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**Committee Meeting:** 8/24/2016

**Board Meeting:** 8/25/2016  
Austin, Texas

*Wallace L. Hall, Jr., Chairman*  
*Ernest Aliseda*  
*Alex M. Cranberg*  
*Brenda Pejovich*  
*Sara Martinez Tucker*

	<b>Committee Meeting</b>	<b>Board Meeting</b>	<b>Page</b>
<b>Convene</b>	9:00 a.m. <i>Chairman Hall</i>		
1. <b>U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration</b>	9:01 a.m. <b>Discussion</b>	<b>Action</b>	<b>299</b>
2. <b>U. T. System: Update on Office of Technology Commercialization strategic initiatives</b>	9:02 a.m. <b>Report/Discussion</b> <i>Ms. Goonewardene</i>	Not on Agenda	<b>300</b>
<b>Adjourn</b>	9:30 a.m.		

1. **U. T. System Board of Regents: Discussion and appropriate action regarding Consent Agenda items, if any, assigned for Committee consideration**

**RECOMMENDATION**

No Consent Agenda items are assigned for review by this Committee. The Consent Agenda begins on [Page 319](#).

2. **U. T. System: Update on Office of Technology Commercialization strategic initiatives**

REPORT

Ms. Julie Goonewardene, Associate Vice Chancellor for Innovation and Strategic Investment and Managing Director of the U. T. Horizon Fund, will report on the U. T. System Office of Technology Commercialization's strategic initiatives. A PowerPoint presentation is set forth on the following pages.

# Update on Office of Technology Commercialization (OTC) Strategic Initiatives

Julie Goonewardene

Associate Vice Chancellor for Innovation and Strategic Investment and  
Managing Director of the U. T. Horizon Fund

U. T. System Board of Regents' Meeting  
Technology Transfer and Research Committee  
August 2016



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# Discussion

1. Update on Key Activities
2. Overview of Strategic Direction
3. Appendix: Recent Accomplishments



# Update on Key Activities



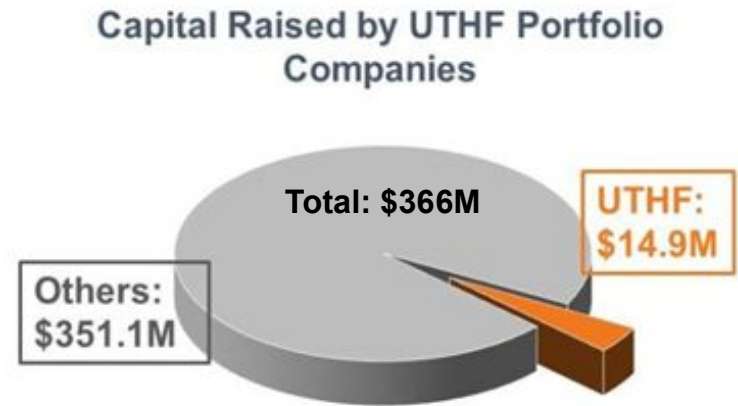
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# U. T. Horizon Fund (UTHF)

## Fund Summary

Fund Size	\$ 50,000,000
% Called	60.0%
Invested Capital	\$ 14,897,998
Realized Value	\$ 284,923
Unrealized Value	\$ 17,902,186
Realized + Unrealized / Invested Capital	1.22x
% Invested Plus Reserves	37.6%
Active Companies	15



# Knowledge and Ideas Exchange

## U. T. System Commercialization & Entrepreneurship Summit June 21, 2016

- Inaugural event convening commercialization and entrepreneurship professionals from across U. T. System
- More than 100 attendees
- Discussed prominent practices, key learnings, program objectives, and targeted impacts
- Post-event survey highlights value of Summit





# Knowledge and Ideas Exchange (cont.)

## Texas FreshAIR: Grand Challenges in Neuroscience October 6-7, 2016

- Convenes academic and health science faculty and students, industry, and government innovators to discuss developments in targeted areas
- Fifth conference attracting global interest
- Topics include neurodevelopmental disorders, neurodegenerative diseases, mental health, aging, inflammation, clinical practices, and drug development



# OTC Summary

- ✓ Repositioned for strategic impact
- ✓ Completed significant upgrades to processes, technologies, and financial controls
- ✓ Rebuilt culture focused on service to faculty and students at our institutions
- ✓ Entering detailed planning phase



# Overview of Strategic Direction



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# Innovation in Practice: Alafair Biosciences

**Core Invention:** Revolutionary adhesive technology that greatly improves post-surgical healing

## Commercialization Milestones:

- 2007 – NSF funding received to pursue core ideas
- 2008 – Texas Ignition Fund supported proof-of-concept research
- 2010 – Company formed
- 2013 – Business model evolved through various support mechanisms
- 2016 – UTHF investment; FDA clearance obtained



# OTC Statement of Value

**Mission** The OTC exists to ensure that life-changing innovations from the U. T. System reach the people who need them

**Mantra** We make innovation real



# OTC Statement of Value (cont.)

## Impact Areas

**Investment** – attracting and deploying funding, expertise, partners, and other resources to advance U. T. innovations into the world

**Invention** – creating a systematic approach to stimulate, refine, and deploy breakthrough innovations

**Infrastructure** – implementing tools and processes that connect innovators to the world in efficient and cost-effective ways



## Immediate Priorities: **Investment**

- ▶ **Proof-of-Concept Fund** — create a fund and related processes to advance promising discoveries to the point of market interest
- ▶ **Horizon Fund** — continue identifying, mentoring, marketing, and attracting funding to promising U. T. System-related ventures
- ▶ **Private Sector Partners** — define new engagement models for multi-institution partnerships with the private sector and other nonprofits
- ▶ **Competitive Position/Environmental Scan** — understand practices of other institutions that excel at commercialization; define a path to becoming the standard by which others are measured



## Immediate Priorities: **Invention**

- ▶ **Innovation Vision** — deploy a systematic process for stimulating and supporting breakthrough innovations across the U. T. System; articulate the definition of success in this mission area
- ▶ **Intelligence** — create a method of compiling, analyzing, and reporting relevant trends, external benchmarks, internal performance, and other meaningful data to guide future investments and focus areas
- ▶ **Mentor Network/Innovation Ecosystem** — implement the U. T. System entrepreneurship mentor network currently in the pilot phase; explore expansion of the network concept to other forms of innovation





## Immediate Priorities: Infrastructure

- ▶ **Outreach** — leverage the OTC website investment to improve digital presence of interested commercialization offices
- ▶ **Cost Reduction** — identify potential cost savings to campus commercialization offices and the U. T. System by coordinating purchases and examining commercialization technology/system standards and related practices
- ▶ **Transparency** — publish a commercialization/entrepreneurship annual report on behalf of the U. T. System; standardize metrics and determine reporting/stakeholder outreach routine



# Appendix: Recent Accomplishments



## Recent Accomplishments: **Investment**

- ✓ Elevated investment and data analytics talent level within the existing budget
- ✓ Improved responsiveness, transparency, and technology while tightening financial controls and improving value
- ✓ Recast the mission and investment thesis for the UTHF
- ✓ Provided recommendations to the Board of Regents on resources/funding needs for the commercialization enterprise
- ✓ Launched a strategic planning effort to reimagine the Office's role/value-add in private sector partnerships



## Recent Accomplishments: **Invention**

- ✓ Trained more than 400 U. T. System innovators
- ✓ Launched a pilot program to increase Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) awards
- ✓ Completed assessments of potential methodologies and partnerships to support a Systemwide mentoring program
- ✓ Developed an early stage partnership with an innovative analytics company to address workforce needs by matching U. T. System students and alumni with start-ups and small to mid-sized Texas employers



## Recent Accomplishments: Infrastructure

- ✓ Reduced costs and supported process improvements by negotiating and implementing multi-institution licenses for commercialization-related software and databases
- ✓ Simplified reporting processes
- ✓ Improved communications with institution offices
- ✓ Introduced new venues and tools for sharing information and ideas throughout the U. T. System commercialization and entrepreneurship enterprise

