



## Media Release

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## Tech Spin-Off Companies get Boost

June 13, 2005 -- The University of Utah has announced the creation and launch of a competitive grant program designed to enhance the potential success of spin-off companies that use technology created at the University. The program is entitled “Virtual Incubator Projects” (VIP’s) and will allow new spin-off companies to compete for awards of up to \$50,000 in research voucher credits for sponsored research at the University. Five VIP’s will be awarded each year for a cumulative program total of \$250,000.

The announcement of the Virtual Incubator Projects (VIP’s) comes from the U’s Technology Commercialization Office (formerly the Technology Transfer Office) and will be funded through the University of Utah Research Foundation (UURF). “With the growing success of its commercialization efforts, the University has an opportunity to enhance not just the survival rate of our spin-offs, but to accelerate the process of creating commercially viable enterprises by providing Virtual Incubator Projects,” said Brent Brown, Associate Director of the Technology Commercialization Office.

The University is playing an important role in promoting local and regional economies by cultivating an entrepreneurial ecosystem. The success of University spin-off companies is

critical to this mission. The Virtual Incubator Projects will enhance the likelihood that these spin-off companies will grow and mature in Utah. “The VIP’s will encourage technology spin-off companies to further partner with the University to access its unique resources for product development and support, and should promote the acceleration and success rate of these spin-offs. Their success will further spur economic development in our community,” said Jack Brittain, University Vice President for Technology Venture Development.

The intent of the VIP awards is to provide funding in the research and development gap between company inception and seed investment in order to: (a) accelerate the research and development cycle for University spin-offs so that products will reach the market more quickly than without the award, and (b) encourage more University spin-offs to reach commercial success.

A VIP will consist of a \$50,000 research voucher granted to qualified University spin-offs. This voucher entitles the company to monetary credit for sponsored research conducted at the University. The research activity will be directed toward further development of the licensed technology. The UURF will sponsor these vouchers by transferring funds to the University to cover the credit when the voucher is exercised. The flow of funds to the University will further support the mission of the UURF to support research efforts at the University.

“The measure of the success of this program will be an increase in the percentage of University spin-offs that have a product on the market and an average reduction in the period of time between licensing and product offering,” said Raymond Gesteland, vice president for research. In order to evaluate the new program, VIP awardees will provide a final report to the review committee at the completion of the project and an annual report thereafter for a period of five years.

The University continues to study mechanisms to promote the acceleration and incubation of these new start-up companies and future initiatives are anticipated. Contact

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