

INiTS

Innovation in Technology and Science

Georg Kroiss Schwechat, 18. Juni 2007



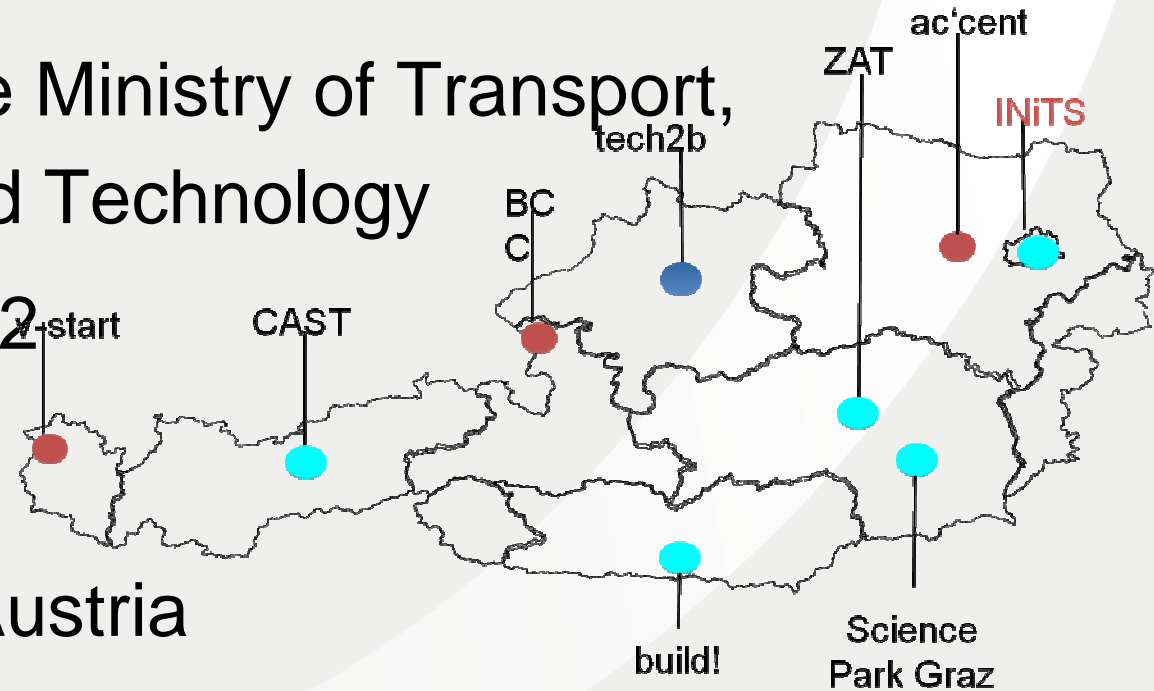
Austria: Current Situation

- High quality of research (technology, natural sciences), but low percentage of high-tech company foundations
- Lack of awareness concerning IP-issues and economic exploitation in the scientific community
- Common obstacles: lack of business and market know-how, risk-aversity, lack of funds

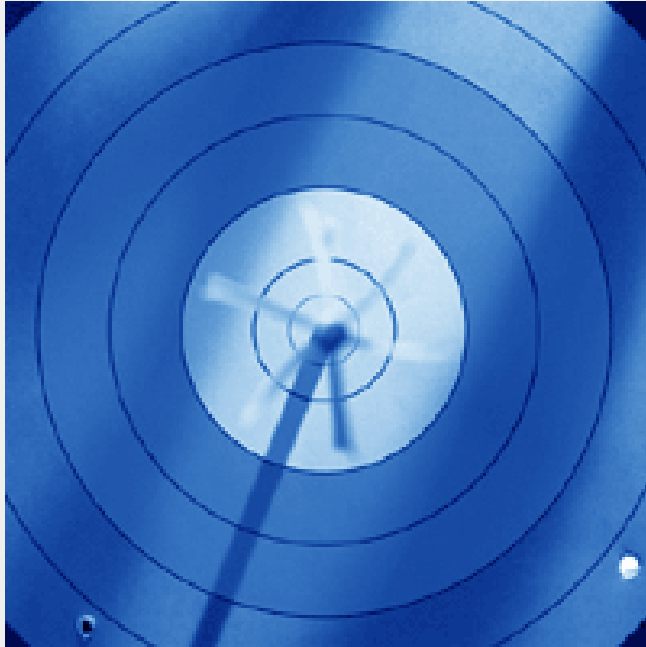


AplusB – The Program

- Initiative of the Ministry of Transport, Innovation and Technology
- Started in 2002
- 9 Centers in Austria
- € 38 Mio. national, regional and institutional funds
- Currently 118 academic start-ups
- 250 planned projects (within 5 years)



AplusB – INiTS Objectives



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- increase both
 - number *and*
 - success rateof academic start-ups in Vienna Region
- Focus: innovative, technology-based start-ups
- ICT, Life Science and other technologies
- Target market: academic and research institutions in the Vienna Region



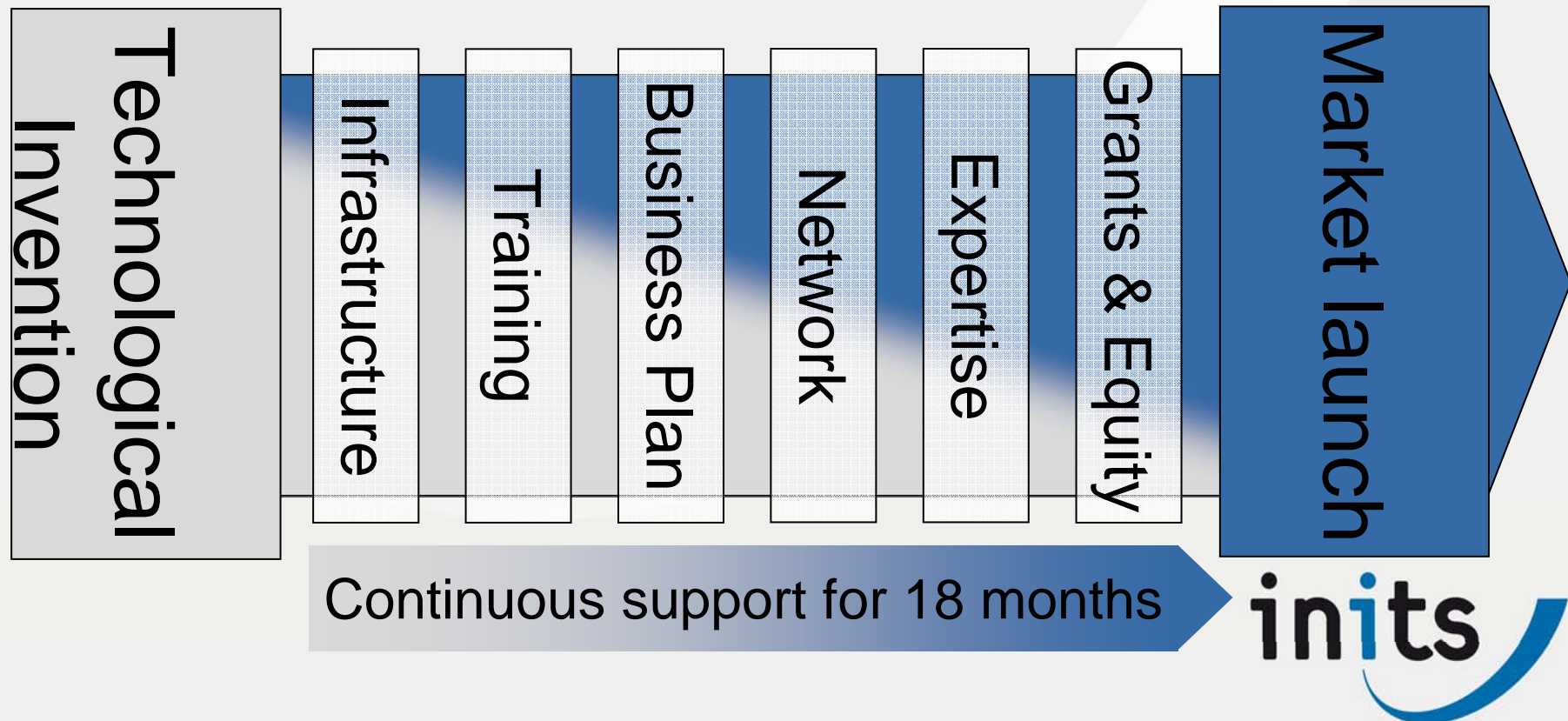
Who is INiTS? Ownership Structure

- Legal status: private limited company (GmbH)
- Shareholders:
 - University of Vienna (37%)
 - University of Technology Vienna (37%)
 - ZIT – Centre for Innovation and Technology (26%)-
Subsidiary of the Business Development Fund of

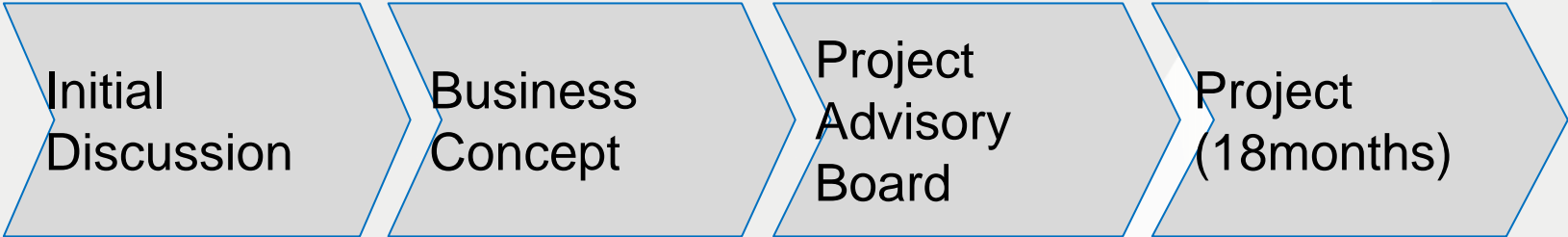


What does INiTS Offer?

INiTS supports the path from technological invention to successful launch of a market innovation.



INiTS Incubee Admission



First information and discussion of the venture

Preparation for the Project Advisory Board:
Development of business concept

Presentation to the Project Advisory Board:
Decision over INiTS support

All INiTS Services



How Much Does the Service Cost?



FREE SERVICES

INITs FINANCE

INiTS FINANCE PAYBACK

Internal Services -> ca. 2/3 in case of success – ca. 15k EUR

External Services -> ca. 2/3 in case of success – ca. 35k EUR

Success = Foundation and existence of company at time x

Failure: ~ 5k EUR risk fee



Achievements so far (INiTS)



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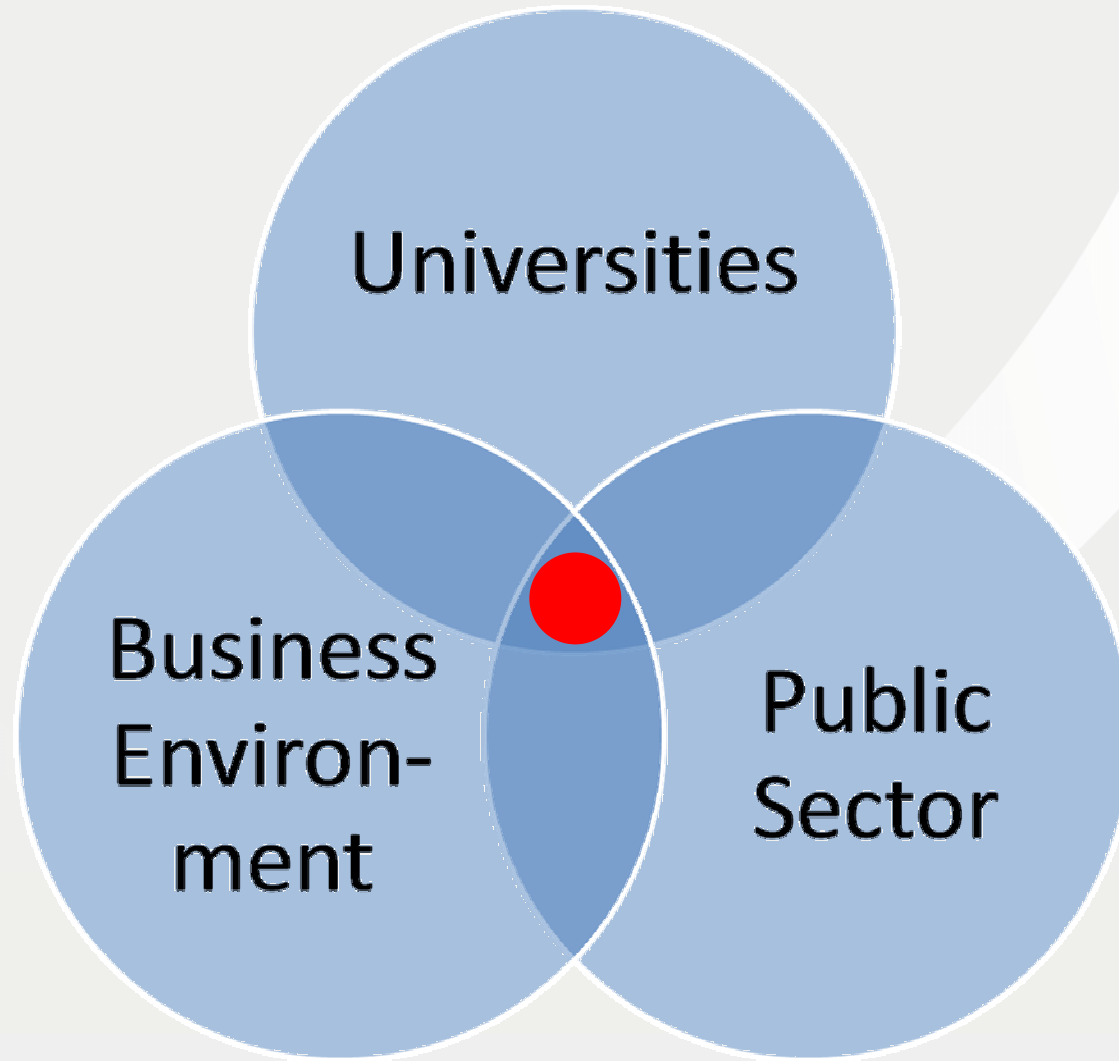
- ~100 projects screened/year
- Total of 52 incubation projects
- Currently 22 projects in incubation
- 11 patents awarded, 31 filed
- 210 jobs created
- EUR 9.7 Mio. of grant capital acquired
- EUR 6.25 Mio. private equity acquired
- Total of EUR 2.8 Mio. annual revenues



EXPERIENCE AND LEARNINGS SO FAR



Learnings I: External Success Factors



External Success Factors – Universities

- Support from administrative head to individual researcher
- Research activities – quantity and quality
- University IP strategy
- R&D Department, TLO
- Organization, staffing and business practices



External Success Factors – Business Environment

- Business Angels
- Seed & Venture Capital
- Entrepreneurs
- Qualified Consultants
- Innovative, technology focused companies



External Success Factors: Public Sector

- Tax environment (e.g. R&D Tax credits)
- Grants
 - amounts, accessibility, focus, stage, ...
- Education System, ...

Internal Success Factors – Partners

- Academic partners
Sources of ventures, R&D partnerships
- Networking partners
All organizations that support company foundations or tech transfer
- Service partners
Provide services at below market rate
- Industry partners
Know-how, cooperation
- Alumni
Know-how, pipeline



Internal Success Factors

– Portfolio Management

■ Specialization vs. Generalism

- High deal flow helps
 - Routine in general aspects of high-tech foundation
 - Attractive to service partners
- Specialization creates value
 - Certain areas covered within team, others via external sources



Internal Success Factors – Team

- Diversity is key
 - Male & Female
 - Young & Old
 - Research background & Business background
- Focus should be on relevant industry and entrepreneurial experience
- Quality vs. Quantity
 - 4 to 6 projects per project manager seems ideal



Other Experience - bottlenecks

- Finding finance is not the key bottleneck – venture quality is
- Finding highly-qualified business staff willing to take up the challenge of a start-up is hard
- pre-incubation period of ~3-6 months with clear goals would be useful for assessing team potential



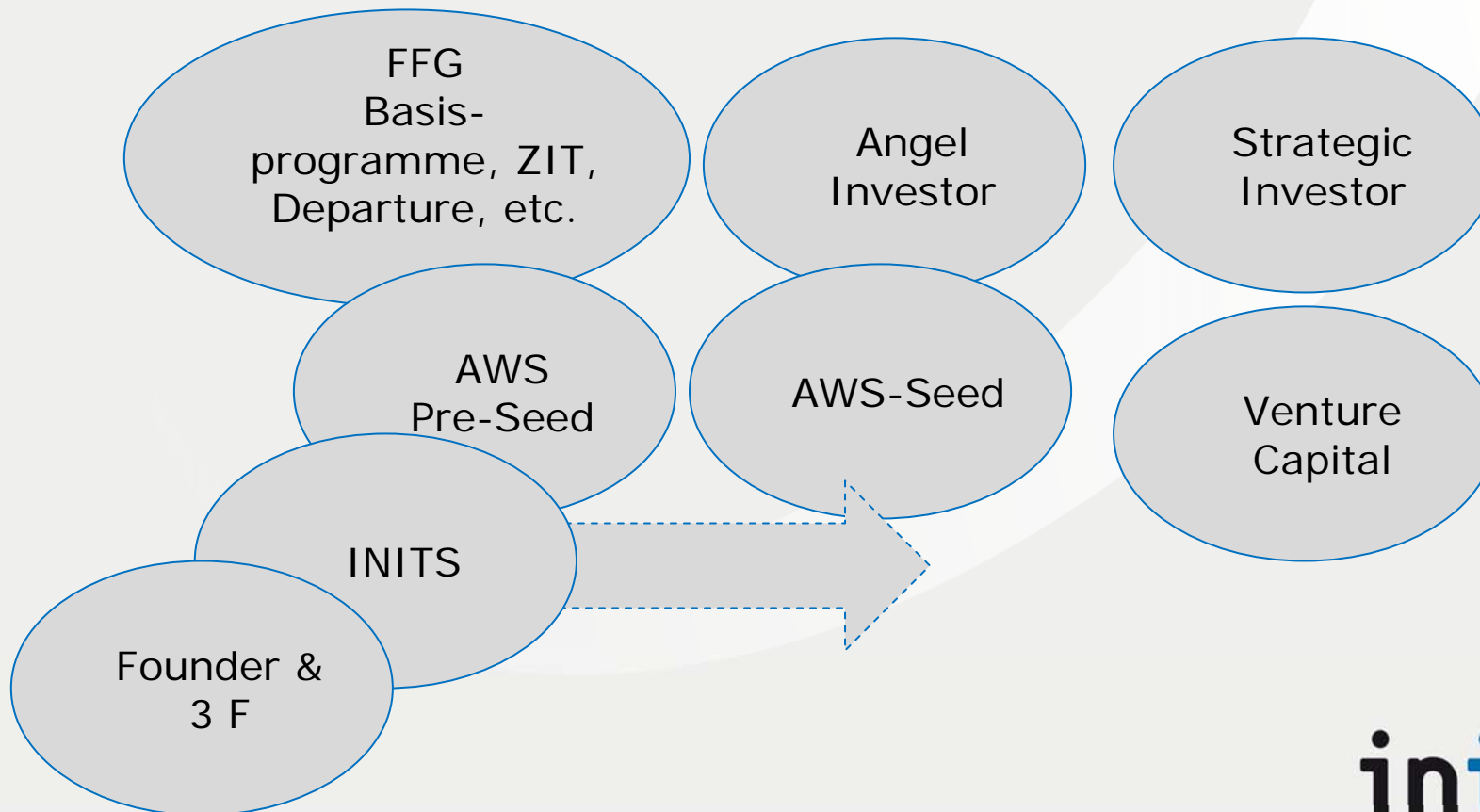
Conclusion

- *AplusB* suitable model for tech transfer from academia to start-up-businesses
- Gaining local support from all stakeholders is key and needs considerable resources
- Managing an excellent and diverse team and maintaining the right balance between quality and quantity of incubation projects are the key internal success factors



Typical project finance paths

Mind the diversity of our projects



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Thank you!

