NETWORK for BUSINESS ENGAGEMENT
A ONE-STOP Destination for Business, Industry, & Investor Engagement

Part of an integrated approach to University engagement with the private sector
MSU INNOVATION CENTER

MSU’s place for connecting to the private sector
Our focus is Faculty – we’re here to make you more successful

- Connecting your research to companies that are interested in what you do.
- Company perspectives enrich your program
- $11 Million in grants last year

- Taking your ideas to the marketplace – seeing your ideas put to practice.
- $4.2 million in royalty revenue last year
- >$500,000 distributed to faculty

- Creating companies from your ideas.
- Professional help to create the best chance for success.
- Engaging students in alternative careers.
MSU INNOVATION CENTER

MSU Technologies
- Intellectual Property Protection
- Licensing
- IP Protection Plan
- Commercialization Plan
- Technology Development Plan

Established Companies
- Market Assessment
- Mining for R&D with Commercial Potential

Corp & Fndtn Relations
- Research
- Support to entrepreneurs
- Partner in Economic Development

Business-CONNECT
- Technology Development
- MBI
- Entrepreneurism Community
- E-Net

Spartan Innovations
- Company Start-ups
- Technology
- Service
- Capital Attraction
- Leadership Talent Attraction

Entrepreneurs

Venture Capitalists
- Pool of Technology & Business Experts

MSU Foundation

E D Organizations
Part of an **integrated approach** to University engagement with the private sector.

**MSU-T**

Licensing activities lead to further research investment or faculty engagement

**Spartan Innovations**

Market and Patent research identify partners for licensing, sponsored research & philanthropy

**Business-CONNECT**

Sponsored Research involves a negotiation of licensing terms and leads to follow-on engagements

**Corporations**

Donate money and goods, in exchange for access and visibility for hiring & collaborating

**CFR**

Each group has a focus – but we share relationships and we do our homework together.
Working as a team is critical to success, so the Innovation Center is organized as a unit under the VP for Research, with MSU Foundation ownership interest in SI.
Working with Business-CONNECT

Research Collaborations with Company Sponsors
Connecting our strength to their needs...
There are several groups that engage in different ways to establish sponsored research at MSU:

**Business-CONNECT**
- Corporate-sponsored Research and Fee-for-Service Agreements
- Industry-sponsored Clinical Trials

**OSP (Pre-award)**
- Federal Grants and Contracts
- Foundation Grants
- Federal Clinical Trials
- Federal pass-through contracts – even through corporate channel (in cooperation with B-C)

**CGA (Post-award)**
- Account creation and compliance monitoring for all awards
Business-CONNECT: The Front Door to MSU

**Identify MSU Resources:** we help companies find researchers & facilities; we navigate the university for them

**Build Partnerships:** we do proactive business development to build on strategic opportunities – bring us your ideas

**One-Stop Shop:** We act as an advocate for the deal, translating among stakeholders to find the win-win; we negotiate and sign the agreements
Business-CONNECT’s vision for value creation

• PARTNERING:

  Facilitate business partnerships that add value to both MSU and business partners, by providing a visible, accessible, and helpful portal.

• The Business-CONNECT office is:
  • An advocate for the deal, acting to translate among the stakeholders.
  • A one-stop shop, single portal, for business engagement
Business-CONNECT’s strategic objectives

- Facilitate rapid, high-quality customer connections with MSU research & services
- Enable two-way strategic communications with business customers
- Ensure timely completion of contractual negotiations between MSU and partner organizations
- Align customer business goals with MSU’s ability to deliver, assuring MSU policies and objectives are not compromised
- Coordinate MSU - corporate relationships with MSU’s Administration and the University Advancement offices
Working with MSU Business-CONNECT

**External Business Partners**

- Understand what the business really wants, and where there is room to negotiate.
- Explain MSU policies.
- BUILD RELATIONSHIPS.

**MSU Business-CONNECT**

- Conducting “Honest Broker” negotiations that bring all viewpoints to the table.

**MSU Admin and Policies**

- Ensure deals fit University policies.

**MSU Research**

- Understand faculty needs and necessary resources to deliver.

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**MSU INNOVATION CENTER**
MSU’s goal is to develop the whole relationship

Adapted from “The Collaboration Imperative: Universities and Industry as Partners in the 21st Century Knowledge Economy.”
Wayne Johnson, VP Hewlett-Packard  April 25, 2006
• MSU has a large variety of industry partners

FY2014-15 Distribution of $23.3M Corporate-Sponsored Research
How can you work with Business-CONNECT?

• **Start early.** As soon as you are aware of a possibility of partnering with industry, come to Business-CONNECT. Companies may need to move fast; the sooner you get us involved, the better we can match that pace.

• **Build relationships.** MSU wants to build solid bridges to commercial partners. Engage with colleagues in industry when you meet them; treat a sponsored research project as a real partnership; follow through on obligations.

• **Protect MSU assets.** Be aware of how your work can generate new intellectual property. Work with Business-CONNECT and MSU-Technologies by discussing any IP potential of your work.

• Again, **start early.**
Working with MSU Business-CONNECT

What are the key aspects of a corporate research agreement?

• Company and Faculty collaborate to create a clear description of project – the scope of work
• Faculty and Business-CONNECT work together to develop an appropriate budget that captures the full cost of the project
• We will always retain your right to publish
• We will give the company rights to use your results for internal research, and we will negotiate their rights to make commercial use of the results
• Our goal is ALWAYS to find a win-win balance. We want long-term partnerships
• Engaging with us early is critical. We can help avoid the missteps that can make this hard.
How can you work with Business-CONNECT?

The Process:

**AGREEMENT**
- Draft
- Negotiate
- Execute (signature authority)

**TRANSMITTAL**
- Department
- College
- Review and acceptance

- Generate draft protocol (statement of work) and budget for both agreement and transmittal processes
- Start both processes in parallel – do this **before** you agree on budget with company
A typical company-sponsored agreement is...

- Fixed-price, non-reimbursable, no audit rights
- Promise to deliver best effort
- Full cost of the project, including IDC, but quoted as a single cost, or simplified budget.

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Where do we stumble in this process?

– Promises made by faculty or staff that we can’t live up to
  • Gift vs. grants, IDC rates, research vs. fee-for-service, budgets, etc.

– Companies that overreach – want to have too much control over publication or patents

Both can be fixed by engaging us early. We’re good at navigating these issues
• Research vs. Fee-for-Service

“Research Project” means work which University conducts to uncover new and different trends or facts leading to a discovery. The pathway to discovery and the creativity of new ideas is in the hands of Principal Investigator (PI) and other University employees and usually starts as a Research Proposal which outlines a promising area of research. Research is an investigation aimed at the discovery and interpretation of facts, revision of accepted theories in light of new facts, development of new analytical and experimental protocols, or practical applications of such new theories, analysis, data gathering and experiments. University faculty, staff and employees may produce research results, materials and inventions, which lead to University Intellectual Property.

“Fee for Service Project” is work where the Deliverable requested is generated using known practical applications of standard procedures and established theories, methods and standard experiments. The results of such work are of specific interest to the sponsor and may involve off-the-shelf tools and established protocols. Fee-for-service projects do not include analysis or interpretation of data sets and the deliverables are limited to the results generated using the standard procedures, established theories, methods and experiments utilized in the performance of the work. There is no University Intellectual Property expected in this type of Project.
Contracts vs. Gifts (we like them both – but they’re different)

Gift #1: A gift is a “non-reciprocal transfer with no implicit or explicit statement of exchange, procurement of services or provision of exclusive information” (CASE). There is no Quid Pro Quo and benefits would accrue to the general public. The gift’s purpose or use may be restricted or unrestricted.

Gift #2: An unconditional, voluntary, non-reciprocal transfer of assets (including unconditional promises) from a private entity to a not-for-profit organization. The donor may have certain expectations but there cannot be any actual control over expenditure of funds or any quid pro quo. The donor may not benefit from the execution of the gift.
Contracts vs. Gifts (we like them both – but they’re different)

**Contract #1:** A contract is a legally enforceable agreement between two or more parties with mutual obligations.

**Contract #2:** A contract is an agreement between two or more competent parties in which an offer is made and accepted, and each party benefits.

- Research can clearly be supported by a gift
- Gift classification must be bona fide (e.g., not just to avoid indirect cost assessment)
- Gift classification does not alter:
  - legal risks and accountability associated with research
  - treatment of research for cost accounting purposes.
How can you work with Business-CONNECT?

The Process:

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Talk to Business-CONNECT re: Gift vs. Grant Research vs. Fee-for-Service Export Control, IRB, etc.

AGREEMENT

Draft → Negotiate → Execute (signature authority)

TRANSMITTAL

Department → College → Review and acceptance

CGA: Account, invoicing, compliance
Visit us at our web portal...

http://innovationcenter.msu.edu

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MSU’s place for connecting to the private sector
- come visit any time

325 E Grand River, 3rd floor. (Used to be Jacobson’s department store)