

## UVSC's Milestone Management Incubation

The following criteria will be used in selecting companies for the MMI program sponsored by UVSC (soon to be Utah Valley University):

### Product

The first determining factor for incubation is the product. A company that has a product that is unique in the market is of great importance. The product must be distinguished from products of competitors and can be protected through trademark. The product must interface with academic curriculum. The product must be created by a process that enables improvement, interchange or modification. Lastly, the produce must have a market and be marketable through traditional marketing techniques.

### Management

Company management must be willing to share all information – including personal and company financial information to the incubator's sponsor. The sponsor will work closely with the company in providing management skills through its faculty and students. The sponsor will provide accounting and financial support to the company including financial pro forma and cash flow projections through its faculty and students. The sponsor will provide the company with its business and technology resources including a business and marketing plan. Management will agree to meet milestones for company growth as outlined in "Milestones Management Incubation." Management will arrange for sufficient funding and working capital to operate the company. The sponsor will provide assistance to management in getting loans and grants. Management may teach classes dealing with the business techniques agreed to in the plan. Management will have access to student interns who have the aptitude for the companies' product. Management will agree to enter into a partnership agreement with the sponsor for two years with specific terms and conditions. Sponsor will not assume any ownership position in the company nor accept any liability of the company but will be an ad hoc partner for the two years of

incubation. All information and trade secrets will be held proprietary by the university and will be owned by the company.

### **Physical facilities**

Sponsor will provide office and operating space for the Company at a charge of \$10 sq. ft. Generally, space provided will run between 200 to 1,000 square feet per incubator company space. Two conference rooms will be available use at no charge. Office space for student interns will be provided while they are assigned to the incubation process. Secretarial assistance will be provided by the incubator. The incubator location is Canyon Park Technology Center (WordPerfect Campus), 1501 North Technology Way, Orem, 84097. The incubator space will be located in a basement location with an elevator to access the offices. Large or heavy materials may prohibit a company from incubation. No hazardous materials may be used in the incubation process.

Incubation space does not allow for exhaustion of fumes or air exchanges beyond a normal classroom environment. Air exhaustion is the responsibility of the incubator company. Any other extraordinary modifications to the incubator space are the responsibility of the incubator company.

### **Milestones**

A two year plan will be presented to management in an incubator agreement. The plan will become a contractual part of the partnership between the sponsor and the incubator company. The plan will include production goals, marketing goals, growth goals and financial goals (see attached MMI plan). Milestones will be reviewed by the sponsor (UVSC) and I/C (Incubator Company) as to its progress. The sponsor-I/C partnership will be responsible to account for compliance or non-compliance of milestones. Failure to meet milestones can be grounds for termination of the incubator agreement. The goal of the incubation plan will take the company from its infancy to commercialization in two years. The end result of this exercise is to spin off a company that can provide high

paying jobs. It is the hope of this concept to spawn long-term established business that stay in the region and provide jobs and increase the tax base.

### Agreement

A legal agreement we entered into outlining the all financial commitments of the incubator company to the sponsor. All terms and conditions of the incubation process will be defined along with the financial obligation of the incubator company and the sponsor's liability and indemnity. Modifications to the agreement can be made if mutually agreed upon and if they are necessary.