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University Technology Fund (UTF) Pre-Seed Fund Application Process

Background

The UTF has been established to bridge the gap between the research and commercialisation stages, the two primary challenges being:

- Adequate Pre-Seed and Seed funding; and
- Series Seed and Series A funding (commercialisation capital and follow on Venture Capital).

Key UTF Stakeholders:

- SA SME Fund – Initial Investors of The UTF
- Investors – future investors of The UTF
- Stocks and Strauss Fund Manager – Fund Manager of The UTF
- The UTF Investment Committee – The Investment Committee will make investment and divestment decisions in respect of the Series Seed and Series A investments
- The UTF Stakeholder Board – The Stakeholder Board will comprise key stakeholders of the UTF: The Fund Manager, the SA SME Fund, other investors and key representatives from the TTOs. The Stakeholder Board will serve as a forum for the stakeholders to collaborate as well as to discuss operational issues that need streamlining
- The UTF Advisory Board – The Advisory Board will include representation from the SA SME Fund and other significant investors and will be responsible for investor-related decisions in the Fund
- University Technology Transfer Offices
- Inventors, scientists, researchers, founders – University entrepreneurs

Investment target of the UTF

Pre-Seed Investments: The UTF pre-seed funding, of up to R500 000, is made available to and from Innovus at Stellenbosch University which has the overarching goal of removing early barriers to commercialization for technologies emerging from Stellenbosch University. Only projects, having at least a level of TRL3 (See Annexure A), and which have been disclosed to Innovus will qualify for UTF pre-seed funding. Please work through your Technology Transfer project manager to apply for the funding.

Seed Investments: being projects or entities with a target value of at least R500 000 but not more than R1 500 000 per opportunity on a cumulative basis, which require funding for technology development and pre-commercialisation support. Seed Investment is currently available for the University of Stellenbosch and Cape Town University and will be extended to other Universities once additional funds can be secured by the UTF.

Series Seed Investments: being projects or entities which are ready for and require the first round of equity (or equity like) funding

Series A Investments: being projects or entities which are in the post revenue growth phase and which target traditional venture capital investors.

UTF @ a glance

<https://www.dropbox.com/s/3bgozqueuet2w23m/UTF%20TTO%20Process%20at%20a%20glance.pptx?dl=0>

PRE-SEED UTF

What to expect from the application and pre-seed funding process

After initiating contact with your Innovus TTO project manager, the project manager would screen the project and should the project qualify for UTF pre-seed funding, will arrange a meeting with you and the Innovus UTF Pre-Seed Fund Committee. At this meeting you are required to pitch your project in 10 minutes setting out details for which funding is required, providing an accurate budget, considering the deliverables and how the deliverables enables further commercialisation, timelines and business potential of the project. You will be required to submit a short summary of your project to the committee at least 3 days prior to the pitch. Templates for the application and pitch are provided.

Your Innovus project manager will notify you within 5 days on whether your pitch was successful or not. They will also give you feedback on any suggestions or recommendations the committee made.

Should your pitch be successful, you will be required to complete a detailed Pre-Seed UTF application form for submission to the Innovus UTF Pre-Seed Fund committee. Based on the application form the committee would make their final decision regarding the funding.

The project leader would be informed of the final decision within 7 days.

All IP developed using the UTF funds are proprietary to the University in compliance with the IPR Act and the SU IP Policy. All funds are managed in accordance with a Funding agreement that each successful applicant must sign before any funds will be made available.

The process steps

1. Approach your Innovus technology transfer officer (TTO)
<https://www.dropbox.com/s/z6mqjybvwpul5ye/TT%20Team.pptx?dl=0>
2. Complete short application form <https://www.dropbox.com/s/li7tbqr6si6nno4/UTF%20Pre-Seed%20Short%20Application%20of%20Interest.docx?dl=0>
3. Prepare a short pitch of the project (10min) using the required format
<https://www.dropbox.com/s/10q3vjfcjffe5gg/UTF%20Template%20-%20update.pptx?dl=0>
4. Feedback to applicants
5. Successful applicants will be informed and be requested to complete the detailed application
6. Complete detailed application forms and send to your TTO
<https://www.dropbox.com/s/3hi4ijk8napox9I/UTF%20Pre-Seed%20Application%20Form.docx?dl=0>
7. Innovus UTF Pre-Seed Fund Committee will process application
8. Funding agreement to be signed
<https://www.dropbox.com/s/28o2jxgmpn5lskc/UTF%20Agreement%20%20Template%20May%202020.docx?dl=0>
9. Open cost point for the transfer of the UTF funds
10. All external vendors used in application of funds require the appropriate agreement NDA and Consulting Service. Contact your TTO at Innovus for assistance.
11. Reporting on the project progress as agreed with the Committee on case by case basis
12. Once a month feed-back to the external UTF fund managers

Please contact Innovus if you need more information or if you have any questions:

Contact Persons:

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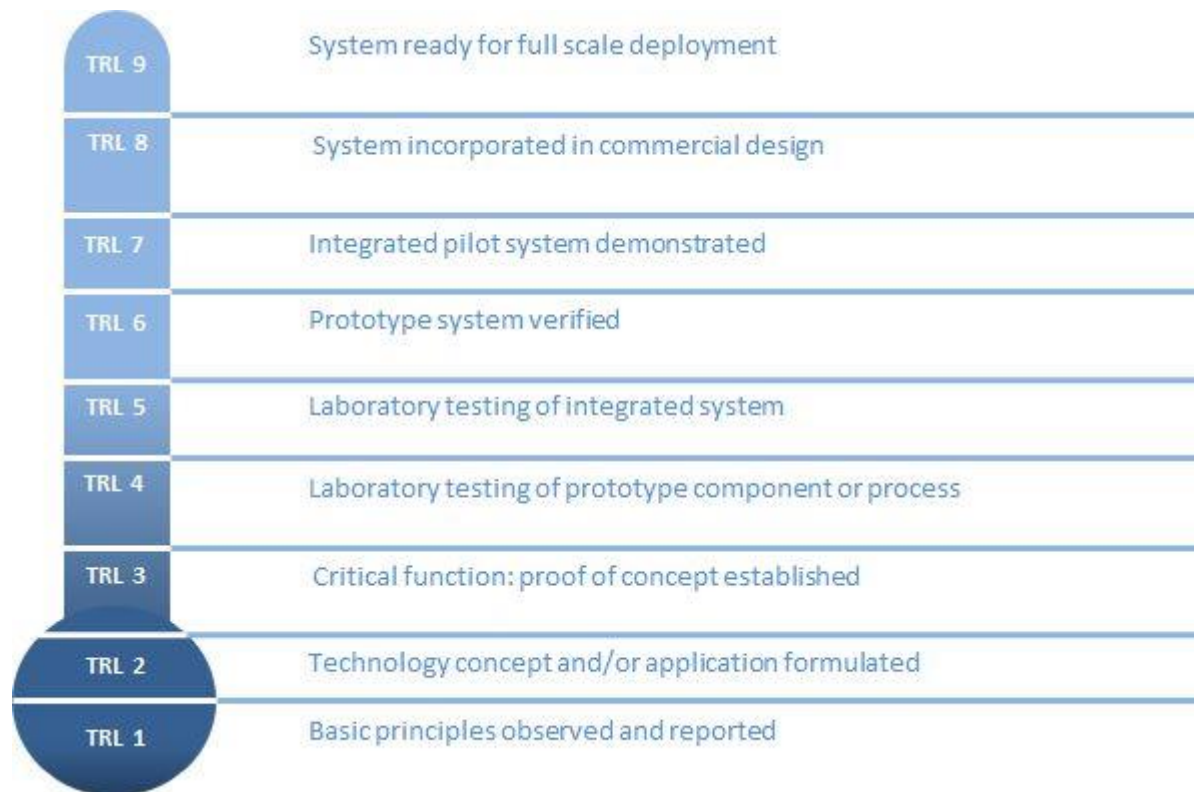
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Annexure A: Technology Readiness Level Table

A vertical table with 9 rows. The left column contains TRL numbers from 9 at the top to 1 at the bottom. The right column contains descriptions of each TRL level. The TRL 1 cell is highlighted with a dark blue background, while the others are light blue. The table is styled with rounded corners and horizontal lines separating the rows.

TRL 9	System ready for full scale deployment
TRL 8	System incorporated in commercial design
TRL 7	Integrated pilot system demonstrated
TRL 6	Prototype system verified
TRL 5	Laboratory testing of integrated system
TRL 4	Laboratory testing of prototype component or process
TRL 3	Critical function: proof of concept established
TRL 2	Technology concept and/or application formulated
TRL 1	Basic principles observed and reported

Reference: http://www.innovationseeds.eu/Virtual_Library/Knowledge/TLR_Scale.kl