

PROGRAMME

WEDNESDAY | 19 SEPTEMBER

9.00 – 9.15	Course Introduction Course team
9.15 – 10.15	When and why to spin-out There are two ways of commercialising a new technology - licensing as is and adding value in a spin-out. How do you decide whether you should form a spin-out? What are the criteria and when is the decision made?
10.15 – 10.45	Coffee Break
10.45 – 11.45	Business models - developing the commercial strategy Businesses face many strategic options – and the Knowledge Transfer Manager needs to be able to know which are the most important issues to address explicitly and not be allowed to drift. What should be the initial application, what should the company do itself and how will it make money? These questions are all aspects of the business model; the starting point of a commercial strategy.
11.45 – 13.15	Industry spin-outs: why and how Large companies tend to be very good and effective with increment innovations (continuous improvement of existing product lines). On the other hand, they have significant difficulties with break-through or disruptive innovations. Some experts even say that large companies are unable to handle disruptive innovations at all. We will discuss why big industry is struggling with disruptive innovations, and outline the requirements of an open innovation approach and how spin-out innovations, with a disruptive nature, can be a solution for big industry.
13.15 – 14.15	Lunch
14.15 – 15.00	Legal agreements The legal agreements for a spin-out are far more complex than any R&D or license agreement. There can be many separate agreements covering different aspects of the investment, the company and the relationship with the university. The structure of these documents can set the agenda for the negotiations and it is vital that the KTO has a clear understanding of what and who (up to four sets of lawyers) is involved.

WEDNESDAY | 19 SEPTEMBER CONTINUED

- 15.00 – 16.30 **Negotiation role play (Specialized Limb Salvage)**
Another real venture seeking real money. In this case, the challenge is to understand the dynamics of negotiating by splitting the group into four 'interest groups' : university KTO, academics, managers and investors. What are the most important issues for each group - who assumes the power during negotiations, who sides with whom - what tactics should we use to maintain a united and strong bargaining position?
- 16.30 – 17.00 **Coffee Break**
- 17.00 – 17.30 **Case study introduction - the role of the KTO**
(Harvard Case: Jerry Sanders)
Jerry Sanders – a role model for us all – or too extreme a dealmaker in a university context? You decide, with reasons.
- 17.30 – 18.30 **Case study group discussion - the role of the KTO**
So, what is the role of the Knowledge Transfer Manager in forming a spin-out? There are clearly many ways in which you can create value and make a technology more 'investable'- acting as the first 'CEO' of the business to pull together a management team and managing investor relations as well as securing the IP portfolio and helping to devise the commercial strategy. But how far should you go and how much support should you give before handing over to more experienced hands?
- 19.00 **Networking Dinner**

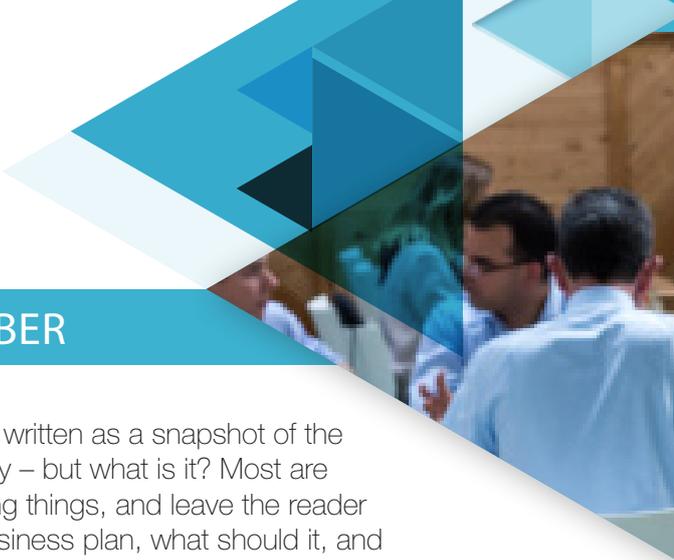


THURSDAY | 20 SEPTEMBER

- 9.00 – 10.00 **Strategising Financing**
Getting equity instead of an upfront payment is fairly standard nowadays when founding a spin-off company from a research organisation. To manage equity requires a skill set, this presentation gives an introduction to:
- What is Equity?
 - TLA
 - Ideal cycle of funding
 - Exit mechanisms
 - IPO
 - Acquisition
- And also “the dark side” ... may the force be with us.
- 10.00 – 10.15 **Case study introduction - Longshot Pharmaceuticals**
First round financing – negotiating the interests of the academic and university. This case study introduces the main issues that emerge during the negotiation of the Terms Sheet and discusses how they are resolved (both in terms of process and outcome). We also discuss the conflicting interests of investor, inventor and KTO and how these can be reconciled. We consider the ‘showstopper’ issues for the university as it attempts to limit any liabilities. Other issues raised by the case:
- Aligning incentives
 - Valuing IP, cash and ‘sweat’
 - Share vesting issues
 - Royalties vs. equity
 - Milestones and ‘tranching’ of investment
 - Warranties and indemnities – limiting downside
 - Anticipating future funding rounds
- 10.15 – 10.45 **Coffee Break**
- 10.45 – 11.30 **Case study - Longshot Pharmaceuticals**
First round financing – negotiating the interests of the academic and university.
- 11.30 – 12.15 **The mind of the Venture Capitalist**
What do investors look for in a new venture – how and when to approach them and what information to provide? What is their typical decision-making process? This session is aimed at understanding how venture capital investors think and take decisions relating to an early-stage technology business.

THURSDAY | 20 SEPTEMBER CONTINUED

- 12.15 – 13.15 **IP as the primary asset**
IP strategy – what does the license agreement look like, royalty vs. equity, when to license/where to assign?
- 13.15 – 14.15 **Lunch**
- 14.15 – 15.30 **Surviving a spin-out**
We are there at the beginning of the spin-out but often our role is phased out, at the very least we become less central. Once the investment is raised and the management team starts to be assembled we revert to being the 'licensor'. In this session, we hear from the CEO of a spin-out who has had first-hand experience of the entire lifecycle, and seek to understand his perspective on the role of the university and KTO.
- 15.30 – 16.15 **Corporate venture funds**
A number of major corporates have created their own venture funds. These are used to invest in early stage technologies and provide a link that can result in input of know-how and a potential exit route. How do such funds operate and structure investments in a way that recognises the inherent conflicts between the investee and investor?
- 16.15 – 16.45 **Coffee Break**
- 16.45 – 17.30 **Managing conflicts of interest**
The founding academics are vital to the business in the early years – but few leave their posts within the university – indeed, it is better for the company and the university (and the academic) if they keep a close association with both. However, this entails the academic wearing multiple 'hats' and there is the potential for conflict of interest situations which need to be managed. What is the KTO's role in minimising and managing these conflicts?



FRIDAY | 21 SEPTEMBER

8.45 – 9.45

Business plan

At some point a business plan has to be written as a snapshot of the current knowledge, progress and strategy – but what is it? Most are poorly written, often focused on the wrong things, and leave the reader confused. What is the purpose of the business plan, what should it, and what should it not address?

9.45– 10.30

Preparing for due diligence

All investors carry out due diligence prior to putting in cash. Unless the KTO anticipates the questions that will be asked, and the documents, and disclosures needed, then the due diligence process can seriously impede momentum and create doubts (which equals greater risk) in the investors' minds (unless the university is prepared to warrant everything). What does due diligence entail and what should the KTO do in advance?

10.30 – 11.00

Coffee Break

11.00 – 12.00

Building value into a business

Most businesses are worth very little when created – ultimately, it is the role of the founders to build value into the company – both by de-risking the technology and by building sources of solid commercial value which can 'scale' when the business is ready to take off. In this session, we fast-forward the venture to examine the creation of 'value' and the role of the founder as the business evolves.

12.00 – 12.45

Preparing for exit

Everyone is looking to exit someday. What are the primary routes to exit and what are the stages along the way (in terms of company-building, finance and regulations)? How does the exit strategy affect the strategy within the company and the behaviour/thinking of those involved in the company? What are the preparations and processes that have to be in place from the very beginning?

12.45 – 14.15

Lunch

Course End

