shares Authorized:** \_\_\_\_\_  
**Total Paid in Capital (Cash Only)** \_\_\_\_\_

**Number of Common Shares Issued and Outstanding:**  
Person 1: \_\_\_\_\_  
Person 2: \_\_\_\_\_  
Person N: \_\_\_\_\_

Note: The shares for each person shall add to create the Number of Common Shares Issued

**Number of Preferred Shares Issued and Outstanding:**  
Person 1: \_\_\_\_\_  
Person 2: \_\_\_\_\_  
Person N: \_\_\_\_\_

Note: The shares for each person shall add to create the Number of Preferred Shares Issued

**Total Number of Warrants Issued**  
Person 1: \_\_\_\_\_  
Person 2: \_\_\_\_\_  
Person N: \_\_\_\_\_

Note: The shares for each person shall add to create the Number of Warrants Issued

**Total Number of Options Issued**  
Person 1: \_\_\_\_\_  
Person 2: \_\_\_\_\_  
Person N: \_\_\_\_\_

Note: The shares for each person shall add to create the Number of Options Issued

**Give a brief description of Preferred Stock Terms and Conditions**

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_

**Give a brief description of Warrant Terms and Conditions**

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_

**Give a brief description of Option Terms and Conditions**

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_
- 3. \_\_\_\_\_

**Give a brief description of the last capital raised by the company**

**Number of shares:** \_\_\_\_\_  
**Type of shares issued:** \_\_\_\_\_  
**Price per share:** \_\_\_\_\_  
**Total Amount Raised:** \_\_\_\_\_  
**Date Completed:** \_\_\_\_\_

Please include all equity capital raised by all sources. This figure represents value of paid in capital, not current market value.

Please list the top three share, warrant, or option holders. Write N/A if there are less than three shareholders or if no securities of these types are outstanding.

List dividend/coupon, liquidation preference, voting rights, conversion value, conversion ratio, conversion date, exercise date, option life, etc. Write N/A if there are no outstanding securities of these types.

This section refers to outside financing, not funds provided by-founders.

**3.3 Matching funds.** Identify any hard equity already in the company. Is their additional available? Identify any lead investor. Are the terms for the lead investor available to the state? Limit response to 100 words.

Matching funds is a key eligibility requirement for receiving ETF commercialization grant. The company must demonstrate that it already has , or will receive funds that are at least as much as the ETF grant request. Sources of matching funds include:

- Recent equity funding (past six months)
- Funding currently in progress
- Future funding, contingent upon receiving ETF grant
- 

Please describe any previous paid-in-capital already contributed to the company. Also describe the current equity value of the company. Prior equity investment may not be required for Pre-Seed Commercialization Grants.

**IMPORTANT: You must demonstrate that other sources of funds will finance the company besides ETF**

**3.4 Current investors.** Explain how the current investors (if any) provide additional access to target markets. Do the current investors have additional funds? Are they committed to reinvesting in the future if necessary? Limit response to 100 words.

Please elaborate on the company's relationship with its lead investors. ETF reviewers are looking to see what support these investors provide beyond financial resources. They will also be assessing the strength and experience of the individuals or investment firm backing the company.

For example, do these investors provide access to experienced managers? Do they serve on the Board of Directors? Can they provide customer contacts? What is required to secure additional funds from these investors? Will these investors invite other firms to participate in future rounds of raising equity capital for the company?

The more benefits that investors can provide in addition to financing, the better.

**3.5 Runway.** Will the ETF funds be sufficient to execute the business plan or will additional investment be needed in the future? If so, where will the future funds come from? Limit response to 100 words.

Although ETF reviewers want applicant companies to have matching funds, they do not want the success of the project to be contingent on other financing that may not be available. For example, it would be wasteful for the State to invest funds in a project that cannot be executed because another source of funds fails to materialize. ETF reviewers want to be sure that if state funds are awarded, the project described in the application will be executed.

**3.6 Use of funds.** Provide a summary plan for the use of funds, including timelines and milestones. Limit response to 100 words. Provide detailed use of funds section of the business plan as an attachment.

Use this section to provide a quantitative description of the source and use of funds associated with the project. Funds to be paid to universities for collaboration should be identified as a specific line item. An example format is shown below:

| Source of Funds      | Amount    |
|----------------------|-----------|
| ETF                  | 1,000,000 |
| JNG Investment Group | 242,000   |
| Total                | 1,242,000 |

| Use of Funds  | Amount    |
|---|-----------|
| Design, engineering & computer simulation at xxx University | 264,000   |
| Fabricate & assemble entire unit                            | 285,000   |
| Testing & calibration of unit                               | 133,000   |
| Field testing & data acquisition                            | 110,000   |
| Design Engineering  | 166,000   |
| Manufacturing and Assembly Commercial Unit                  | 284,000   |
| Total   | 1,242,000 |

**3.7 Exit Strategy.** Provide a description of the current exit strategy, including timelines, if applicable. What alternatives exist? Limit response to 100 words.

This section should describe the company's exit strategy independent of the ETF investment. This should include a typical startup company exit strategy discussion, such as an IPO, acquisition, management buyout, etc. The State's ROI should be discussed in Section 2.4, not here.

**3.8 OTHER SOURCES OF FUNDING**

List all other sources of funding for the project. (Sales, secured financing, angel, VC, corporate, in-kind, etc)

| <u>Source</u> | <u>Amount Committed</u> | <u>Start Date</u> | <u>End Date</u> |
|---------------|-------------------------|-------------------|-----------------|
| _____         | _____                   | _____             | _____           |
| _____         | _____                   | _____             | _____           |
| _____         | _____                   | _____             | _____           |
| _____         | _____                   | _____             | _____           |
| _____         | _____                   | _____             | _____           |
| _____         | _____                   | _____             | _____           |

(expand if necessary)

Total \_\_\_\_\_

Please note any contingencies associated with these sources.

3.9 FEDERAL OR PRIVATE GRANTS

Has the project been granted funds under the Small Business Innovation Research Program (SBIR), Small Business Technology Transfer Program (STTR), Manufacturing Extension Partnership Program (MEP), Advance Technology Program (ATP), or by any other federal or private granting entities? [ ] Yes [ ] No
(If "yes" please fill out the information below)

Form with five rows for grant information. Each row includes fields for Year, Project Title, Agency, and Amount (\$). Below each row is a 'Type' field with checkboxes for SBIR, STTR, MEP, ATP, and OTH. The text '(expand if necessary)' is located at the bottom left of the form area.

Please include attachments for any grants previously associated with R&D on the technology by a company or partner university. Please note any contingencies associated with these sources. Attach supporting documentation.

SECTION 4 – PRIMARY PERSONNEL AND BUSINESS TEAM

4.1 TEAM COMPOSITION – MANAGEMENT & SALES

List the Primary Management and Sales Team (CEO, CFO, VP, etc) by name and title in the box below. Please limit to 50 words.

The CEO of the company should always be mentioned, even if he/she is not directly involved in the project. Other key management positions typically include the CFO, COO, Chief Technology Officer (CTO), Chief Marketing Officer, etc.

Provide a brief bio for each management member, emphasizing relevant company formation and emerging technology commercialization experience. Use the following form for each member.

Management and Sales Team Member Title

Name \_\_\_\_\_
Address (city, state, zip) \_\_\_\_\_
Email \_\_\_\_\_
Phone Number \_\_\_\_\_

Provide brief bio emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

Use this section to highlight significant achievements or positions held. Highlight specific experience/expertise each person brings for their role in the company. For example, prior startup experience, technical experience in the field, etc.

The ETF review board considers the strength of the company's management to be a critical component to the application. ETF application scores will be significantly influenced by information provided in this section.

Note: A resume, CV, or bio statement must be attached for each key manager.

Management and Sales Team Member Title

Name \_\_\_\_\_
Address (city, state, zip) \_\_\_\_\_
Email \_\_\_\_\_
Phone Number \_\_\_\_\_

Provide brief bio emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

[Empty box for bio]

**Texas Emerging Technology Fund Proposal – Commercialization Grant (Subchapter D)**

**Management and Sales Team Member Title**

Name \_\_\_\_\_

Address (city, state, zip) \_\_\_\_\_

Email \_\_\_\_\_

Phone Number \_\_\_\_\_

Provide brief bio emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

Note: please copy and paste the above text for any additional members that need to be identified in this section and insert it directly after the previously listed member.

**4.2 TEAM COMPOSITION - TECHNICAL**

List the Primary Technical Team by name and title. Please limit to 50 words.

Provide a brief bio for each technical team member, emphasizing relevant company formation and emerging technology commercialization experience. Use the following form for each member.

**Technical Team Member Title**

Name \_\_\_\_\_

Address (city, state, zip) \_\_\_\_\_

Email \_\_\_\_\_

Phone Number \_\_\_\_\_

Provide brief bio emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

Use this section to highlight significant achievements or positions held. The ETF review board considers the strength of the company's technical team to be a critical component to the application. ETF application scores will be significantly influenced by information provided in this section.

Note: Resume, CV, or bio statement of each key technical member should be available upon request

**Technical Team Member Title**

Name \_\_\_\_\_

Address (city, state, zip) \_\_\_\_\_

**Texas Emerging Technology Fund Proposal – Commercialization Grant (Subchapter D)**

Email \_\_\_\_\_  
Phone Number \_\_\_\_\_

Provide brief bio emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

Note: please copy and paste the above text for any additional members that need to be identified in this section and insert it directly after the previously listed member.

**4.3 TEAM COMPOSITION - BOARD OF DIRECTORS / ADVISORS**

List the current Board of Directors / Advisors by name and title. Please limit to 50 words.

Provide a brief bio for each Board of Directors / Advisors member, emphasizing relevant company formation and emerging technology commercialization experience. Use the following form for each member.

**Board of Directors / Advisors Member Title**

Name \_\_\_\_\_  
Address (city, state, zip) \_\_\_\_\_  
Email \_\_\_\_\_  
Phone Number \_\_\_\_\_

Provide brief bio emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

Use this section to highlight significant achievements or positions held. The ETF review board considers the strength of the company's Board of Directors to be a critical component to the application. ETF application scores will be significantly influenced by information provided in this section.

**Note: resume, CV, or bio statement of each board member should be available upon request**

**Board of Directors / Advisors Member Title**

Name \_\_\_\_\_  
Address (city, state, zip) \_\_\_\_\_  
Email \_\_\_\_\_  
Phone Number \_\_\_\_\_

Provide brief bio emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

**Texas Emerging Technology Fund Proposal – Commercialization Grant (Subchapter D)**

**Board of Directors / Advisors Member Title**

Name \_\_\_\_\_

Address (city, state, zip) \_\_\_\_\_

Email \_\_\_\_\_

Phone Number \_\_\_\_\_

Provide brief bio emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

Note: please copy and paste the above text for any additional members that need to be identified in this section and insert it directly after the previously listed member.

**4.4 TEAM COMPOSITION - KEY PARTNERING ENTITIES**

List all Key Partnering Entities by name, Primary Point of Contact, Title and Address. Please limit to 50 words.

At least one of the partnering entities listed here should describe collaboration between the company and a Texas University. It is very important to demonstrate that the company has a material and collaborative relationship with a Texas University. The company should submit supporting documents that corroborate partnering or collaborative relationships described in this section.

Note: EVERY partnership MUST be documented in an attachment. This could be a LOI, MOU, scope of work, contract, licensing agreement, etc.

Provide a brief description of each Key Partnering Entity and nature of role in this deal, emphasizing relevant company formation and emerging technology commercialization experience. Use the following form for each entity.

**Key Partnering Entity**

Full Legal Name \_\_\_\_\_

Type of entity (University, College, Corp, VC) \_\_\_\_\_

Principal place of business (city, state, zip) \_\_\_\_\_

Single point of Contact Name \_\_\_\_\_

Title \_\_\_\_\_

Email \_\_\_\_\_

Phone number \_\_\_\_\_

Provide brief description of the role the Key Partnering Entity will play on the project, emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

**Texas Emerging Technology Fund Proposal – Commercialization Grant (Subchapter D)**

**Key Partnering Entity**

Full Legal Name \_\_\_\_\_  
Type of entity (University, College, Corp, VC) \_\_\_\_\_  
Principal place of business (city, state, zip) \_\_\_\_\_  
Single point of Contact Name \_\_\_\_\_  
Title \_\_\_\_\_  
Email \_\_\_\_\_  
Phone number \_\_\_\_\_

Provide brief description of the role the Key Partnering Entity will play on the project, emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

**Key Partnering Entity**

Full Legal Name \_\_\_\_\_  
Type of entity (University, College, Corp, VC) \_\_\_\_\_  
Principal place of business (city, state, zip) \_\_\_\_\_  
Single point of Contact Name \_\_\_\_\_  
Title \_\_\_\_\_  
Email \_\_\_\_\_  
Phone number \_\_\_\_\_

Provide brief description of the role the Key Partnering Entity will play on the project, emphasizing relevant company formation and emerging technology commercialization experience. Please limit to 50 words.

Note: please copy and paste the above text for any additional members that need to be identified in this section and insert it directly after the previously listed member.

Three (3) years of financial statements for each partnering company (or sufficient D&B or other credit information) will be required as an attachment.

## 4.5 MARKETING AND SALES PLAN

Provide a summary of the marketing and sales plan. Please limit to 100 words.  
Attach any letter of intent with channel or sales partners. Attach additional information as needed.

Useful information for this section includes:

- the channels in which the product will be sold
- nature of key customer, supplier, and distributor agreements/relationships
- price ranges of product
- whether products are sold through direct sales, distributors, partners, retail, or other
- revenue model – i.e. royalties, license agreements, direct sales, seller financed, etc.
- predicted evolution of market

Use numbers, headings, or bullets when formatting if possible.

Note: it is very important to substantiate the credibility of the company's ability to plan and execute the plan. This point may be elaborated on in the attached business plan.

## 4.6 BUSINESS STRATEGY AND COMMERCIALIZATION PLAN

Provide a summary of the commercialization plan, including the plan for product development and launch, plan for growth beyond launch, cash flow, sales forecast, etc. Please limit to 100 words.

Companies must guarantee to commercialize the technology and/or manufacture the products in Texas.

Useful information for this section includes steps needed to reach commercialization. For example:

- Does a prototype need to be built?
- Does a factory need to be built?
- Does a partner agreement have to be reached before sales occur?
- Will growth occur through acquisition or creation of new market opportunities?
- Etc.

Note: it is very important to substantiate the credibility of the company's ability to plan and execute the plan. This point may be elaborated on in the attached business plan.

## SECTION 5 - MARKET ANALYSIS

**5.1 Emerging Technology Cluster.** Which emerging technology cluster does this deal most belong to? (1. Advanced Technologies Manufacturing, 2. Aerospace and Defense, 3. Energy, 4. Information and Computer Technology, 5. Life Science and Biotechnology, 6. Chemical and Petroleum Refining). Please limit response to 25 words or less.

Please identify one of the clusters listed above and briefly describe how the product will service the cluster. You may say that your company supports one of the other clusters if available. For example, if you develop software for flight simulation, you are a company in cluster 4 that also supports cluster 2.

**5.2 Market Need / Opportunity.** Provide a summary market analysis below. Describe how scalable your current solution(s) is/are. How badly does the market need your solution? Why? What is/are the likely price point(s) for your solution? Limit response to 100 words. Provide the detailed market analysis portion of your business plan as an attachment.

This section should include a brief synopsis of the marketing section included in the company's attached business plan. The summary should specifically mention the market need for the project described in this application, not the overall product portfolio of the company. You will have more space to elaborate on marketing information in the sections titled "Market Solution" and "Competition/Differentiation" below. If possible mention sources of marketing information/research.

**5.3 Innovation / Emerging Technology.** What separates your solution from solutions already available? Why? Does your solution have the potential to become a magnet enterprise? Will it provide a market breakthrough? Why? Limit response to 100 words.

The ETF places a priority for funding potentially disruptive or breakthrough technologies. Incremental technology improvements may not be funded. Disruptive technologies are those that have the potential to drastically change lives or the way business is currently conducted. In this section and the following sections (and attachment documents), make your case for why your technology should be viewed as disruptive – don't assume that reviewers will understand what makes your technology special.

**5.4 Market Solution.** Do you have existing customers? Does your product provide a total solution for the customers needs? How quickly can you get to market? What percentage of the market will you realistically capture? When? Limit response to 100 words.

In addition to addressing the questions above, you should continue to build the case that the technology described in this application has the potential for a major commercial break-through. Provide quantitative data about market share and timelines when possible.

**5.5 Competition / Differentiation.** How strong is your solution compared to your competition? Are the current leaders vulnerable? Why? What separates your solution from possible solutions your competitors are building? Is your solution protectable? Provide a summary of your plan to gain and maintain market traction. Limit response to 100 words. Provide detailed competitive analysis section of the business plan as an attachment.

In addition to addressing the questions above, you should continue to build the case that the technology described in this application has the potential for a major commercial break-through. It is especially important to mention how the company's product, marketing plan, and overall organization can out-compete other companies hoping to capture the market associated with the technology in this application.

An understanding of and appreciation for key competitors extremely important. Stating that you have no competitors will generally not be received well – in the application form and in your business plan, identify key competitors, summarize strengths and weaknesses – and how you'll be able to compete and defend yourself from those competitors.

Additional key points to make are to explain how your technology has been validated. For Life Science applications, this could be through clinical or pre-clinical trial data. For other technologies this could be through testing for prototypes.

Applicants should describe their sustainable competitive advantage, and how companies will protect that advantage (IP, university research, barriers to entry, etc.).

This is an important topic – within the 100 word response, provide an overview – and provide more detail in your business plan.

## SECTION 6 - TECHNOLOGY DEVELOPMENT

**6.1 Disruptive / Catalytic.** Is your solution disruptive to the current marketplace? How? Will it provide a medical or scientific breakthrough? Limit response to 100 words.

This section should clearly demonstrate that the technology described in this application has a high potential for a commercial break-through. Again, the ETF will fund incremental technology, but applications seeking to commercialize disruptive technologies will appear much stronger.

Note: Successful completion of this section is critical to earning a high score with the ETF review board. The State of Texas wants to see a strong case presented that demonstrates a high potential for a technological break-through if the project described in this application is successful.

**6.2 Intellectual Property (IP) & Proprietary Risk.** Who owns the intellectual property? What is the status of any license or patent? Is the IP ownership clear? How? What are the risks for disputes or litigation? Limit response to 100 words.

Please mention license agreements signed with Texas Universities or other partners. Also mention patents granted, purchased, and pending as well as the type of patent, e.g. full, provision, international etc. Finally mention any anticipated or ongoing litigation in which the company is either a defendant or plaintiff.

If the company does not have patents, explain how it will protect its intellectual property.

You may submit supporting documentation if desired.

**6.3 Platform Technology.** Beyond the existing initial market, how can the technology be applied? Is there a

Please describe how the technology could be scaled to other uses besides those described in this application. Are there new markets for the technology that may be created in the future? You may want to use this section to continue demonstrating that the technology is disruptive and has a high potential for a commercial break-through.

potential for significant additional upside? How? Limit response to 100 words.

**6.4 Technology Readiness Level.** Briefly describe the technical merit and readiness level of the technology to be commercialized. Has a prototype been built? Does the project have current sales? How viable is the technology? What risks exist that could prevent it from working? Have you completed a competitive scientific review? If so, provide details as an attachment. What are the limitations to this technology? Limit response to 100 words.

In addition to answering the questions above, you may elect to score the technology readiness of the project based on an industry established benchmark such as the NASA or DOD Technology Readiness Level (TRL). A brief description of the NASA technology readiness level is shown below for reference:

**Basic Technology Research:**  
Level 1: Basic principles observed and reported

**Research to Prove Feasibility:**  
Level 2: Technology concept and/or application formulated  
Level 3: Analytical and experimental critical function and/or characteristic proof of concept

**Technology Development:**  
Level 4: Component and/or breadboard validation in laboratory environment

**Technology Demonstration:**  
Level 5: Component and/or breadboard validation in relevant environment  
Level 6: System/subsystem model or prototype demonstration in a relevant environment (ground or space)

**System/Subsystem Development:**  
Level 7: System prototype demonstration in a space environment

**System Test, Launch and Operations:**  
Level 8: Actual system completed and "flight qualified" through test and demonstration (ground or space)  
Level 9: Actual system "flight proven" through successful mission operations

## **SECTION 7 - DETAILED BUSINESS PLAN**

An original business plan must be attached. Please make sure it contains the following information, at a minimum:

### **1 - Problem Definition and Value Proposition for customers**

1. Detailed description of problem
2. Detailed Solution offered
3. Barriers to success
4. Expected results

### **2 – Target Market Dynamics**

1. Market History
2. Market Need
3. Market Environment and Trends
4. Market Size defined
5. Market Entry Timing
6. Evidence of Market Pull
7. Customer description and segmentation

### **3 - Product Strategy and Offering Description**

1. Product description and significance
2. Product features and functionality
3. State of development and proposed schedule of commercialization
4. Preliminary product positioning statement
5. Product metrics – customer benefits
6. Timeline of product delivery
7. Projected stages of growth

### **4 - Distribution Channels**

1. Product distribution requirements
2. Channel partners
3. Resellers
4. Service Providers

**5 - Marketing Plan** (description of market penetration, positioning and branding of marketing communication, product plan and descriptions, customer support, pricing and margin requirements, services, training)

1. Markets, market penetration and timelines
2. Positioning and branding of marketing communication
3. Product plan and description
4. Customer support

The attached business plan should address all items listed in this section; however, the items do not necessarily have to appear in the same order as listed here. The focus of the business plan should be on the project to be funded by ETF, not other products within the overall company portfolio. Financial statements should be created from the perspective of the entire company; however, they should also demonstrate the financial impact of the project to be funded by TETF where appropriate.

Please try to keep the business plan to 30 pages or less. While there is no absolute length limitations, ETF reviewers prefer short, succinct plans.

5. Pricing and margin requirements
6. Services
7. Training
8. Barriers to market

**6 – Competition and Barriers to Entry**

1. Primary business competitors
2. Secondary business competitors
3. Potential barriers for company's success
4. What differentiates the company from the competitor?

**7 – Sales Plan and strategic partnerships**

1. Sales process
2. Leads and detailed sales generation plan
3. Strategic partnerships
4. Timelines

**8 – Recognized Risks and Mitigation Strategies**

1. Recognized commercial risks
2. Recognized technical risks
3. Recognized organizational risks
4. Other recognized risks
5. Mitigation strategies

**9 - Organization and Management**

1. Organizational structure
2. Proposed management structure
3. Key personnel of business
4. Specialized training needs
5. Facility needs

**10 – Business Financial Outlook – Cash Flow, Balance Sheet & P&L, (Previous 2 years, 1yr 3yr and exit)**

**11 – Detailed Pre Money Capitalization Tables**

**12 – Detailed Use of Funds**

**13 – Detailed Commercialization Plan**

1. Product development plan
2. Product launch
3. Growth plan beyond launch

**14 - Technology Developments**

- 1. Technology readiness level (TRL)
- 2. Technology limitations
- 3. Technology requirements and risk mitigation
- 4. Competing technologies
- 5. Strategic business research

**15 – Key Milestones**

- 1. Key Technical Milestones
  - 1. Business formation and start-up date
  - 2. Key management personnel hired
  - 3. Job and wealth creation milestones
  - 4. Marketing Milestones
  - 5. Production Milestones
  - 6. Distribution Milestones
  - 7. Sales Milestones
  - 8. Patent Filing Milestones
  - 9. Additional capital Milestones
- 10. Key Commercialization Milestones

**7.1 ADDITIONAL ATTACHMENTS – (If AVAILABLE)**

**Section 4: Management & Sales Team**

Attach any letter of intent with channel or sales partners.  Attached  N/A

Attach additional sales and marketing information as needed.  Attached  N/A

**Section 6: Technology Development**

Details of any completed competitive scientific review.  Attached  N/A

Project Power Point Presentation.  Attached  N/A

These items are not required; however, including them will strengthen your company's ETF application.

**7.2 REQUIRED ATTACHMENTS**

**Section 7: Detailed Business Plan**

Detailed Business Plan.  Attached

In addition to a business plan, attach letters of understanding for partnerships and university collaboration. Also include resumes, CV's, or bio statements for all key managers.

Three (3) years of financial statements for each partnering company (or sufficient D&B or other credit information).

Attached

Financial statements for collaborating Texas Universities are not required. All other significant partners associated with the project in this application must attach financial statements. Please provide audited financial statements if possible.