DISCLAIMER

The views expressed by the speaker are his own and may not necessarily reflect those of his University.
OVERVIEW

• Background
  – Family in Sri Lanka & U.S.
  – Research – From Beginnings to Next Generations

• The Road to Commercialization
  – Bridging the Gap
  – Early Stages
  – Creating a Foundation
  – Importance of the Team
  – Equip yourself with...
  – Small Business Economics
  – Challenges: Be Ready to Embrace Them
  – IP/Licensing and Managing Conflicts
  – What are Your Options?

• Wrap-Up
  – Insights
  – Q & A
Background

FAMILY-SRI LANKA HERITAGE

[Images of people and a map of Sri Lanka and India]
Background

FAMILY-U.S.
Background

RESEARCH-BEGINNINGS
Background

RESEARCH-NEXT GENERATIONS
BRIDGING THE GAP
BRIDGING THE GAP

University Research

Sivananthan Laboratories

Epimaterials

EPIR Technologies

Episensors

Episolar

InSPIRE
EARLY STAGES

• Resources
  – What do you need?
  – What do you have?
  – How much risk are you willing to take?

• Priorities
  – Technology, creating a concept
  – Capital
  – Location
  – Formulate a team

*Be vigilant and make common sense decisions*
Creating a Foundation

- The Four Keys
  Mission
  Vision
  Strategy
  Values
- Business plan
- Risk

*You need to take more risk than others.* Risk is an important factor that every entrepreneur will consider. If you are not willing to take the risk on yourself, how can you expect anyone to believe in you?

*The landscape may change but your values must stay the same*
You are the:

- Engineer
- CEO
- Secretary
- Accountant
- Janitor

Be ready and willing to do everything yourself at every stage of development
Important:

A.) Respect is earned, not demanded.
B.) Focus on “What is in it for them?” for your employees.
C.) Surround yourself by those that will challenge you.
D.) Know your strengths and weaknesses and build your team accordingly.

Your success depends on your team!
EQUIP YOURSELF WITH:

• What necessary tools helped you along the way:
  – Talented people
  – Immense skill set
  – Networks
  – Family

Putting together a team of talented people with an immense skill set is only part of the needs for any small business. Relying on your networks of individuals and family to support you is also necessary for success.

Look beyond the basic skill set of a potential employee
SMALL BUSINESS ECONOMICS

- What is the best way to raise money for my small business? *Never the same answer*
- What portion of the company’s money should be considered yours? *0%*
- How should my company invest the money it makes? *Invest in various portfolios of assets, technology, people and community outreach*

*Focus the income of your business on growth*
Road to Commercialization

CHALLENGES

What challenges did you encounter?

- Safety Net Money VS. Reinvestment
- Audits and Inspections
- Uncontrolled Growth
- Intellectual Property
- Conflict of Interest

Challenges and perceived failures provide opportunities to succeed
INTELLECTUAL PROPERTY

- Everyone will need to address it **AND** manage it
- IP needs to be kept confidential and protected BUT it must be discussed openly with all parties involved
- Depending on the University they have different policies
- Ownership of the IP belongs to where you are working
- You need to have a plan

*Open and fair discussion with all parties involved*
MANAGING POSSIBLE CONFLICT OF INTEREST

- There will be potential conflict of interest when commercializing your research
- If you are employed at University as well as outside, you need to have an open conversation to establish a “conflict of interest” management plan
- Implement structures so that your situation can be beneficial to parties
- Ensure that those who report to you have independent mentors/counselors to discuss their progress and concerns

“Conflict of Interest” – if you can’t avoid it, manage it
WHAT ARE YOUR FUNDING OPTIONS?

- Government or NGO funding such as government R&D contracts and grants
- Your own savings ("bootstrapping"!!)
- Friends and family
- Angel-investor funding ($100k+)
- Venture Capital ($1 million+)
- University support (incubators, free space, lab usage, etc.)
- Crowd funding
- Collaboration/partnership
- Bank loans (interest)

*Invest in yourself before you expect others to invest in you*
WHAT ARE YOUR FUNDING OPTIONS?

565,000 Startups are launched each month in the United States.

These Startups Raise an Average of $78,406

SOURCES:
Center for Venture Research, US Small Business Administration, Angel Resource Institute, Angel Capital Education Foundation
WHAT ARE YOUR FUNDING OPTIONS?

FRIENDS & FAMILY
- Friends & Family invest the most in startups, investing over $50BB per year.
- $23,000 Avg. Amount invested
- 38% of startups funded

PERSONAL SAVING & CREDIT
- The majority of startups are funded largely in part by an entrepreneur’s personal savings and credit.
- $48,000 Avg. Amount invested
- 57% of startups funded

BANKS
- The SBA backs just under 100,000 bank loans per year to small businesses.
- $143,899 Avg. Amount loaned
- 1.43% of startups funded

ANGEL INVESTORS
- Angel Investors write 10x more checks than VC’s, investing in over 61,900 companies per year.
- $74,955 Avg. Amount invested
- .91% of startups funded

VENTURE CAPITAL
- VC’s write the biggest checks with an average investment size of $2.6MM to seed stage companies.
- $5.94MM Avg. Amount invested
- .05% of startups funded

TOTALING $531BB+ PER YEAR

Top Funding Sources

- $185.5BB Personal Savings & Credit
- $60BB Friends & Family
- $22BB Venture Capital
- $20BB Angel Investors
- $14BB Banks
- $5.1BB Crowd Funding

SOURCES:
- Center for Venture Research, US Small Business Administration, Angel Resource Institute, Angel Capital Education Foundation
FINAL THOUGHTS

• Have a **mission**, **vision**; and know your **core values** as they will guide you in your most challenging times.
• If you believe in your product, you should be willing to **shoulder the risk**
• Be ready and willing to do **everything yourself** at every stage; surround yourself with people better than yourself
• **Invest** your money in your company; assume 0% of the company money is yours.
• Recognize the importance of the **support** of your family and community.
THANK YOU!

Please feel free to reach out to me with any additional questions or comments! You can get in touch with me through the email addresses provided below:

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Questions?