INSTITUTE FOR COMMERCIALIZATION & INDUSTRY COLLABORATION

UCLA Samueli School of Engineering

Fee-for-Services & Commercialization Strategy Overview

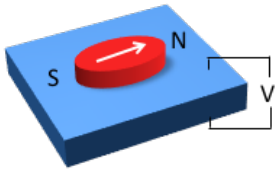
Schaffer Grimm

TANMS ERC Vision

Efficiently control magnetism in the small-nano scale

TANMS

Testbeds



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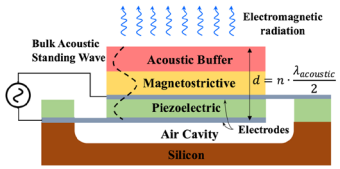
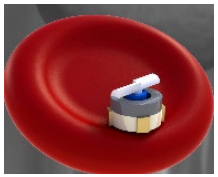
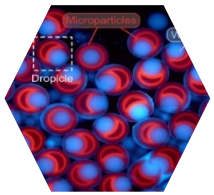


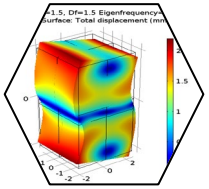
Antenna



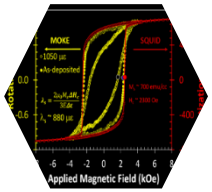
Motor



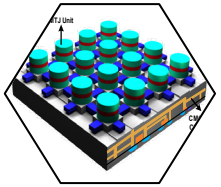
Materials



Modeling



Testing



Hardware

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Fee-for-Service Contract

	Sponsored Research Agreement	Fee-for-Service Agreement
Purpose	Advance knowledge Develop a specific technology, product, or solution	the client needs a particular service or expertise
Level of Control	May influence or provide input into direction of the research	Specific scope, timeline, and deliverables of the service
IP Rights	Subject to (lengthy) negotiation	Client owns IP (deliverables)
Publications	Include provisions regarding publications	Client may request confidentiality on deliverables

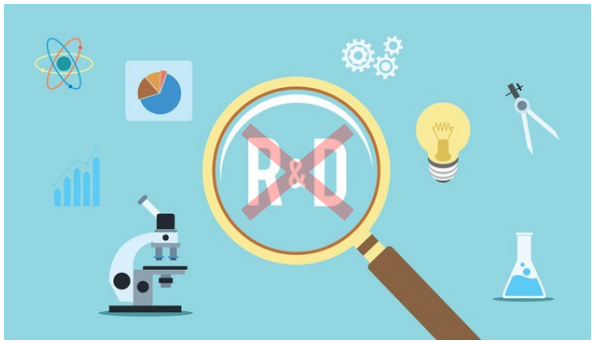
“Rules of the Road”

Rules pertaining to Fee-for-Service contracts:

- **Thou shall NOT lose money**
  - Need to set prices high enough to insure profit
  - Public institution can not subsidize private entities

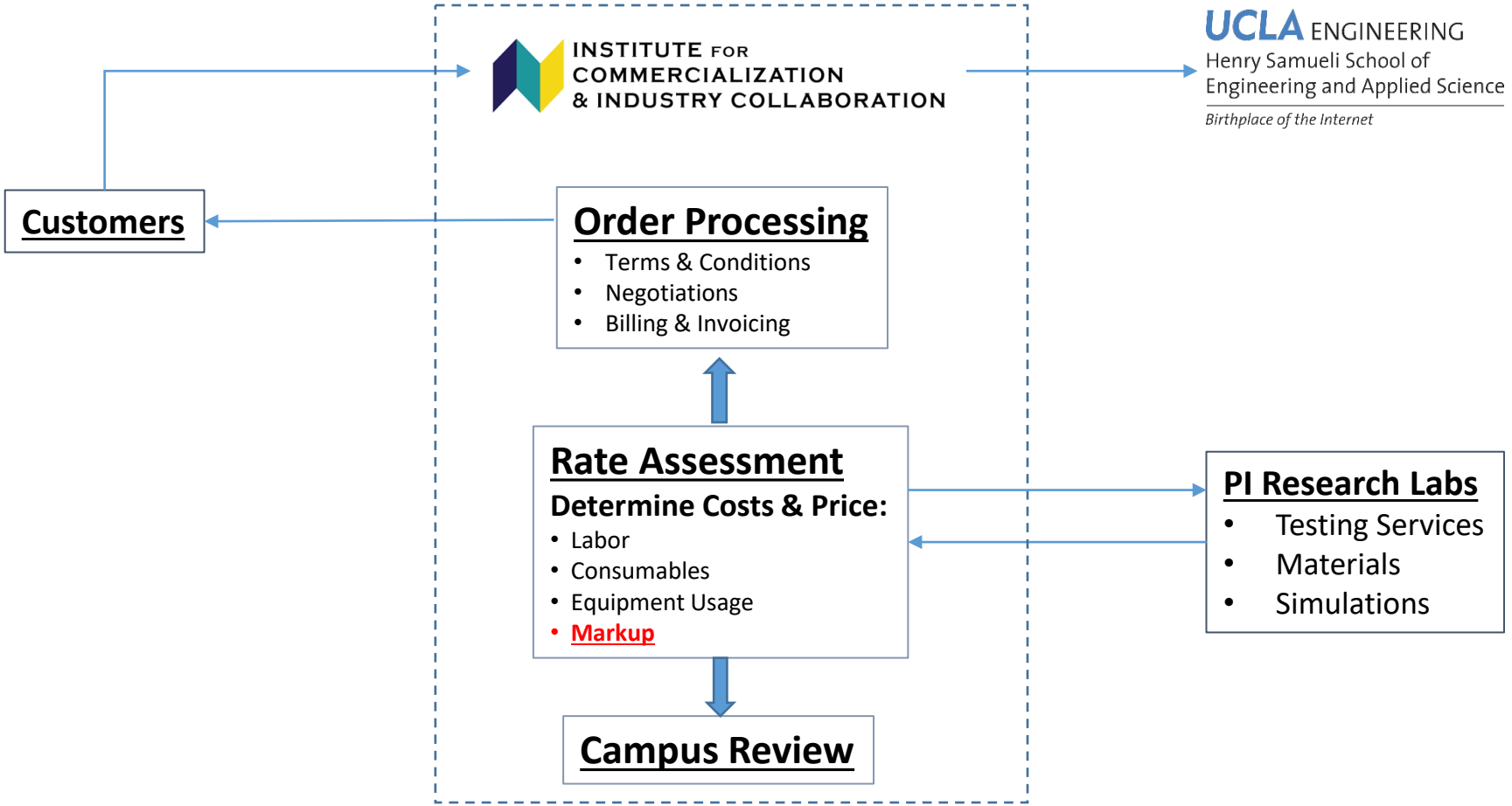
- **Pricing: ~ market rates (or above!)**
  - Based on what the market can bear!
  - Concern of under-cutting private industry

- **No Research & Development**
  - Otherwise Sponsored Research Agreement
  - Definition:
    - In the public domain (publications, patents, etc.)
      - It may be customized to specific client needs
    - Know how to do it
      - Defined approx. of time, materials, equipment, etc.
    - Directed specifically by the client



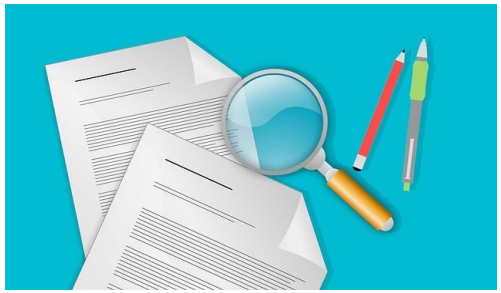
- **Use of Grad students**
  - Univ. is protective of demands on Grad students
  - Aligned with area of research
  - Limited hours
  - Better option – staff engineers, post-docs, undergrads

Fee-for-Service



Benefits for PIs

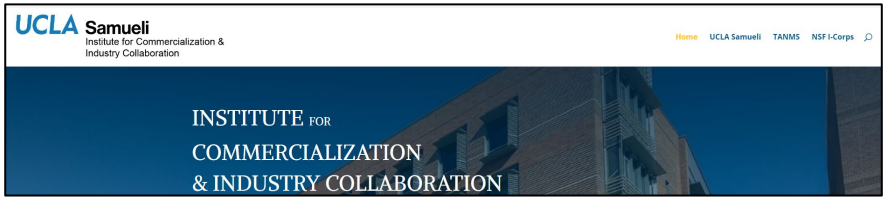
- ICIC handles administrative requirements:
  - To initiate sales of products or services
  - To manage industry projects
  - To manage invoicing and transfer of funds



- Preliminary evaluation of potential startup
  - Test external pricing
  - Middle man between Faculty owned startup & University

- Generates revenue for the PI lab
  - Offsetting labor expenses within the lab
  - Markup Funds are **<u>UNRESTRICTED</u>** (incl. NSTP)

- ICIC may list product or service on its website:
  - Marketing arm for your lab
  - Generate industry interest

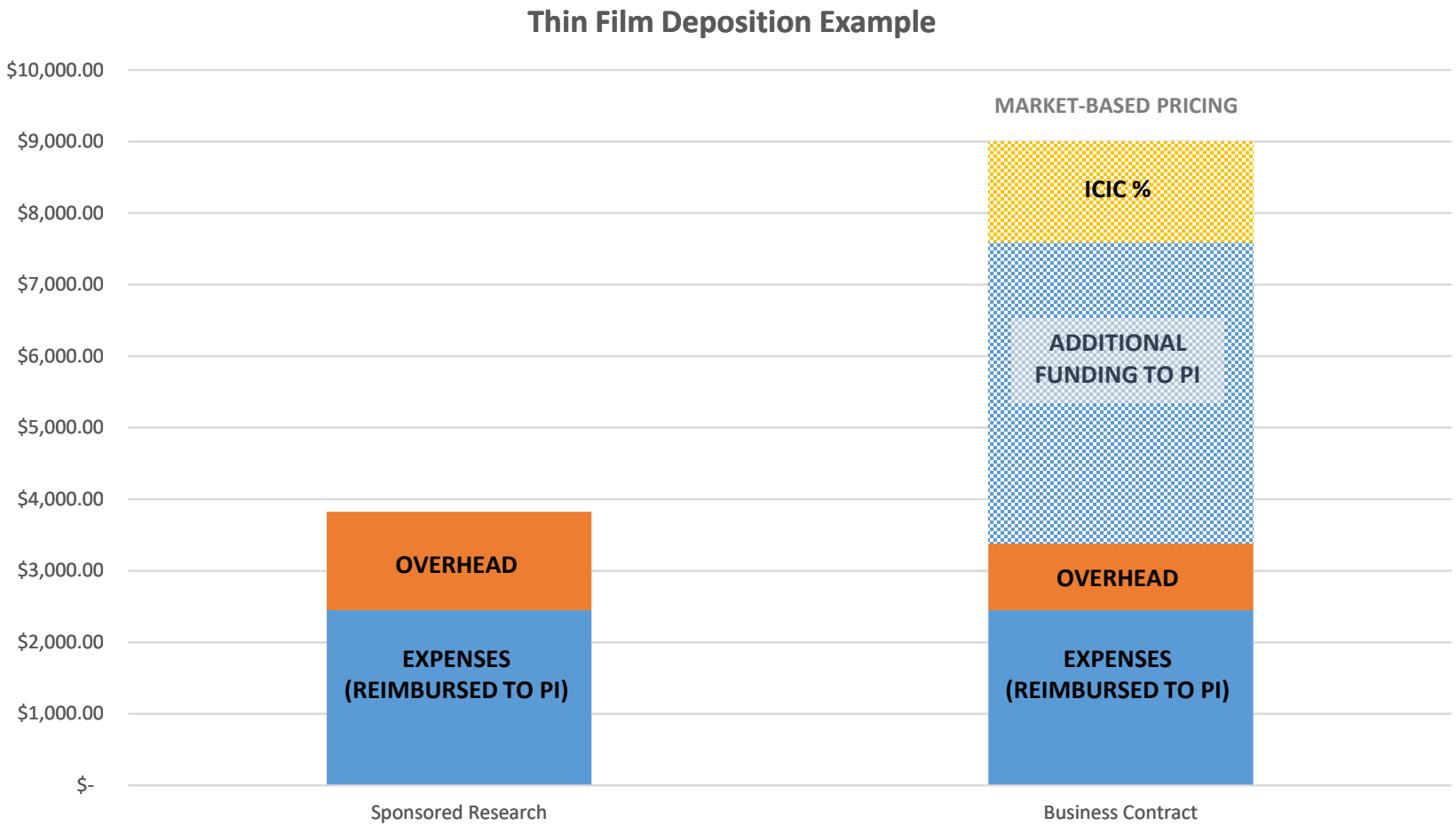


Industry Pitch

- **UCLA can "fill the gap" in R&D and prototyping:**
  - Provide custom / unique / expensive testing services
  - Access to unique materials
  - Modeling services
  - Data interpretation services

- **Benefits to Industry:**
  - Trusted 3rd party assessment
  - Leverage existing infrastructure and R&D investments
  - No IP Development – No IP Negotiations

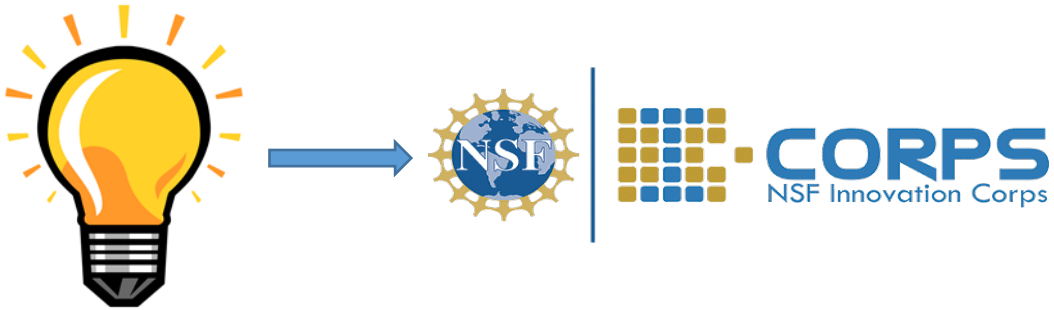
Comparison Example



Fee-for-Services Scenario: Commercialization Strategy

Commercialization Strategy

Innovation / Idea



Commercialization Strategy

Innovation / Idea

What students learn from the program

- Intro to Entrepreneurship education
- How to perform Customer Discovery
- How to talk to industry
- Where research may be applicable to industry

Improve interview skills and career placement opportunities

NSF | CORPS NSF Innovation Corps → Fee-for-Service @ UCLA Engineering

What you learn from Industry

- What problems your tech may solve
- How your tech may need to be modified
- Which companies / industries have interest
- Potential future customers / licensees

Determines commercial viability

Commercialization Strategy

Innovation / Idea

Fee-for-Service @ UCLA Engineering

Advantages of Sale Via UCLA Engineering

- UCLA Infrastructure supports the sale
- Increase value of IP
- Test:
  - Business potential
  - Pricing models
  - Scale of demand
  - Product-Market Fit

License **Sell@ UCLA** **Startup**

Marketing

External Pull Scenario

Customer

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I have that!

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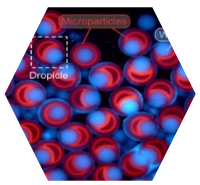
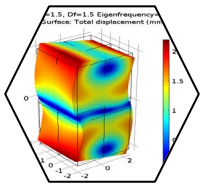


Materials



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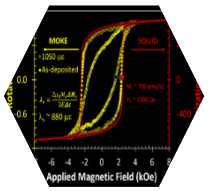
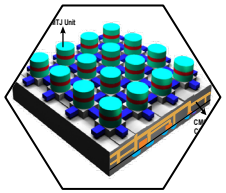


Testing



Hardware

*NO RESEARCH & DEVELOPMENT

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Demand Creation

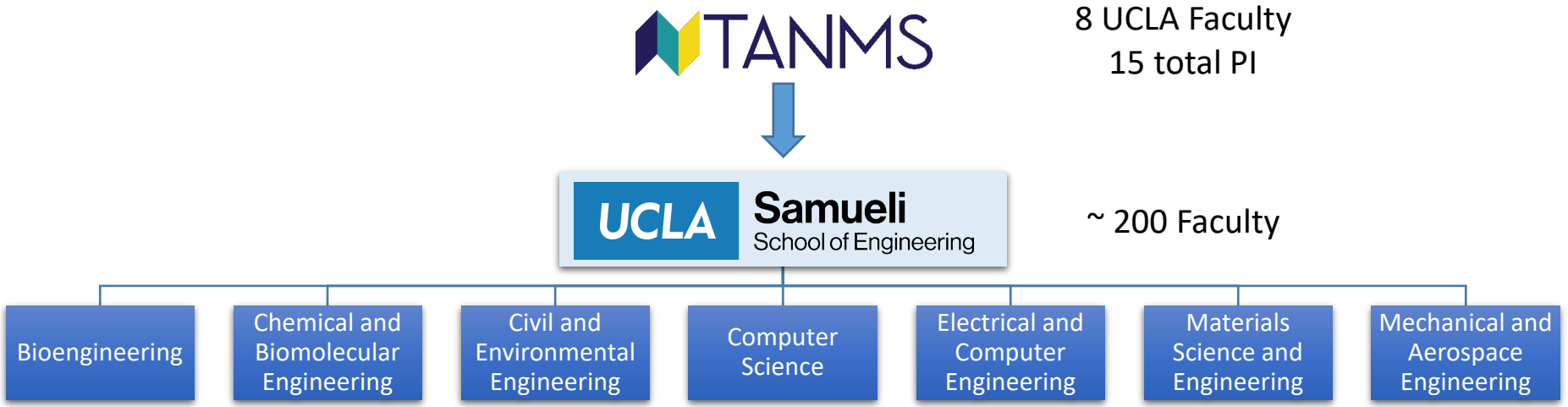
- **ERC Industry Members**

- **Target small, high tech companies**
  - Most in need
  - Easier to find decision makers
  - Faster time to negotiate
  - Grow with them

- **Targeting includes:**
  - ILO / PI personal network
  - SBIR awardees
  - UCLA connections

- **Leverage connections with Incubators / Accelerators**
  - Large # of portfolio companies / alumni companies to target
  - Incubators & Accelerators may give friendly intros to companies

Expansion



Host Industry Days:

- Focus on specific topics
- Engage with new companies / industries
- Meet more faculty
- Experience – similar to ERC meetings

The 3 Whys

Why you?

- ILOs / SPIs have a unique skillset to lead this
- Built in initial customer group ⟹ **Advisory Boards**
- Leverage Fee-for-Service ⟹ **New Industry Members**

ERC ENGINEERING RESEARCH CENTERS

Why This?

- Quantitative Metrics for commercialization
- Diversified revenue stream ⟹ **Sustainability**

• Why Now?

- Academia needs other revenue streams
- Industry needs academia for R&D efforts
- Filling a gap - NATIONALLY

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ICIC: Management Team

Schaffer Grimm

- Managed Foundry Services for NGC
  - Marketing & Sales
  - Operations
  - Customer contract negotiations
- Advised UCLA startups as part of ITA & I-Corps
- Director of Industry Relations for ICIC

Tsai-Tsai O-Lee

- 20+ years at UCLA managing multi-institutional centers
- Extensive knowledge and experience working with:
  - Sales & Service
  - Policies
  - Contracts & Grants, Purchasing, Accounting, Fund Management
- Technical expertise (database and website design/management)

Questions?

sgrimm@seas.ucla.edu | https://eps.tanms-erc.org/ | *310-825-7855*

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Appendix

I-Corps Overview

An Entrepreneurial training program:

For: **Researchers and Scientists** (Students, Postdocs and Faculty)

To: Get You Out of the Lab

&

Learn How to Evaluate the Market Opportunity

National I-Corps teams receive $50,000!!

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NSF Innovation Corps

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Why I-Corps?

I-CORPS Helps You Determine:

- If the market NEEDS your innovation
- Do you have product-market fit
- Commercialization Strategy
- Increases likelihood of receiving SBIR

#1 Startup Mistake: Building something nobody wants