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Introducing Venture Well and the Venture Well Forum

We are very excited to announce NCIIA's latest program, Venture Well. Venture Well is a venture development and seed investment program for entrepreneurs developing scalable, market-oriented solutions to social and environmental problems. Its focus is on undergraduate and graduate student entrepreneurs and recent graduates. Venture Well helps emerging entrepreneurs launch businesses that will change the world.

The Venture Well program is centered around the Venture Well Forum, an invite-only, annual event where entrepreneurs engage with a collaborative network of peers, advisors and investors. The inaugural Venture Well Forum will take place at the end of the NCIIA Annual Meeting on Saturday, March 21, 2009 in Washington, D.C. Each year the NCIIA will accept applications for that year's Venture Well cohort, with ten teams chosen to participate. A call for applications for the 2009 Venture Well Forum will be launched soon, with a December 19 deadline for submission.

After attending the Venture Well Forum, teams will work with the NCIIA and its network of advisors to refine their business ideas, participating in an Advanced Invention to Venture workshop and several advisory meetings. During the year, the NCIIA will evaluate teams for potential investment and also connect teams to other investors. The NCIIA expects to make 2-3 equity investments (not grants) of \$50,000 - \$100,000 by the end of 2009.

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NCIIA News is the bi-annual newsletter of the National Collegiate Inventors and Innovators Alliance (NCIIA)
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www.nciia.org

Fulfilling the Mission

At the NCIIA, we focus on promoting invention, innovation and entrepreneurship, helping faculty and students create and commercialize their ideas. But there's a gap in the process, particularly at the point where student teams have formed early-stage ventures but haven't raised the capital to become full-fledged companies. That's where our new seed investment program, Venture Well, comes in.

The Venture Well program is for the best student teams focused on solving important social and environmental problems through technology innovation. Venture Well provides advice and mentoring and, for a select few, direct equity investment from the NCIIA. This funding covers the gap between the emergence from the college or university environment and funding by angel or VC investors or sustainable revenue. We may make these investments alone or with other like-minded co-investors.

To keep with the investment theme, page 2 features the story of two former E-Teams (Endoluminal Sciences and Intelliject) that went on to receive venture capital funding. The founders, Ashish Mitra and Evan Edwards, discuss the pros and cons of venture funding, how they positioned themselves to receive it, and what current and prospective E-Teams can do to get where they are now.

Make sure to register for the NCIIA 13th Annual Meeting, "Innovations Unlimited: Advancing education, investing in change." This year's meeting, from March 19-21 in Washington, D.C., will feature exciting presentations in innovative formats, covering ground from creativity to intellectual property to sustainability. The conference will also feature the inaugural Venture Well Forum, an annual, invitation-only Venture Well event featuring pitches, critical analysis and networking for select student teams. We hope to see you in D.C.!

Lastly, I want to call your attention to the upcoming deadline for our Sustainable Vision grants: **October 17, 2008**. Don't miss out on the chance to strengthen your important work in moving ideas to commercialization for the benefit of people living in poverty. See www.nciia.org/g_sustainable.html for more.

Sincerely,



Phil Weilerstein,
Executive Director

Bridging the Gap

Two E-Teams talk about how they got venture capital funding—and the impact it made

One of the primary reasons the NCIIA is starting Venture Well is to address what you could call the “Big Gap”: the space between a group of college students working on an idea and a full-fledged venture worthy of investment. There’s a long way to go between the two, and it takes lots of hard work to get from one to the other. This summer we talked with two teams that succeeded in going from student E-Team to start-up to venture-funded company and discussed their journey through the world of early stage funding and venture capital. How do you set yourself up to even be considered for venture capital funding? What are some of the pros and cons of taking equity financing? Their answers provide some good advice for prospective E-Teams.



Edwards in his E-Team days holding the EpiCard prototype

The interviewees are both in the medical device field. Ashish Mitra was part of the Novel Aortic Endograft E-Team from Stanford, developers of a stent graft with an adhesive delivery platform. They went on to form Endoluminal Sciences and received \$2 million in venture funding. Evan Edwards, recipient of an E-Team grant in 2000, has been working toward commercializing his invention—a credit-card-sized epinephrine injector for people with severe allergies, dubbed the “EpiCard”—for the past eight years. His company,

Intelliject, has received \$13 million in venture funding and EpiCard is in late stages of development.

Here are some highlights from the discussion.

How did you position yourselves for venture capital funding?

Edwards: The first step in moving toward VC funding is interacting with people. Talk with local businesses, join a venture group, join an on-campus entrepreneurship club. By going to their meetings and attending their seminars you’ll gain an understanding of how to write a business plan, or how to value your company, or how to do the financials; whatever you need. You’ll make your strengths even stronger and shore up your weaknesses. That will start you down the right path.

Then you have to just get out there and see what they say. We made the rounds and presented the Intelliject business plan, and the feedback we received from the angels and VCs was very specific and very helpful. We re-worked the venture, then targeted VC firms that we thought would be excellent partners and obtained warm introductions.

Mitra: The first thing we concentrated on was the idea. Venture capitalists want big ideas with big potential returns, so we made sure we had a practicable, useful idea that addressed a huge unmet need. We made sure the need was validated by experts—physicians, engineers and VCs—and presented positive preliminary test data proving our concept.

What are some of the pros and cons of taking equity financing?

Edwards: On the plus side, you get smart money to help build the company, and you’re backed up by deep pockets if you need subsequent investment. The negative: big decisions need to be approved by the VC.

Mitra: For a university off-shoot like ours, the pros of equity financing far outweighed the cons. In fact, equity financing was really the only option given the R&D nature of the project and that none of the inventors/founders were in a position to support debt financing. VC funding not only enabled us to work under the mentorship of a highly experienced investor team but also helped us get to the point where we are moving to market faster. The obvious disadvantage with equity financing is the rate at which the shares of the founders are diluted over a period of time.

What would you recommend emerging E-Teams do to position themselves for major funding?

Edwards: The first thing is to get a great idea, put together a great team, and work hard on the idea and on interacting with people. Once you’re ready for the VCs, be targeted in your approach and evaluate VC firms carefully. Interview them as much as they interview you! Take a careful look at their domain expertise, their network, and their strategic thinking. Only do business with the firms that are right for you.

Mitra: My primary recommendation would be to involve a godfather—a star in the relevant area—right from the start. This will load the magazine of your pitching gun with words that tend to hit the bullseye of any investor pitch. The brighter the star, the more visible he or she should be on the team.

One other piece of advice: investors pay much more attention to the team that will execute the project as compared to the team that invented it. The objective should not only be to convince them that the idea will work but also that the team can make it work.

Both Mitra and Edwards agree that the the real work begins only after you receive major funding. Mitra needed to execute a multitude of tasks, from finding office space to hiring new employees, and Edwards used the money to finalize the product and move toward manufacturing. But both readily attest that the time and effort it takes to get VC funding is well worth it. The satisfactions, both mental and financial, can be substantial. And they’re both happy to get the chance to make a real difference in the world. ○

NCIIA grants recommended for funding: May 2008

Advanced E-Team grants

Endurance Rhythm

Paul Wang, Stanford University
\$16,700

Solar Lighting Systems for Remote Rural Communities

Toby Cumberbatch, The Cooper Union
\$18,500

The Negative X-ray Rapid System

Bolanle Asiyabola, Johns Hopkins University
\$16,500

Uterine Atony Device Design Team

Timothy Allen, University of Virginia
\$16,100

Malawi Water Cycle

Howard Davis, Washington State University
\$18,000

NovaPatch

Aileen Huang-Saad, University of Michigan
\$16,710

Gallbladder Stent Insertion Regulator

Timothy Allen, University of Virginia
\$15,200

Dizziness Diagnostic Device (D3)

Charles Della Santina, Johns Hopkins University
\$17,000

Enabling Solar Disinfection of Turbid Water by the World's Rural Poor

Kenneth Schug, Illinois Institute of Technology
\$6,000

PneumoCheck—A New Specimen Collection Device

David Ku, Georgia Institute of Technology
\$18,500

Low Cost Ventilator for Use in Developing Nations and Large Scale Disasters

Thomas M. Krummel, Stanford University
\$19,000

Disposable Robot De-Mining

Burt Swersey, Rensselaer Polytechnic Institute
\$13,420

Small Engines Enterprise

Paul Hudnut, Colorado State University
\$15,300

Portable Negative Pressure Ventilation Device

Artin Shoukas, Johns Hopkins University
\$17,562

Course & Program grants

Enabling Student Innovation in Biomedical Engineering: Development of a Graduate Level Innovative Design Class

Aileen Huang-Saad, University of Michigan
\$36,500

University of California, Davis Program for International Energy Technologies (PIET)

Andrew Hargadon, University of California, Davis
\$47,500

E-Team Workshop Series and Phase 0 Seed Fund Program

Mark Weaver, Louisiana State University
\$22,500

A Multi-disciplinary, Multi-level Innovation-team Course

David Wells, North Dakota State University
\$9,000

Global Healthcare Technologies Program

Matthew Glucksberg, Northwestern University
\$46,000

Development of a Multi-disciplinary New Product Development Course

Tucker Marion, Northeastern University
\$29,000

Social and Sustainable Entrepreneurship

Robert D'Intino, Rowan University
\$6,000

A Proposal to Develop a Curriculum-based Module Integrating Innovation and Commercialization Disciplines into a New Robotics Technology Product Design Platform

Jerry Schaufeld, Worcester Polytechnic Institute
\$7,000

The Four Directions Program

Gerald O'Neill, Arizona State University
\$35,135

Mercer University School of Engineering Entrepreneurship Engineering Education Program

Monika Bubacz, Mercer University
\$7,000

Venture Well has three main goals:

- Inspire the next generation of socially and environmentally focused ventures
- Provide seed funding and advisory support for the best of these ventures
- Provide an ongoing forum for new and existing businesses to collaborate in their world-changing ventures

Venture Well is looking at four general investment categories:

1. Medical devices and medical software
2. Cleantech (green materials, biofuels, etc.)
3. Services and software ventures serving Bottom of the Pyramid customers
4. Energy- and water-related devices for the poor (clean cookstoves, pumps, water filtration, etc.)

Joseph Steig, who initiated the I2V program for the NCIIA, is heading up Venture Well. When asked why the NCIIA is starting seed investment activity, Steig said that, “NCIIA has long been supporting student ventures through E-Team grants, and has increasingly supported socially focused E-Team projects. Venture Well is the next logical step in the process. NCIIA recognized a need to provide innovative ventures focusing on high social impact with financing to close the gap between the university environment and a full-fledged venture. Venture Well looks to take the best of the best of these student ventures and provide them with the funds and know-how to make a real impact on the world.”

But Venture Well is not just an investment vehicle. A key feature of Venture Well will be the community that develops around the Forum. Steig envisions Venture Well-funded companies returning to the Forum to act as mentors to subsequent cohorts of Venture Well participants. Investors will return for the chance to see the best teams United States higher education has to offer—and invest in and act as advisors to some of these ventures. NCIIA itself will keep in close contact with Venture Well-funded teams, providing ongoing support over a 7-10 year period as the ventures mature.

Again, the inaugural Venture Forum will be launched at the NCIIA 13th Annual Meeting on Saturday, March 21. Select student ventures will be invited to attend; pitching, critical analysis, advice and network-building will be on the menu. Visit www.venturewell.org for more information. ○

2008 BMEidea winners and a 2009 invitation

BMEidea is a national competition celebrating student biomedical innovation. Now in its fourth year, BMEidea has become a premier competition that draws interest from biomedical engineering departments across the country. 2008 brought an exciting array of submissions—we are thrilled to support the winners as they move forward.

Note: we are also gearing up for BMEidea 2009. Five hundred dollar (\$500) stipends are available to a limited number of teams participating in the competition. To apply, candidates must complete an online RFP accessible through <http://www.nciia.org/bmeidea> by **November 7th, 2008**. Notification of stipend awards will be made by February 2009.

First prize (\$10,000): Rapid Suture *Stanford University*

Rapid Suture is a small, inexpensive device that allows for quick, safe, and easy surgical tissue manipulation during laparoscopic procedures.

Second prize (\$2,500): KMC ApneAlert *Northwestern University*

KMC ApneAlert monitors abdominal breathing movements in infants and sounds an alarm when the infant stops breathing.

Third prize (\$1,000): REGEN: Local Delivery of Post-Operative Analgesia *Johns Hopkins University*

REGEN is a new approach to post-laparoscopic surgery pain management. It is a small implantable receptacle that diffuses pain-relieving analgesic directly at the site of a laparoscopic incision, eliminating the need for supplemental drugs.

Visit nciia.org/bmeidea for more information!



The BMEidea trophy spends a year on display in the department of the first prize-winner's school.

5th Annual **Olympus** Innovation Awards Program

Recognizing outstanding faculty and staff who foster and demonstrate innovative thinking in entrepreneurship education.

Nomination deadline: **November 21, 2008**

Learn more and nominate a colleague, a mentor or yourself for the:

- Olympus Innovation Award
- Olympus Emerging Educational Leader Award
- Olympus Lifetime of Educational Innovation Award

at www.nciia.org/olympus



Venture Well

Wanted: *The next great company that will change the world.*

Venture Well is a new program of the NCIIA providing venture development and seed investment to entrepreneurs creating scalable market-oriented solutions to social and environmental problems.

Venture Well Forum in Washington, D.C. **March 21, 2009**

Deadline to nominate venture teams to participate:
December 19, 2008



Innovations Unlimited:

Advancing education, investing in change
The NCIIA 13th Annual Meeting
March 19-21, 2009::Washington, D.C.

Growth in the field of technology entrepreneurship education has led to the creation of successful, ongoing programs that produce real commercial outcomes with positive social impacts. What are the key processes and systems that vault a program to the next level of success? How do we ensure the success of E-Teams? Join us for a conference that will feature exciting presentations in innovative formats, covering topics from creativity to intellectual property to sustainability.

Register now for this exciting meeting by logging in at www.nciia.org/login. More information about the conference is available at www.nciia.org/conf09.



NCIIA NEWSLETTER



National Collegiate Inventors & Innovators Alliance
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Use our online
grant application
system!
www.nciia.org

Next NCIIA grant deadlines

Sustainable Vision grants:

October 17, 2008

Course & Program and Advanced E-Team grants:

December 5, 2008

Sustainable Vision grants (\$10,000 - \$50,000) support transformative educational programs where breakthrough technologies are created and commercialized for the benefit of people living in poverty in the US and abroad. Past grants have addressed basic human needs such as health, food, security, clean water and affordable energy for people living in poverty.

Advanced E-Team grants (\$1,000 - \$20,000) support commercial outcomes by moving innovative products or technologies from idea to prototype. E-Team grant proposals must demonstrate an idea's technical feasibility, potential for commercialization, and social value.

Course & Program grants (\$2,000 - \$50,000) are awarded to faculty and staff at colleges and universities to help improve existing curricular programs or build new programs in invention, innovation, and entrepreneurship. To obtain the full RFP and apply online, visit www.nciia.org or e-mail info@nciia.org.

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