

UNIVERSITY SYSTEM OF MARYLAND LAUNCH FUND

Info session – Lindsay Ryan, Managing Director

5/2/2023



USM'S WHY & PROGRAM COMPONENTS

USM'S WHY

IMPROVING ACCESS TO EARLY CAPITAL

- Societal and structural barriers can make foundational capital even more elusive for some people and types of ventures that for structural and/or historical reasons have been left out of early funding. And across the USM, the scope of new enterprises and financial needs vary substantially, as do the resources available. The USM Maryland Launch Fund holds diversity, equity, and inclusion as key values, along with transparency, and the addition of value back to all participants, applicants, awardees, and institutional partners.
- The USM believes that small amounts of capital, deployed effectively alongside other resources, can generate economic impact for the state of Maryland and further USM's values and mission – to educate and serve the people of Maryland; advance equity, justice, and opportunity; and produce the research and scholarship that improve lives.
- Based on input from over 100 stakeholders; one piece of broader recommendations.
- **The program is a pilot! Early success can help raise additional funds for expansion.**

PROGRAM COMPONENTS

Microgrants

Made possible by a \$100k contribution from the USM Foundation!

Who: Students and employees (including faculty)

When: Depends on the institution; a potential round this summer

Project Grants

Who: Employees with no venture who need more than \$2,000

When: Hopefully this summer; at some point, may be able to add for students

Grants and Investment for Ventures

Who: Entities (for-profit or non-profit startups), called "ventures". Ventures led by USM students, employees, alumni, or former students; USM intellectual property-based ventures; and ventures physically located in a USM research park, incubator, or RISE Zone.

When: Deadline May 16, midnight

More value-add components to come!

FOCUS: FUNDING FOR VENTURES

Ventures are for-profit or non-profit startups

FUNDING FOR VENTURES

ELIGIBILITY

Entities (for-profit or non-profit startups), called "ventures":

- Ventures led by USM students, employees, alumni, or former students; or
- USM intellectual property-based ventures; or
- Ventures physically located in a USM research park, incubator, or RISE Zone. Please note this does **NOT** include participation in programs only, such as I-Corps, the Towson University Accelerator, the USG Equity Incubator, Salisbury's Shore Hatchery, or other programs, unless there is some other qualifying eligibility.

Special note for employee ventures Before the Launch Fund will provide funding, employees need to be in good standing with their institution about their venture. For example, complying with conflict of interest and conflict of commitment processes. Additionally, these funds are most intended for use for employee ventures that are affiliated with university employment (not an unrelated side hustle). This is not a cut and dry issue. Please get in touch at launch@usmd.edu or speak with your Executive Committee representative with questions.

FUNDING FOR VENTURES

TIMELINE

- **Deadline:** May 16, midnight.
- Aiming for review and decisions in June, with funds potentially transferring in late August.
- There will be another deadline in the fall. In the future, we would like to have more than two deadlines per year for at least some types of funding for ventures.

This is a new program, with a lot to still work out!
Thanks in advance for your patience.

FUNDING FOR VENTURES

AMOUNT AND TYPE OF FUNDING

Total Funding

About \$600k TOTAL over 3 years. The goal is to raise more! But we have to start with what we have. This is the reason for the current funding limits...You may receive funding and then apply again, generally up to a total of \$75,000. Smartly using small amounts of funding is a great way to make a case for additional, larger funding.

Types of Funding

- <\$25,000 typically deployed as a grant.
- >\$25,000 typically be deployed as a grant or convertible note.
- Grants may be deployed as an up-front and final payment.

However, these are just guidelines. Through your application, you will be able to make the case for how much you are seeking and in what form. We are also open to other forms of capital, which can be noted at the end of this application.

FUNDING FOR VENTURES

REVIEW PROCESS AND CRITERIA

Process

All applications will undergo an initial review by a diverse pool of experts nominated by USM institutions, plus specific subject matter experts. All reviewers must keep application information confidential. All applicants may be asked to provide additional information as needed to finalize decisions.

Applications requesting more than \$25k may be asked to give a pitch on Zoom or in some other way bring the application "off the page". Applications requesting investment will almost certainly be asked to pitch.

Criteria

Part I – Thoughtful and Well-Founded Application Answers

Part II – Potential for Impact

A. Impact on Economic Development

B. Impact on Applicant

Part III – Potential for Financial Return (Investments Only)

FAQ



FREQUENTLY ASKED QUESTIONS

Why would I ask for investment over a grant?

The typical situation is if you are already raising supportive funds and you require more than \$25,000. Having USM as an investor may help secure other investors, and USM have even more is a vested interest in your venture.

Can I ask for investment and a grant?

Yes, this is possible. If there is a good reason for a small amount of capital to be non-dilutive to complement an investment, you can make the case for that.

Is the funding amount and type request that I submit in the application binding and promised, if the application is accepted?

No, if there is support for funding your application, the Managing Director will get in touch with any recommend changes to the amount, type, and/or use of funds. For grants, tranches may also be proposed. For investments, terms will be negotiated.

FREQUENTLY ASKED QUESTIONS

Is there a connection to the USM Maryland Momentum Fund (MMF)?

Yes, for starters, the source of initial funding from USM is the same! MMF leadership have been involved in shaping the Launch Fund. MMF personnel will be part of the review process for the Launch Fund. It is very possible that MMF could invest in companies funded by the Launch Fund. However, the Launch Fund and MMF have different criteria and goals. For those seeking investment from the Launch Funds, if for some reason the MMF would not be a good fit for your venture when it is at a later stage, that does NOT mean that your venture will not be a good candidate for Launch Fund investment.

FEEDBACK?

We welcome it to strengthen this pilot

Anonymous or not!

Interested in all feedback; particularly anything to improve diversity, equity, and inclusion

<https://univsysofmdvcred.typeform.com/launchfeedback>

THANK YOU!
FURTHER QUESTIONS?
LAUNCH@USMD.EDU



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of MARYLAND