

Ohio

Third Frontier

Innovation Creating Opportunity

Advisory Board and Commission Meeting

April 10, 2013

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Agenda

10:00	Call to Order Approve 12/13/2012 Meeting Minutes	TFAB and TFC Chairs
10:05	Ohio Development Services Agency Update	David Goodman
10:15	2013 Program Plan and Budget Update	Norm Chagnon
10:30	Consumer Products Cluster	Guest Panel
11:10	Entrepreneurial Activities Program Update: Entrepreneurial Signature Program Edison Technology Incubators	Mihaela Jekic
11:35	Ohio Third Frontier Success Stories	Guest Panel
12:05	Ohio Capital Continuum Study	Staff
12:15	August 2013 Retreat	Staff
12:25	Other Business	All
12:30	Adjourn	

Ohio Development Services Agency Update



**Development
Services Agency**



2013 Program Plan and Budget Update

OTF Funding Overview

FY 12	CY 13	CY 14	CY 15
\$225 M	\$175 M	\$175 M	\$175 M

FY12 carryover \$61 M

Funds available in CY 2013 = \$236 M

FY 2012 Pre-Seed Fund Capitalization

<i>Lead Applicant</i>	<i>Original Fund Request</i>	<i>Award Amount</i>	<i>Additional Funds Awarded</i>
Cleveland Clinic	\$3,000,000	\$3,000,000	\$2,000,000
Queen City Angels	\$3,000,000	\$3,000,000	\$1,000,000
Ohio University & TechGROWTH	\$1,875,000	\$1,875,000	\$1,000,000
Case Western Reserve University	\$3,000,000	\$3,000,000	\$1,000,000
TechColumbus	\$2,000,000	\$2,000,000	\$2,000,000
Ohio TechAngel Fund IV	\$3,000,000	\$3,000,000	\$1,000,000
Lorain County Community Foundation	\$2,125,000	\$2,125,000	\$0
JumpStart Inc.	\$3,000,000	\$3,000,000	\$2,000,000
Cincinnati USA / CincyTech	\$3,000,000	\$3,000,000	\$2,000,000
TOTAL:		\$24,000,000	\$12,000,000

Commercialization

Program	CY 2013 Budget (in millions of \$)	RFP Open	RFP Closed	Awards (in millions of \$)
JobsOhio Network	9.1	N/A	N/A	9.1
Technology Asset Grants	15.0	Apr '13	Rolling	
ONE Fund	1.0	Nov '12	Dec '12	0.8
Targeted Industry Attraction	5.0	Jan '13	Rolling	
Industrial Research and Development Center Program	20.0	Jan '13	Rolling	2.8

Commercialization

Program	CY 2013 Budget (in millions of \$)	RFP Open	RFP Closed	Awards
Technology Commercialization Centers	50.0	Apr '13	Rolling	
Tech Validation & Start-Up Fund	3.0	Mar '13	Apr '13	Jun '13
Innovation Platform Program	24.0	Nov '12	Feb '13	Jun '13

Capital and Talent

Program	CY 2013 Budget (in millions of \$)	RFP Open	RFP Closed	Awards
Commercial Acceleration Loan fund	20.0	Apr '13	Rolling	
Pre-seed Capitalization	20.0	Aug '13	Oct '13	Dec '13
Third Frontier Internship Program	3.0	Apr '13	Apr '13	Jun '13

Consumer Products

Panel Members

Bob Coy (Moderator)

Mike Bott

Bob Gilbreath

Mike Venerable

Denyse Ferguson

Jeff Weedman

CincyTech

The Brandery

Pingage

CincyTech

Cincinnati USA Partnership

Cintrifuse

cincytech


**Cincinnati USA
Partnership**
for Economic Development



PINGAGE



Southwest Ohio Consumer Products Cluster

April 10, 2013

Consumer Products & Brand Development

P&G

World's largest consumer packaged goods company



Macy's, Inc.

Country's largest department store retailer



The Kroger Co.

Country's largest grocery retailer

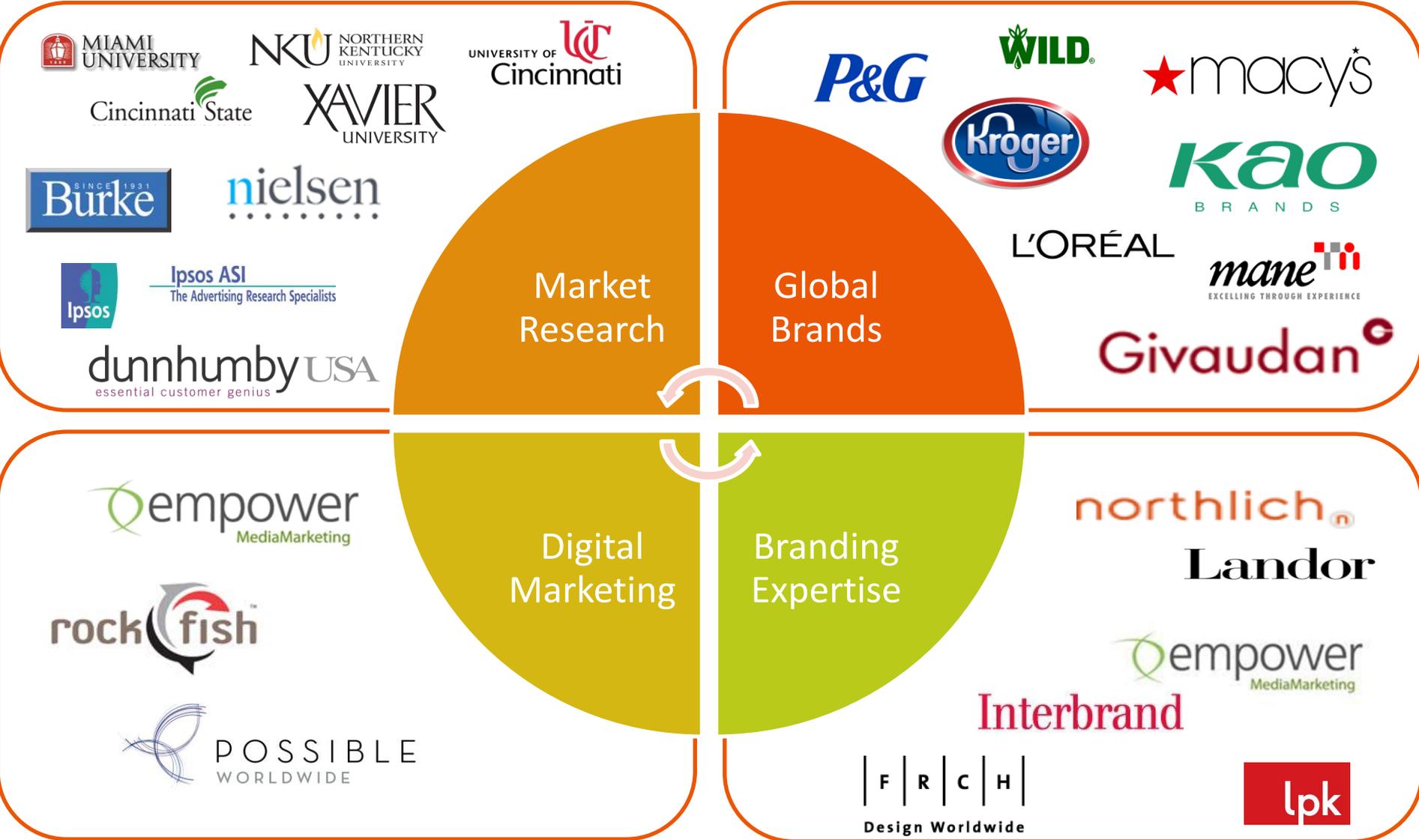




Consumer Products & Brand Development “Ecosystem”



Consumer Products & Brand Development



Source: Hoovers, Company Websites

STRATEGIC GROWTH

STRONG
URBAN CORE
(38,816 JOBS)

GROWTH IN 2012
(692 NEW JOBS)

Cincinnati
BrandHUB



dunnhumbyUSA
essential customer genius

P&G

Interbrand



POSSIBLE
WORLDWIDE

★ macy's

empower
MediaMarketing



Landor



Kao
BRANDS



northlich[®]

dunnhumbyUSA
essential customer genius

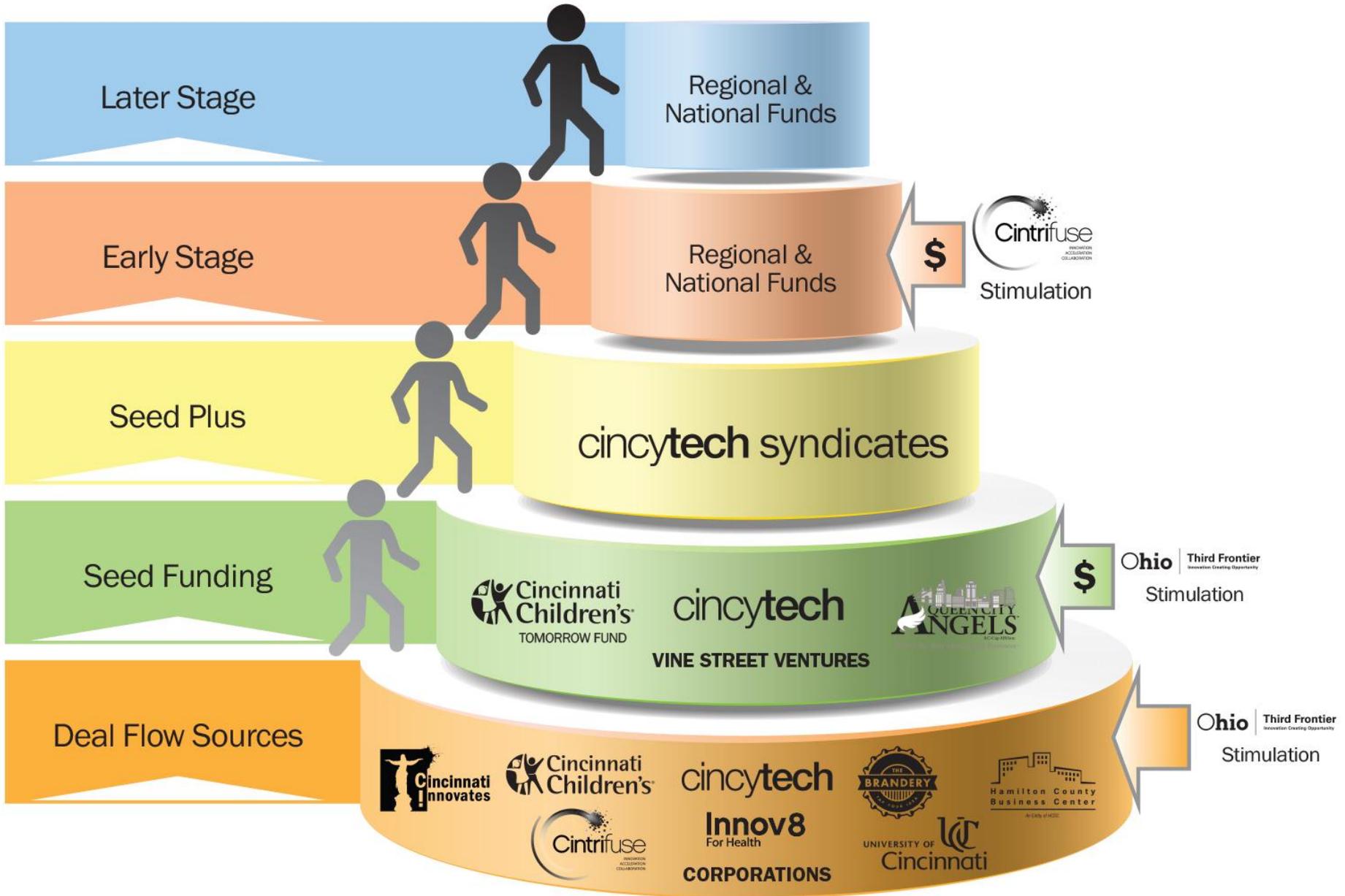
Kao
BRANDS



BrandHUB Leadership



Southwest Ohio Venture Capital Continuum



BUILDING CINCINNATI'S ENTREPRENEURIAL COMMUNITY



@Branderly
#StartupCincy



- Accelerators: “Incubators with a deadline”
 - 3-4 month program
 - Heavily mentor driven
 - \$20k, in exchange for 6% common equity
 - Concludes with a showcase event for investors



2012

Top Fifteen

USA Startup Accelerators



- ①  **Combinator**
Mountain View, CA
- ②  **techstars**
Boulder, CO
- ③  **KICKLABS**
SAN FRANCISCO
San Francisco, CA
- ④  **ventures**
San Francisco, CA
- ⑤  **Excelerate**
Chicago, IL
- ⑥  **AngelPad**
San Francisco, CA
- ⑦  **techstars**
New York, NY
- ⑧  **techstars**
Boston, MA
- ⑨  **LAUNCHPAD LA**
Los Angeles, CA
- ⑩  **500 startups**
Mountain View, CA
- ⑪  **Dreamit**
Ventures
Philadelphia, PA
- ⑫  **techstars**
Seattle, WA
- ⑬  **NYC SeedStart**
New York, NY
- ⑭  **ENTREPRENEURS ROUNDTABLE
ACCELERATOR**
New York, NY
- ⑮  **THE BRANDERY**
Cincinnati, OH



How are we different?



STARTUP'S FOUR KEY NEEDS



MUST BE AT LEAST PARITY

Build a
Team

Raise
Money

BRANDING

Build a
Great
Product

Acquire
Customers

DESIGN

MARKETING



West Coast

Andreesen Horowitz
Sequoia Capital
SV Angel
Draper & Associates
Maveron
Collaborative Fund
Crosslink
Transmedia Capital
InterWest
SoftTech
Next View Ventures
DFJ JAIC

Midwest

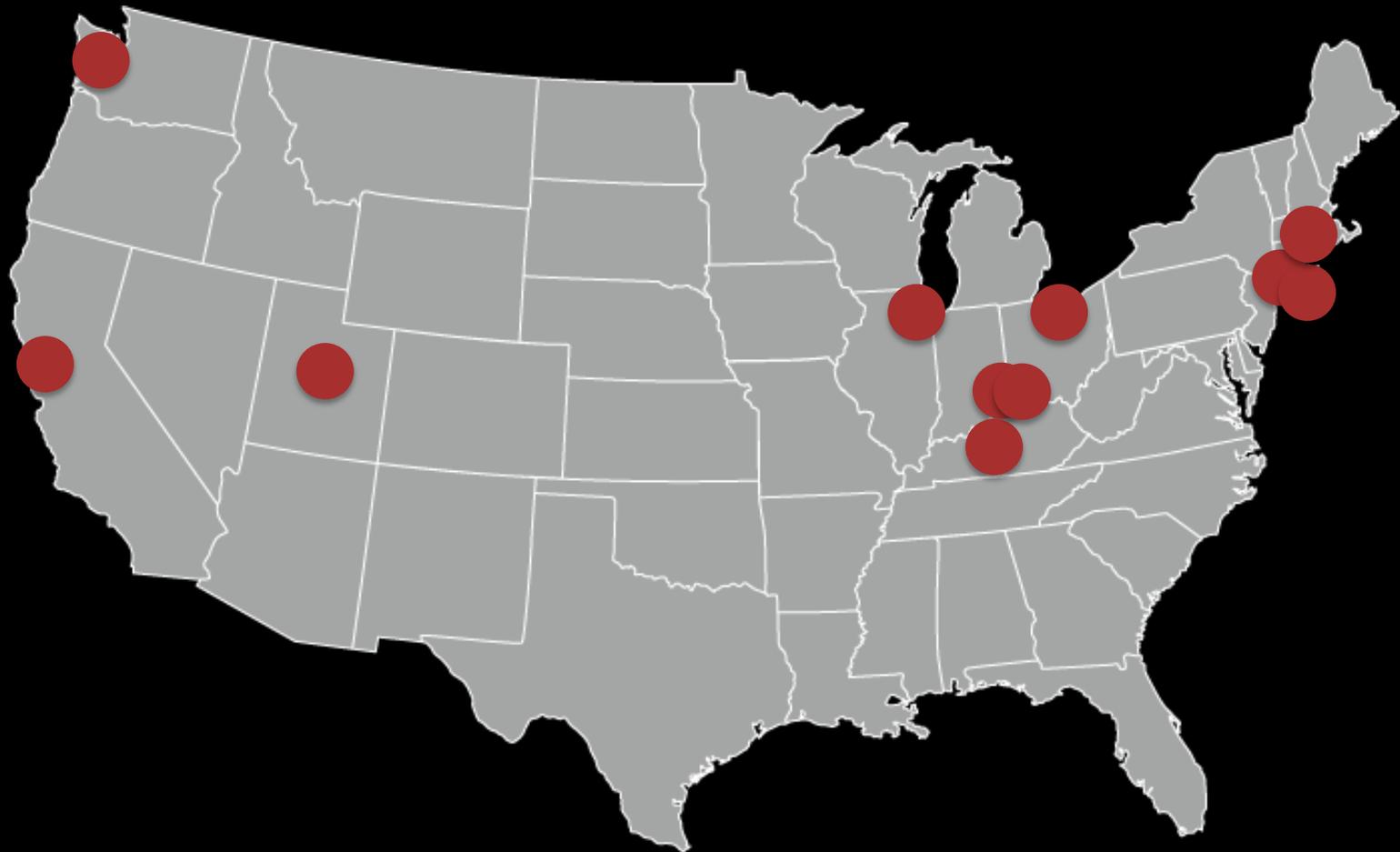
Mercury Fund
Cincy Tech
Queen City Angels
Drive Capital
River Cities Capital
Fund
Draper Triangle
Allos
General Mills
Best Buy Capital
Detroit Venture
Partners
Dundee Venture
Ludlow Ventures
Vine Street Ventures
Lightbank

East Coast

Soft Bank Capital
Lerer Ventures
AOL Ventures
First Round Capital
Union Square Ventures
Polaris
BDMI
Empire Angels
Highland Capital
Partners
IA Ventures
Eniac ventures
Expansion VC
Atlas Venture
Zelcova Ventures
Metamorphic Ventures



★ DEMO 2012 DAY ★



Y1 & Y2: GRADUATE SPOTLIGHT



ChoreMonster – choremonster.org
ChoreMonster is a platform built to make kids beg to do their chores. Kids gain points which they turn in for real life rewards, like an hour of xbox or cash. Kids also collect and interact with virtual monsters.



Pingage – pingagenow.com
Pingage uses its proprietary technology and algorithms to help businesses grow results on Pinterest while reducing brands' effort and charging only for results.



Roadtrippers – roadtrippers.com
Roadtrippers helps curate amazing roadtrips by mixing powerful route planning with GPS and expert travel discovery.



Rentshare – rentshare.com
Rentshare is a platform that allows each roommate to electronically pay their share of rent as well as their share of expenses easily and transparently.



Giftiki – giftiki.com
Giftiki is a fun and social way to give gifts. Acquired in 2012.





❑ Applications (2012)

- 2x years 1 & 2 combined
- ~ same # as Excelerate Labs (now Tech Stars Chicago)
- 30% Int'l
- 15% Ohio
- 10% Cincinnati
- 40+ States
- 40+ Countries



BUILDING A BRAND & THE FOUNDATION

- W1: Getting the Most out of The Brandery
- W2: Branding and WHO Definition
- W3: Advice from Founders (Geoff Allen, Wendy Lea)
- W4: Making and Selling a Brand Worth Buying
- W5: Defining & Building Your Product
- W6: Building your Business Model
- W7: Social Media and PR
- W8: Leveraging Data and Analysis
- W9: Search, Marketing and User Acquisition
- W10: Pitching Well
- W11: Startup Operations: Mgmt, Financing and Burn
- W12: Financing, Valuation, and Term Sheets
- W13: Demo Day Prep
- W14: Demo Day and Life After

Success-in-Progress:



- Pingage helps leading brands take advantage social media marketing on Pinterest.
- We are a marketing service, powered by technology and purchased like media.
- Pingage was founded by two entrepreneurs who chose to learn, live and start-up in Cincinnati...

Bob Gilbreath:

- Former P&G Brand Manager
- Grew & sold digital agency Bridge Worldwide
- Entrepreneur-in-Residence at CincyTech

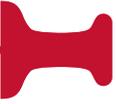
Michael

Wohlschlaeger:

- Strategy consultant and data analyst
- Came to Cincinnati to join The Brandery
- CincyTech invested in StyleZEN, which led to discovery of Pingage



Supported by the Ecosystem:

PINGAGE 

Engage and grow your Pinterest audience

- The Brandery drove first clients at P&G and General Mills
- Cintrifuse provided first office space and continues support
- CincyTech opened door to North Coast Angel Fund
- Agencies have welcomed us into their clients' offices
- Early clients include Kao, Cinmar, and RG Barry
- Ongoing discussions with Limited Brands, Kroger, Macy's

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startup watch

Cincinnati Startup Pingage Signs With P&G to Bring Business to Pinterest

Startup Looks to Speed Brands' Slow Movement Onto Fast-Growing Network

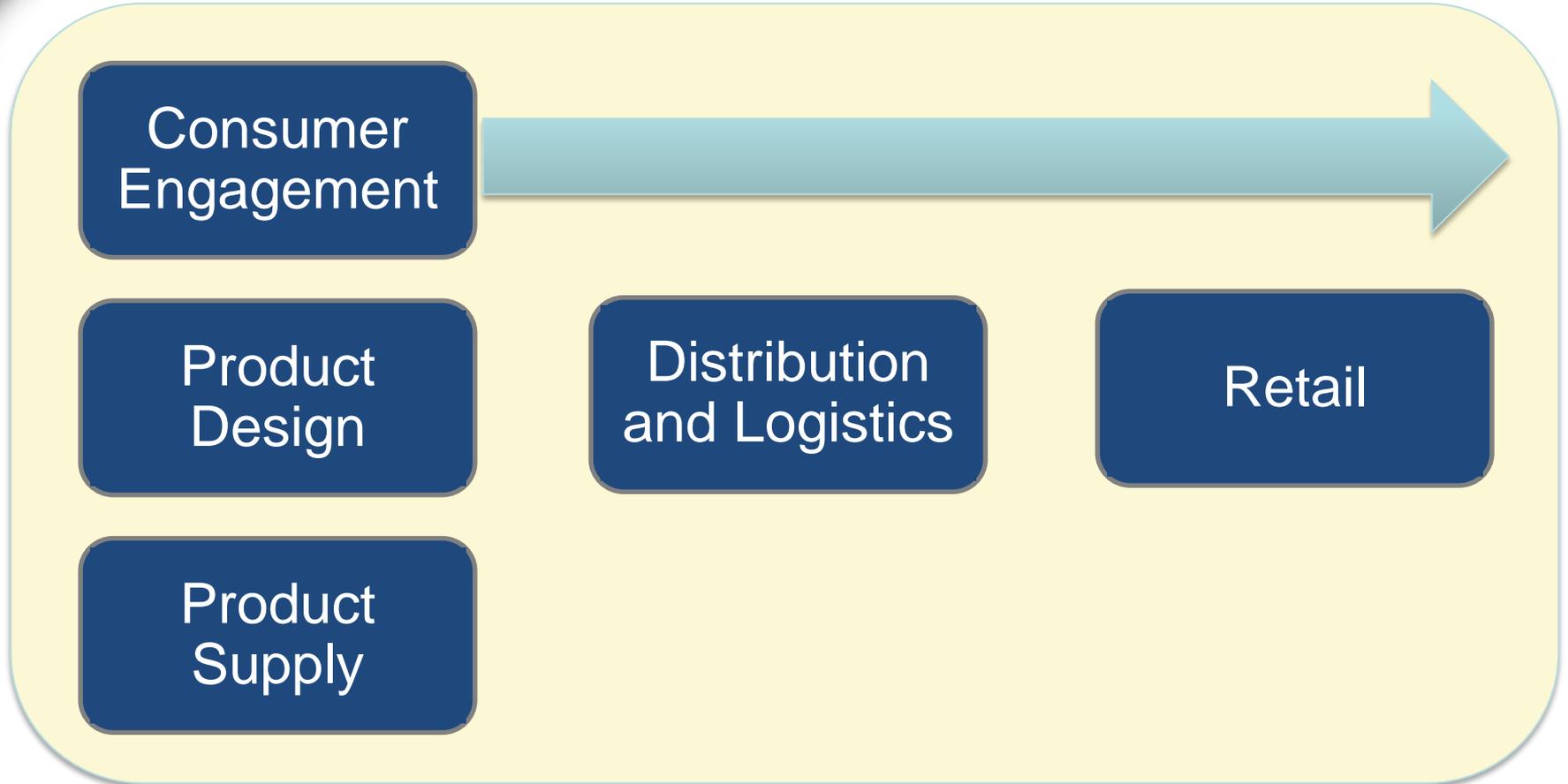
By: Jack Neff Published: March 26, 2013

364 | share this page



Pinterest hit 10 million unique monthly visitors last year faster than any website ever and now tops 30 million, per comScore. Yet many big brands still have no presence there, and even ones that do, such as Walmart and L'Oreal's Maybelline, attract only low-five-figure followings.

Value Chain Components



Pillar Company Impact

The logo for Procter & Gamble (P&G) is displayed in a large, blue, serif font.The Macy's logo consists of a red five-pointed star followed by the word "macy's" in a lowercase, sans-serif font.

- Influence global, national decision making
- Stimulate innovation across value chain
- Attract world class talent
- Inform other consumer opportunities

Imperatives

- Digital transformation
 - Consumer engagement channels are in a state of continuous disruption
 - Amount of data available at any stage of the value chain outpaces actionability
- Consumer tastes granular, changing
- Competitive lines are eroding

Direct Outcomes

Intellect + Imperative + Context

Consumer
Engagement

Pingage, Thinkvine, Zipscene, SkinnyMom

Product Design

Bioformix, Ilesfay

Product Supply

ConnXus

Logistics

No investments

Retail

StoreFlix, OnTrak

Indirect Outcomes

Intellect + Context

Consumer Services

- RoadTrippers, Choremonster, LISNR, SimpleRegistry

Consumer Products

- Nugg-IT, AssureRx, Wearcast

Consumer Value Chain

- Batterii

Conclusions

- Core intellectual, contextual assets are in place in our region
- Accelerating
 - Regional deal flow
 - External deal flow
 - Seed and follow-on capital
- Growth opportunities
 - Consumer-driven health care, consumer goods



Jeff Weedman

Cintrifuse Overview

April 10, 2013

The Strategy

CBC Regional Innovation Task Force Goals

- Create/coordinate/enable a **sustainable** innovation ecosystem that allows Cincinnati to **successfully compete globally for innovation-driven start up businesses and jobs.**
- **Increase** the number of **venture capital worthy** companies in the region.
- Significantly **increase** the amount of **risk capital available** to high-potential firms.

Accelerating Innovation

The Cintrifuse 3 Legged Stool



ACCESS & SCALE

Access

- Systemic linkage between strategics / start ups / financials

Scale

- Mentoring
- Marketing
- Talent Supply



PLACE

Place

- Temporary location
 - 15 companies / ½ consumer
- Urban hub developing
 - Coworking
 - Incubation
 - Consumer research
- Networked system



FUNDING

Funding

- Fund of Funds

Creating a fully Linked Innovation Economy

Nonprofit

For Profit

Fully Linked Innovation Capital

Target \$50-100MM Fund ➡ Leverages \$300-600MM+

- Consumer Goods & Services, Energy, Life Sciences, Technology
- Attract Top Flight VCs nationally /globally
- Diverse portfolio, experience & profit motivated

Founding Strategic Investors

\$40MM Closed December 2012



Venture Firms

10-20 Venture Firms

- 85% outside of region
- Series A and B Stage
- Portfolio: \$20M to \$200M
- 20 companies each





Access Delivers Advantage

Strategics

Accelerates Innovation

- Strategic link to motivated Venture Capital Firms
- Preferred 'early look' startups
- Co-Investment opportunities

Venture Capital Firms

Improve Returns

- Reduce risk by accessing strategics
- Due diligence
- Key strategic interest areas

Startups

Increases probability of success

- Mentors
- Beta customers via strategic
- Access to early stage resources
- Place



OTR | Innovation Hub

1311-1313 Vine





Discussion

Entrepreneurial Signature Program Update

March 19 Community Forum

Rocket Ventures

March 21 Community Forum

Dayton Region ESP



Incubation Program

Thomas Edison Program

- Started in 1984 to combat decline in Ohio's manufacturing sector
- Incubators supported for 27 years
- Edison strategy recently re-evaluated; returning to manufacturing roots



Current Edison Incubator Funding

- **Total annual funding:** \$4.5 million
- **Annual funding per incubator:** \$500k or \$350k
- **Number of incubators:** 11

Edison Technology Incubators



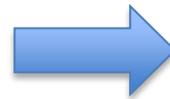
Transition to Ohio Third Frontier

- Indistinguishable program goals
- Existing Third Frontier support through ESP

Incubation Program

Ohio

Thomas Edison
Program



Ohio

Third Frontier
Innovation Creating Opportunity

Ohio Third Frontier Success Stories



zyvexTM
technologies

•TIAG/OTF Update

Contact:

Lance Criscuolo - President

614-481-2218

lcriscuolo@zyvextech.com

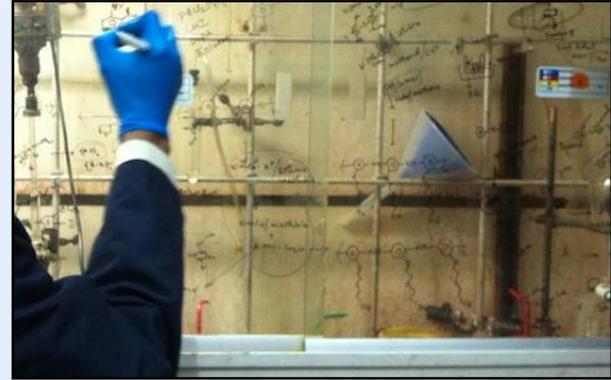


We make nanomaterials useful...

Zyvex Technologies is a molecular chemistry company that understands how to effectively incorporate carbon nanomaterials into a variety of products

We serve customers in three primary ways:

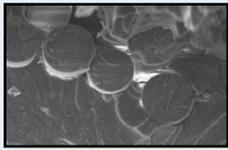
1. License our developed technology and products: **Arovex, Epovex, Coatings**
2. Providing material products (composites, resins, and rubber compounds) engineered with nano-enhancements for superior performance: **Arovex, Epovex**
3. Providing finished products with performance advantages from our material products





Applications





Technology developed for NASA/DARPA



\$5M in state grant awarded to further commercialize

Company founded by Jim Von Ehr II

Awarded R&D 100

\$4M in strategic investment

Piranha USV tech demonstrator developed



L. Criscuolo joins as VP of Sales/Marketing



World's first CNT product created by Zyvex

Company spun out and relocated to Ohio to leverage technology/IP & investment



Arovex & Epovex class leading composites developed



Aerospace qualification for Arovex



▶ Creation

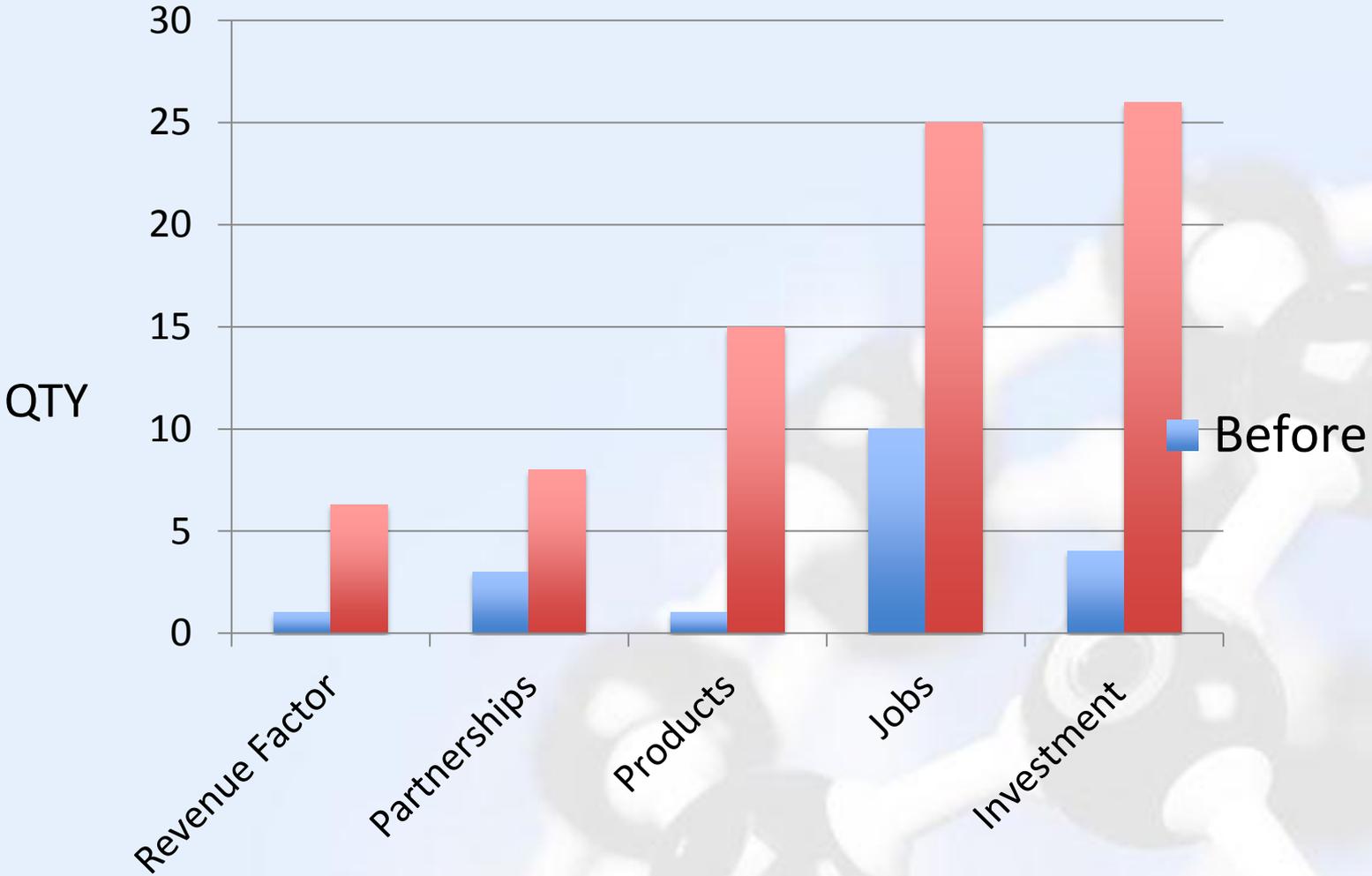
- ▶ Jobs
- ▶ Partnerships
- ▶ Products
- ▶ Revenue
- ▶ Investment leverage



▶ Before & After OTF/TIAG



▶ Before & After OTF/TIAG



A few Products, Investors, & Customers



kentera™



ZySER™

arovex™

PolyOne™

epovex adhesive™
carbon nanotube technology

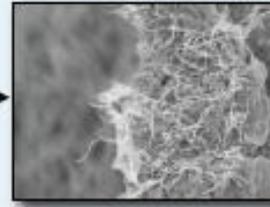


ZyMER™

epovex™
next generation epoxy

MOMENTIVE™

kentera™



arovex™



epovex™

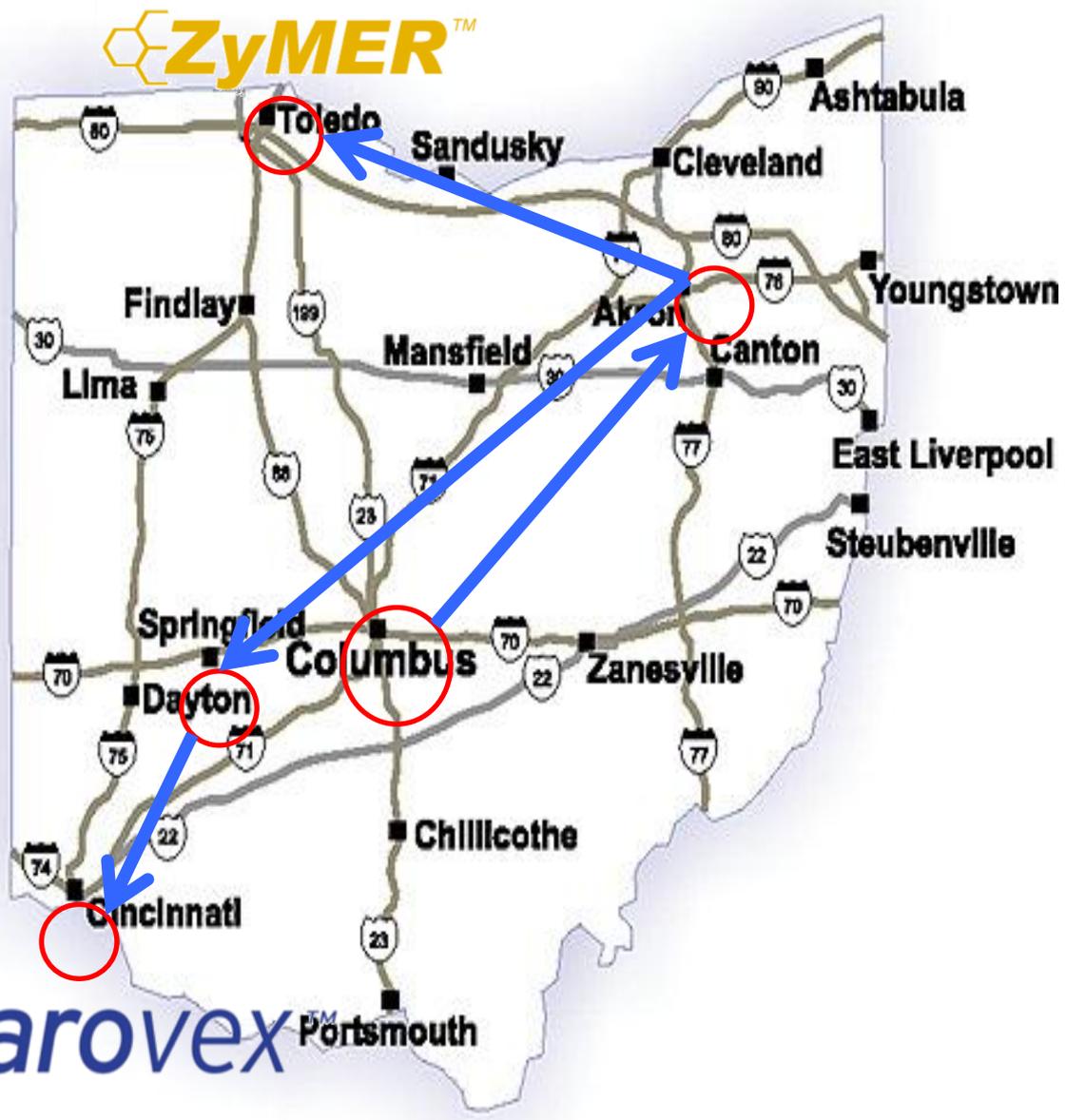


ZyMER™



Portfolio & Applications

What it means for Ohio...



ASHLAND
MOMENTIVE™

kentera™



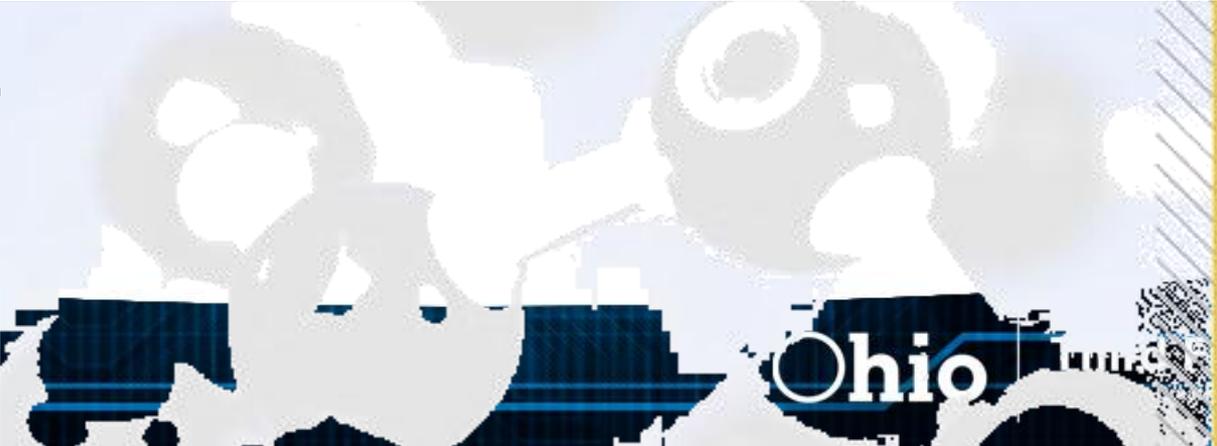
ZyMER™

arovex™

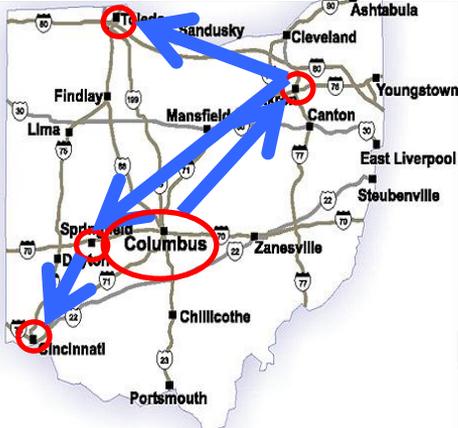
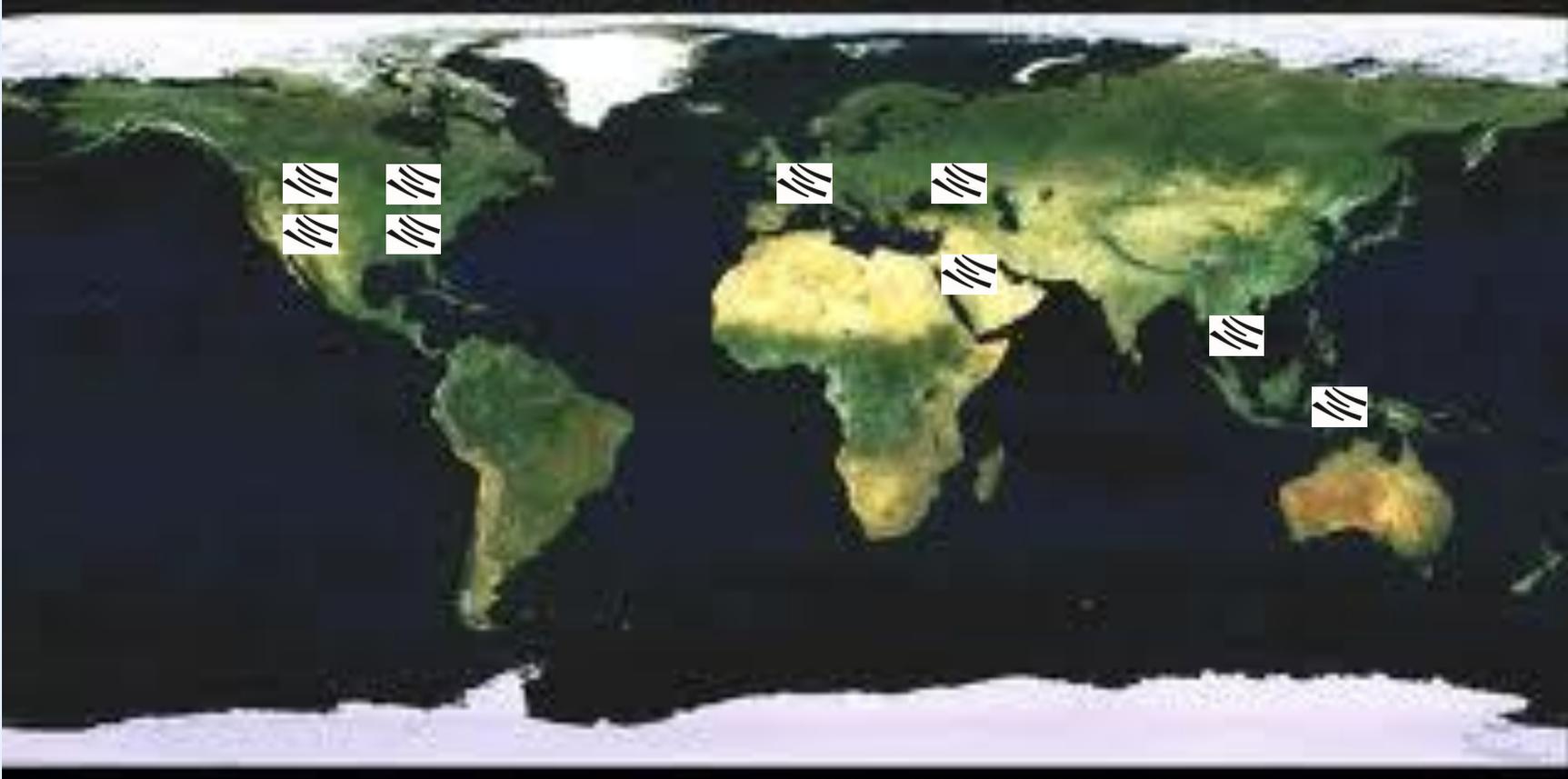


Ohio based supply chain

What it means for Ohio...



What it means for Ohio...



OTF/TIAG investment-funded products end up in several regions of the world...not just Ohio!



The materials and technology in action




Built by Zyvex



Future expansion and growth



We're still small, but fighting big

- ▶ Continue to generate
 - ▶ Jobs
 - ▶ Partnerships
 - ▶ Products
 - ▶ Revenue
 - ▶ Profits

Follow the formulas that work...





Renegade Materials & Maverick Corporation

High-Temperature Composite Materials & Structures

Third Frontier Commission Meeting

April 10, 2013

Columbus, Ohio

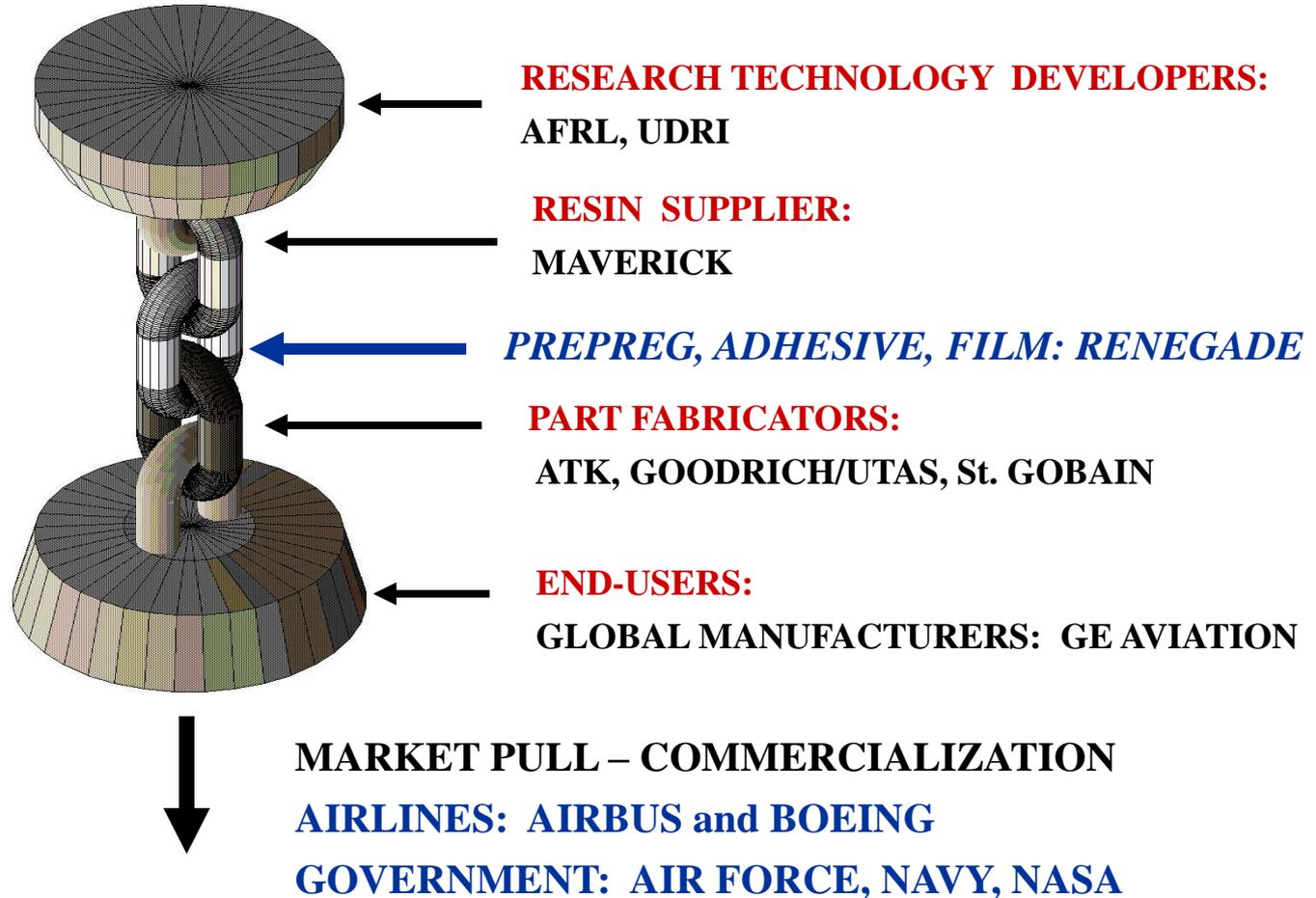
Robert A. Gray, Ph.D.

The Renegade - Maverick Team

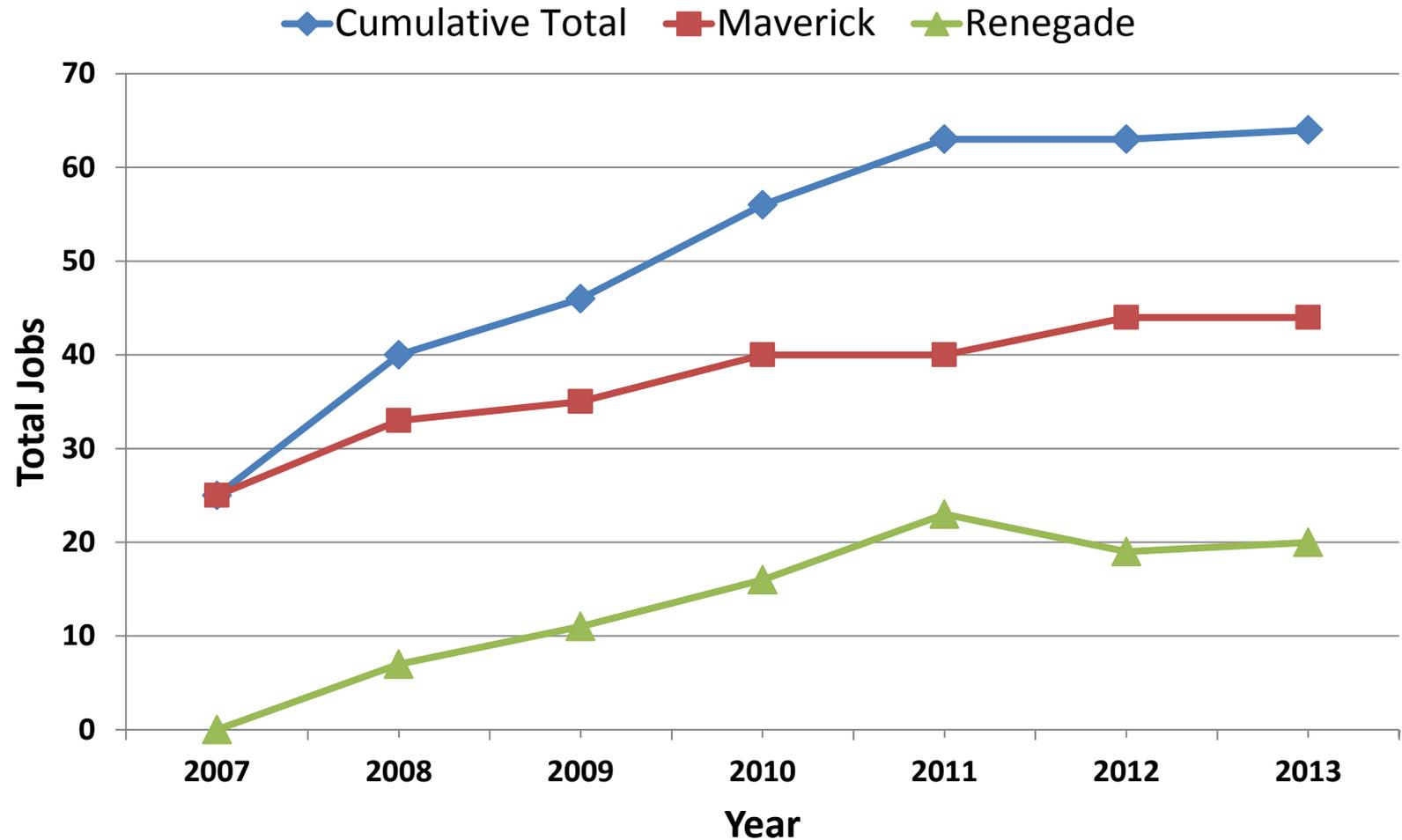
- Two Companies; Owned & Operated by One Team
- Maverick 20 Years - In Cincinnati; 35,000 ft²; 44 Employees
- Renegade 5 Years - In Dayton; 25,000 ft²; 20 Employees
- Multi Million Dollar Production, R&D, & QC Analytical Labs
- AS9100-C and ISO9001 Certified Quality System
- 2012 Combined Revenues ~ \$20M
- Target Annual Growth Rate 8-10% for the next 3 – 5 Years

Maverick & Renegade Continue to Create High-Quality Jobs in Ohio!

Ohio High-Temp Composite Supply Chain



Job Creation by Year



**Does Not Include 5 Open Positions Needed in 2013*



Team Maverick





Maverick High-Temperature Molded Products



SuperImide



MVK-19

F16 with GE F110 Engine



F35-JSF with P&W F135 Engine



GE CFM-56 Engine



Trent 1000 on the Boeing 787 Dreamliner Aircraft



Gulfstream G650 with RR BR725 Engines

Renegade's 25,000 Sq. Ft. Manufacturing Facility



Team Renegade



Renegade Precision Prepreg Process – up to 60" wide



Polyimide Carbon & Astroquartz Prepregs



Delivering Perfect Quality Production for Flight Hardware

The State of Ohio has funded a *10 year, \$1.6 billion* initiative under the Third Frontier Project – Research Commercialization Program

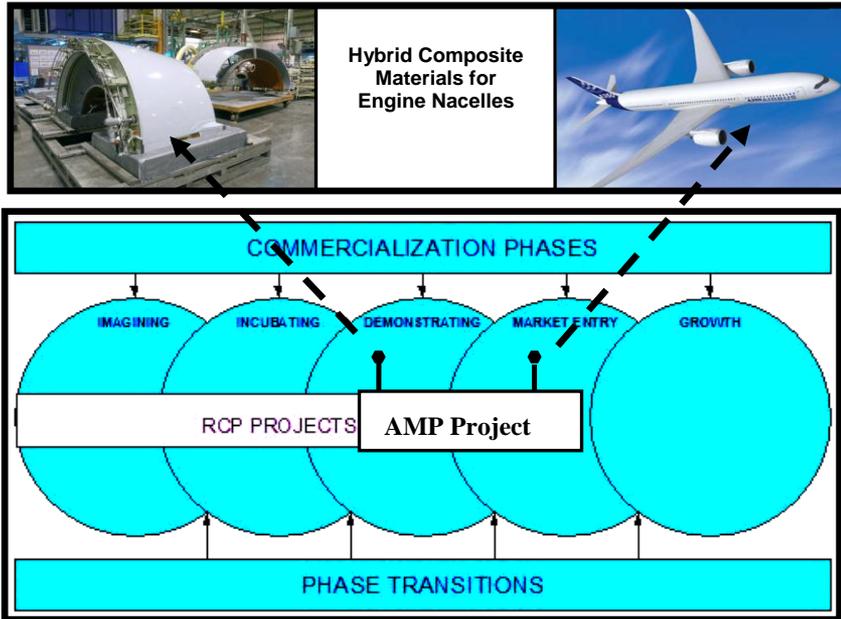
- ▶ Akron Univ. Nano-Tailored Polyimide RCP: (Completed 2010)
 - \$1M Cost Share : **\$1M** Match from Ohio
- ▶ UDRI Multi-Functional Coatings RCP: (Completed 2011)
 - \$1M Cost Share : **\$1M** Match from Ohio
- ▶ Zyvex, Next-Generation Nano Composites: (Completed 2011)
 - \$600K Cost Share : **\$600K** Match from Ohio
- ▶ Maverick, Out-of-Autoclave Polyimides: (Started 2010)
 - \$1M Cost Share : **\$1M** Match from Ohio
- ▶ Renegade, High-Temp. Hybrid Composites: (Started 2011)
 - \$1M Cost Share : **\$1M** Match from Ohio

Over \$4.5 M of RCP Funding to Create Ohio Jobs!

High-Performance Materials for Aerospace Composites

AFR-PE-4 Polyimide	Tg: 700°F
RM-1100x Polyimide (non-ITAR, 2011)	Tg: 700°F
MVK-14 FreeForm® Polyimide	Tg: 600°F
<i>RM-1005 Polyimide Film Adhesive</i>	Tg: 700°F
<i>RM-6001 Polyceramic Heat Shield</i>	-
RM-3002 Bismaleimide	Tg: 450°F
RM-3000 BMI RTM Resin	Tg: 450°F
RM-3010 Out-of-Autoclave BMI	Tg: 450°F
RM-2005 Toughened Epoxy	Tg: 400°F
RM-5003 Cyanate Ester	Tg: 375°F

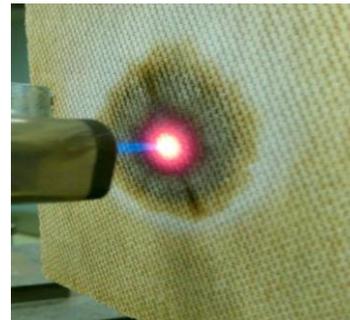
Hybrid Composites For Extreme Environments



Polyimide & Polymer-Ceramic Hybrid Combinations for:

- Thermal Barrier
- Fire Protection
- Weight Reduction

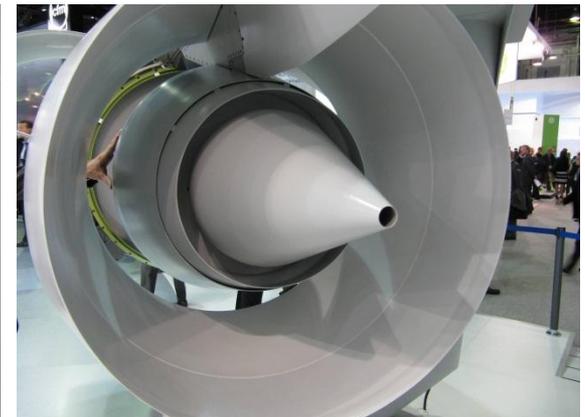
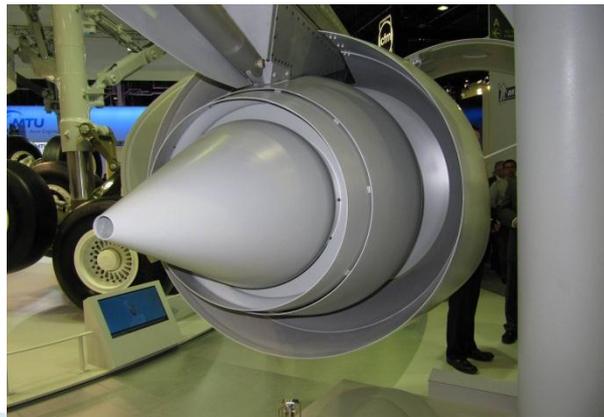
"Polymer-Ceramic Hybrids represent a game-changing platform technology."



Global Technical Reach For Hybrid Composites at Paris Air Show



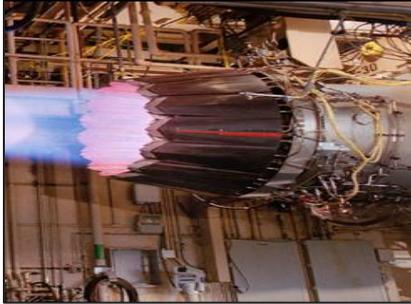
***PATH to
MARKET:
Direct to
Engine
Suppliers***



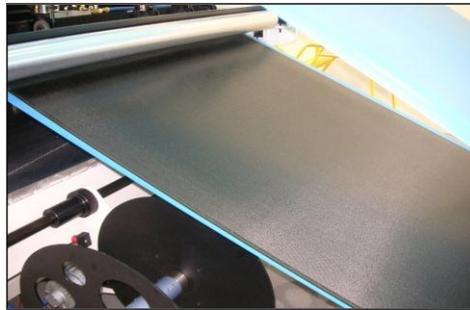
Global Technical Reach For Hybrid Composites at Paris Air Show

Thank You OHIO!





HIGH-TEMP COMPOSITE LEADERS



ADVANCED MATERIALS FOR AEROSPACE

Ohio Capital Continuum Study

Ohio Third Frontier Retreat

August 14-15, 2013

Other Business

Next

**Joint Third Frontier Advisory Board and Commission
Meeting**

August 14-15, 2013