



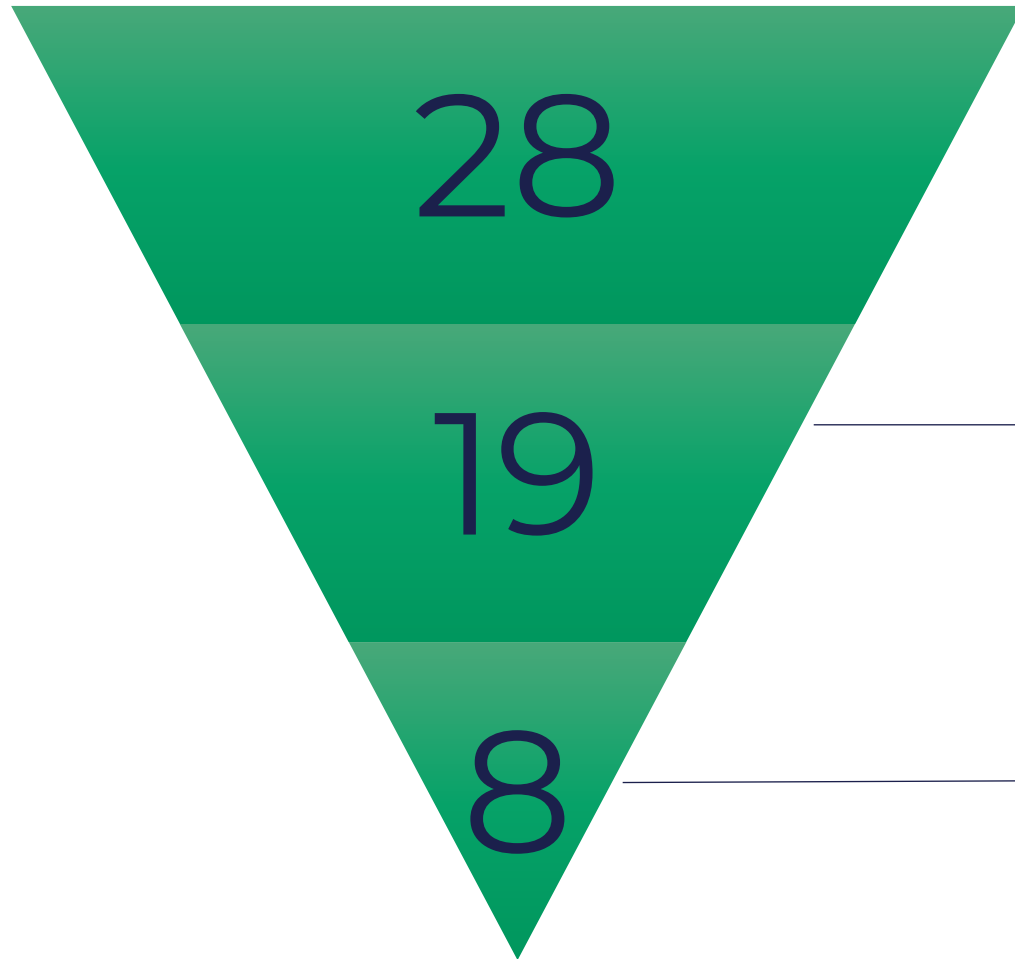
Pilot Program Update

Summary of NCInnovation's Pilot Grants Program Process, Outcomes and Next Steps

Pilot Program Updates

NCI developed and implemented a pilot grants program to design, run and evaluate a limited submission process in advance of opening a statewide RFP.

Selection Process for Pilot Projects



NCI screened projects from ten universities. Nine did not move forward because of one or more of the following reasons:

1. Didn't meet threshold requirements as listed in application
2. Didn't meet or couldn't sufficiently validate that the technology had reached TRL three
3. Didn't meet validation of external demand for technology
4. Had not yet met with their regional director
5. Combination of above

Projects from ten universities moved forward to the external review, which focused heavily on:

1. Validation of TRL
2. Review of and/or work on existing IP
3. Diligence on reviewer-identified risk factors
4. Initial market/industry and customer discovery to validate the potential for near-term commercial application

Projects from seven universities (total of eight projects) were identified as being most ready at the time of review based on:

1. A clear commercialization pathway
2. A validated TRL of three or greater, with defined regional benefit
3. Alignment with university and regional strengths, indicating strong ecosystem support
4. An established industry partner and/or validated market need (indicating near-term commercial application)

Evaluation Criteria

To what extent does the applicant meet the standard?				
1	2	3	4	5
Poorly	Below average	Average	Above Average	Meets or exceeds

Criteria	Key Considerations	Standard
Significance and Potential Impact	Does the project address a clearly stated market need or a significant gap in university resources? What is the expected impact of the project if it is successful?	Project addresses a clearly stated market need or a significant gap in university resources. Project is expected to have a significant positive economic and/or technology development impact
Approach, Milestones, Deliverables and Challenges	What is the approach or methodology that the team will use? Is it sound and well-reasoned? Are milestones and deliverables clearly defined and reasonable? Has the team considered and planned for possible challenges?	The proposed approach or methodology is sound and well-reasoned. Milestones and deliverables are clearly defined and reasonable, and the team has identified and planned for possible challenges."
Team and Environment	Does the team have the qualifications and expertise needed to effectively implement the project? Does the project environment provide the needed infrastructure and support for the team to be successful? Has the team engaged with appropriate partners?	The team is extremely strong, with the qualifications and expertise to effectively implement the project. The project environment provides the needed infrastructure and support for the team to be successful, and the team has engaged with appropriate partners.
Competitive Advantage	To what extent is the proposed solution different from other alternatives on the market?	The proposed solution is well differentiated from other alternatives on the market. The solution has a well-identified sustainable competitive advantage (e.g., IP)
Commercialization Potential and Benefit to Region	Describe the potential of the project for commercialization. What are the expected regional economic development outcomes of the project? Are there other regional benefits?	Project has excellent potential for commercialization, and expected regional economic development benefits and other outcomes are positive and impactful.
Use of funds	Is the budget request appropriate for the project scope? Are the requested expenses reasonable and allowable?	Budget is appropriate for the scope of the project, contains all required information, and is linked to project goals.
Risk	Reviewers are asked to rate the overall risk level of the project, including technical, regulatory, intellectual property, market, funding, and scale-up risks.	Please rate the overall risk level of the project, including technical, regulatory, intellectual property, market, funding and scale-up risks.

Pilot Projects Review Process

Overview

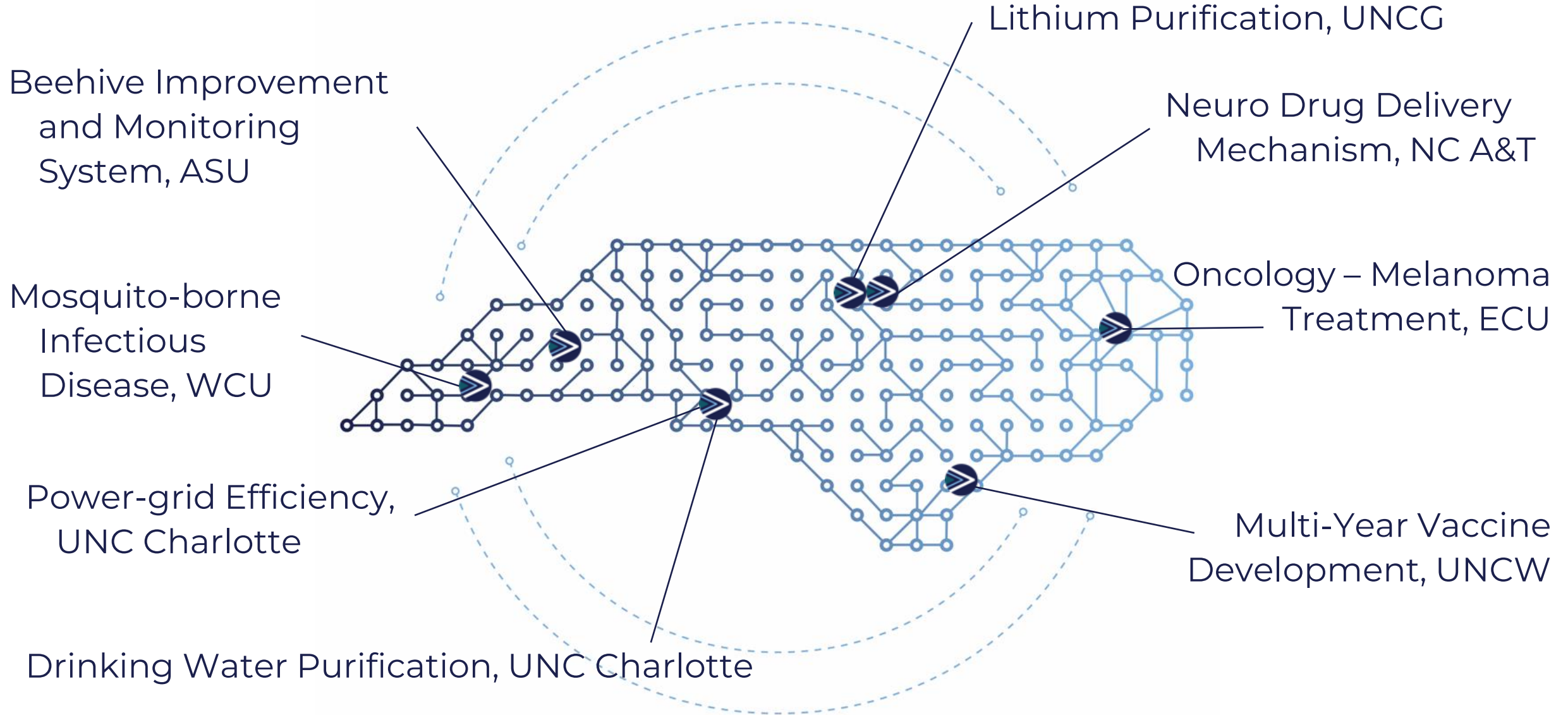
- ▶ The multi-phase review process consisted of a **market-fit assessment** led by RTI and an **external review process** conducted by an expert panel led by a Review Panel Chair
- ▶ All reviewers executed **non-disclosure and conflict of interest statements**
- ▶ In both review processes (RTI and the review panel) **primary and secondary reviewers** were utilized to independently score the projects
- ▶ Primary and secondary reviewers then worked together to come to a **consensus score**
- ▶ Project assessments and scores were **presented to NCI** to allow for discussion and feedback
- ▶ A survey was distributed to the reviewers once the process was complete to **collect feedback on the review process** for NCI to continue to improve its processes for the future review cycles

Key Findings

Overall Review Process

- ▶ **Criteria and instruction validation:** Review panel and RTI scores were consistent overall
- ▶ **Benefit in consensus scoring:** Both RTI and reviewers favored the co-review model as it allowed for back-and-forth discussion between reviewers and a stronger consensus score
- ▶ **Group Discussion:** Presentation of the projects and scores was valuable to address any additional concerns or recommendations, as well as gather insights and questions from other reviewers
- ▶ **Confidence in results:** Between the two-phased review processes and co-reviewer model, each project was independently evaluated by four to five experts, reviewed by the NCI team and discussed as a larger group

Pilot Projects Geographic Spread



Looking Ahead

1. Project Development

- ▶ All applicants will receive a feedback report with details on the strengths, areas for clarification, opportunities and significant challenges to address
- ▶ All applicants will be encouraged to meet in person with their Regional Director to develop their projects and proposals
- ▶ Additional resources as available will be provided to help develop specific projects (e.g., pro bono technology development plan)

2. Opportunity to Re-Apply

- ▶ All applicants will have the opportunity to re-apply when the statewide RFP is released in the fall
- ▶ All applicants to date have expressed interest in re-applying
- ▶ All applicants that re-apply will be subject to full external review if they meet basic requirements
- ▶ Applicants will be able to re-apply within up to a year from original application

Next Steps

Pilot awards, pipeline development and release of statewide RFP

Next Steps

Pilot Grant Awards

- ▶ NCI will continue to consult with the NC Collaboratory for purposes of making determinations regarding terms and amounts of distributions (i.e. finalize funding agreements)
- ▶ NCI will use the NC Collaboratory to manage the distributions
- ▶ Recipients will be required to meet with their Regional Directors every six months and complete an annual review at the end of year one
- ▶ Awarded researchers will receive grants in **tranches subject to meeting defined milestones**
- ▶ Grant recipients will have access to **support services** needed to navigate and **achieve commercialization** including business planning, product-market fit analysis, legal IP protection, and other related activities to support researchers in commercializing innovation

Next Steps

Pipeline Development

- ▶ As part of NCI's value added, NCI will provide extensive **feedback to ALL** applicants
- ▶ NCI will work closely with universities and PIs of non-selected projects to further **develop research capabilities, revise project proposals** based on feedback and **identify collaboration opportunities**
- ▶ NCI will provide faculty with access to EIRs and other resources to **further develop and strengthen their proposals**
- ▶ NCI will release a **request for information** to continue gathering and quantifying the demand for “valley of death” grant and support funding at North Carolina research universities as the organization continues to validate the need and prioritize areas of support

Next Steps

State-wide Request for Proposals

- ▶ NCI will incorporate **best practices and finalize a formal RFP** for a rolling grants program to present to the board of directors. Subject to approval, NCI will issue a formal call for grant applications.
- ▶ The RFP will be **two-phased** to allow for a pre-proposal and full-proposal by invitation
- ▶ Similar to the Piot program, full-applications will undergo a **review by a committee** comprised of representatives from academia, industry, private sector, economic development stakeholders and a review conducted by a third-party to assess market-fit and technology readiness
- ▶ NCI will continue to review applications and make **award decisions based on viability, clear development pathway, product/market fit**, NCI's funding availability, and other criteria
- ▶ NCI will report to the legislature its recommended awards



Thank you