

The Massachusetts Life Sciences Center



Small Business Matching Grant Program Information Session

January 2012

Background

The Massachusetts Life Sciences Initiative – Major Objectives

State investments in the life sciences “Super Cluster” to:

- **Promote economic development**
- **Support the Commonwealth’s world-class academic medical centers, research institutions, universities and industry leaders**
- **Promote a highly skilled and educated workforce**
- **Create an industry-friendly environment**
- **Strengthen and protect Massachusetts’ global leadership position in the Life Sciences**
- **Support the development of treatments, therapies and cures**

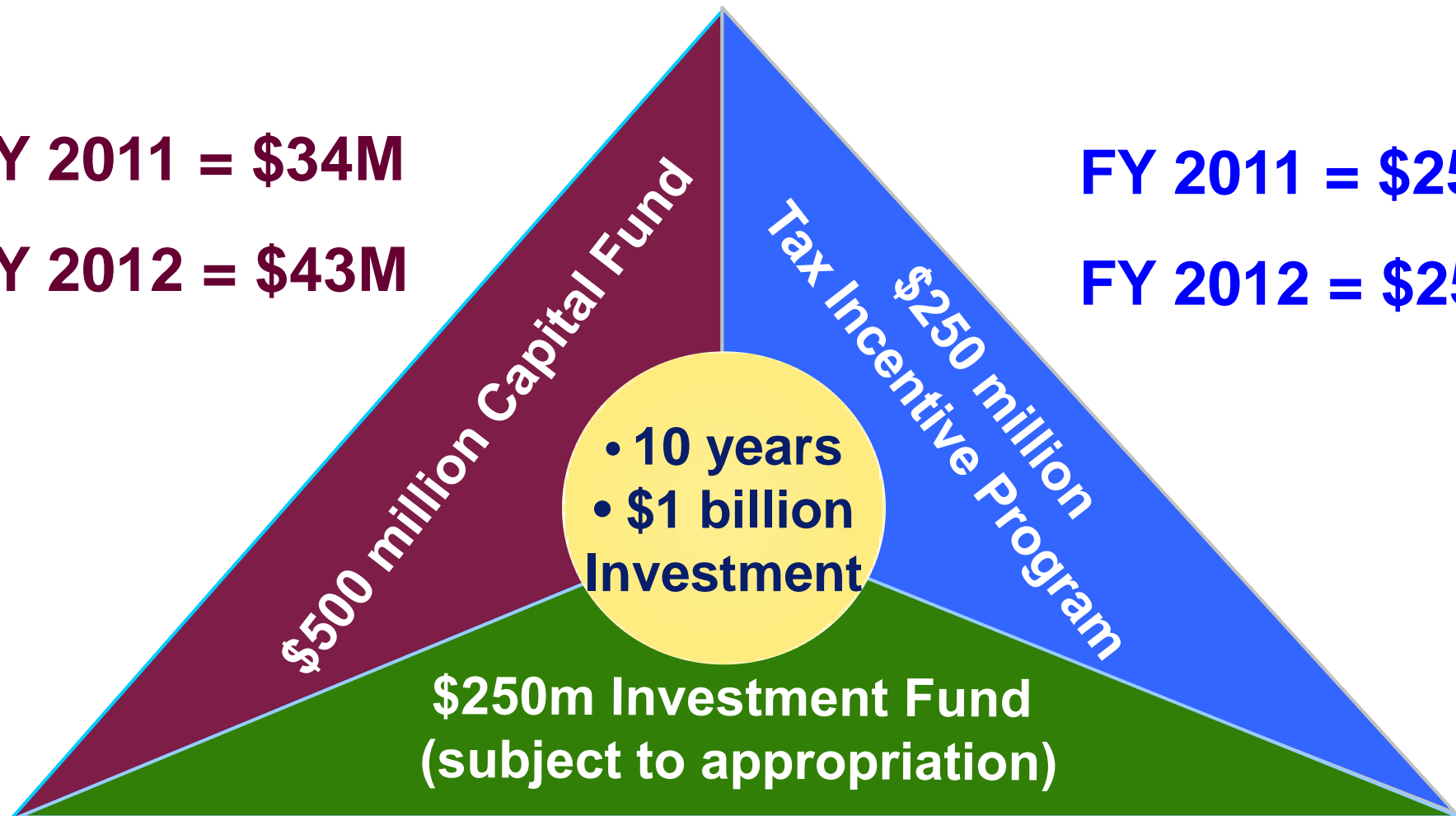
Life Sciences Initiative Investment Tools

FY 2011 = \$34M

FY 2012 = \$43M

FY 2011 = \$25M

FY 2012 = \$25M



FY 2011 = \$10M

FY 2012 = \$10M

Small Business Matching Grant Program: Overview

- Life science sectors as defined by the statute: device/diagnostics, biotech, pharmaceuticals, bioinformatics, etc.
- Have developed new technologies that are commercialization- ready
- Create jobs in the Commonwealth.
- Been awarded SBIR/STTR Phase II, post Phase II, or equivalent **within the past seven years**

Program At-a-Glance

- Grants of \$100K- \$500K (maximum per statute)
- Matching funds for federal small business grants
- Adherence to MLSC reporting requirements

Small Business Matching Grant Program: Eligibility Criteria

- **Must be a Life Sciences company and a Small Business as defined by the SBA**
- **Must be registered to do business in MA (does not matter where incorporated)**
- **If you meet any of the following criteria, you are not eligible to apply to the SBMG Grant Program:**
 - Have NOT been awarded a SBIR/STTR Phase II, post Phase II, or equivalent
 - Have received an award under the Center's Accelerator Loan Program
 - Have received a prior award under the Center's SBMG Program
 - Have raised **\$10 million** or more in total equity financing
 - Are majority owned (greater than 50%) by a parent company that is an operating or holding company and you have
 - ✓ Raised \$10 million or more in total equity financing, or
 - ✓ Received \$10 million or more in debt financing from your parent, or
 - ✓ Raised/received \$10 million or more from a combination of the prior 2 bullets.
 - Are majority owned (greater than 50%) by a parent that is an investment company, investment partnership, or investment fund and have received \$10 million or more in financing from your parent company

Small Business Matching Grant Program: Application

- **Online submissions only – paper submissions not accepted**
- **Informational**
 - Identifying information (name, address, etc.)
 - Required by statute
 - ✓ Projected revenue in MA over next 5 years
 - ✓ Plan to achieve revenue goals
 - ✓ Number of full time MA employees over next 5 years with projected average salaries
 - ✓ Taxable income generated by these employees
 - ✓ Method to achieve diverse workforce
 - ✓ Agreement with bank participating in Capital Access Program, if applicable
 - ✓ Documentation for project certified by Economic Assistance Coordinating Council
 - Good corporate actor
 - ✓ Certificate of good standing – both Secretary of State and Department of Revenue

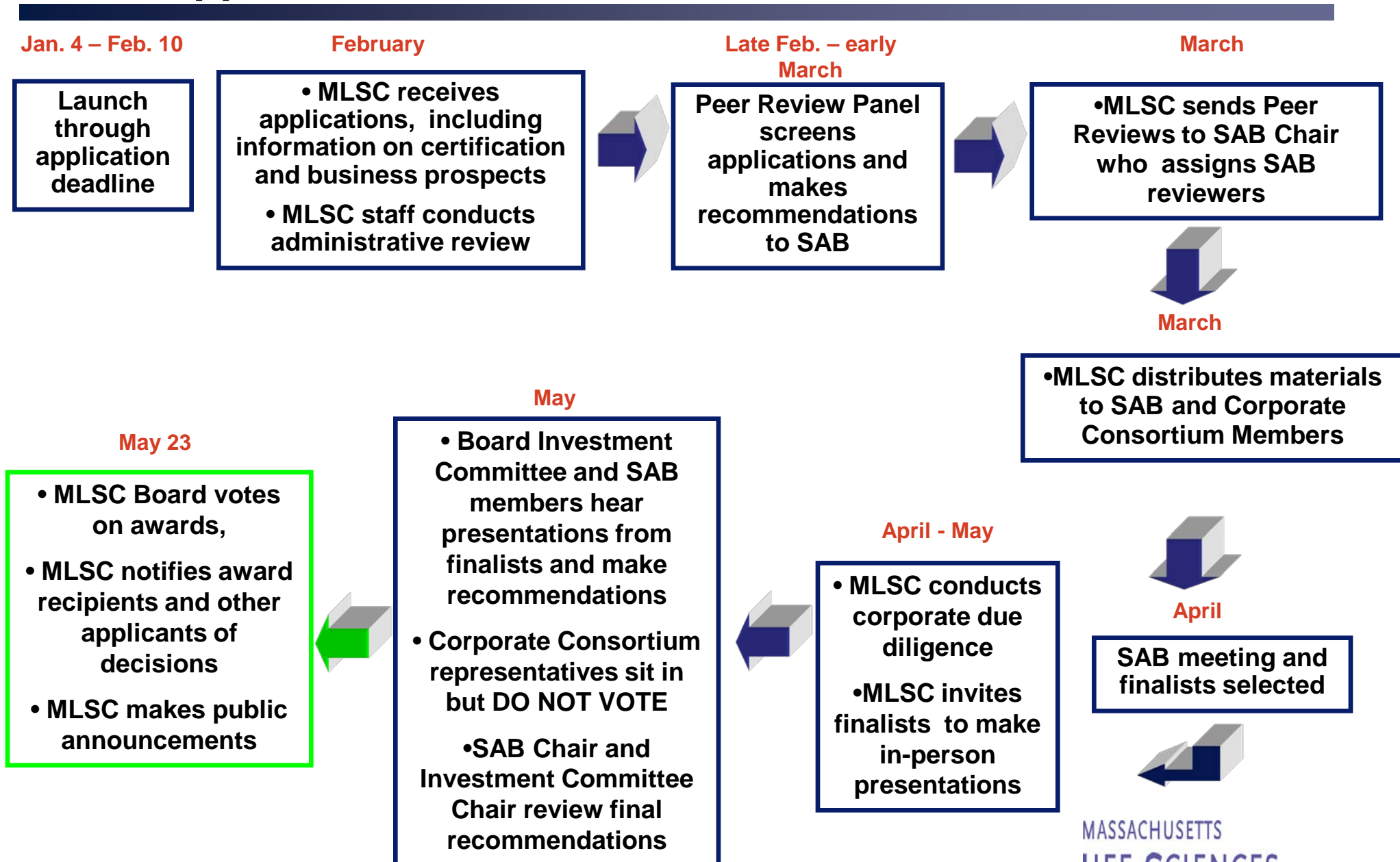
Small Business Matching Grant Program: Business Plan

In narrative – not Power Point -- format (no more than 15 pages)

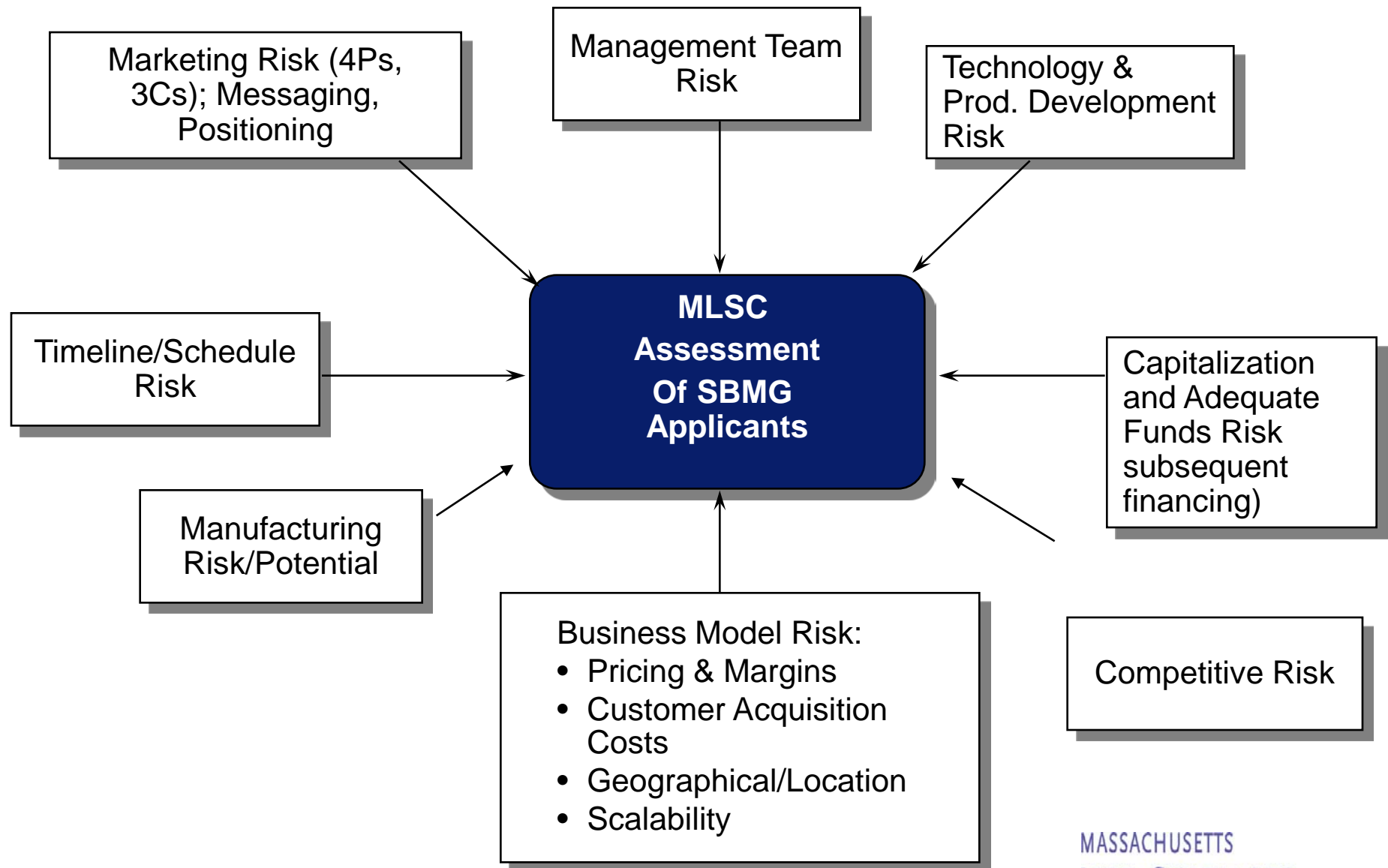
Please attach a 1-2 page resume for your top executives (1-2)

- **Executive Summary (1-2 pages)**
- **Science/Technology/ Product/Service/Industry (1-2 pages)**
- **Commercialization Strategy (2-3 pages)**
 - Commercialization Potential
 - Plan for Commercialization
 - Competition
- **Clinical/Regulatory Pathway (no more than 1 page)**
- **Management Team (no more than 1 page)**
- **Financials (2-3 pages)**
- **Work Plan for use of MLSC Funds (2-3 pages)**

Small Business Matching Grant Program: FY 12 Application Review Process



Small Business Matching Grant Program: Evaluation Criteria



Other Programs for Small Businesses

MLSC Accelerator Loan Program At-a-Glance

- 5-Year Loan
- \$100-\$750K target range per company
- 10% Interest rate
- Unsecured, Subordinated
- Warrant Coverage of 4%
- Payable on financing event of at least \$5M
- Applicants have raised less than \$7.5M in equity financing
- Preference for matching other sources of capital – At risk capital at 100% supplemented by public/ private grants (up to 1/3 of total loan amount)
- Life science sectors as defined by the statute: device/diagnostics, biotech, pharmaceuticals, bioinformatics, etc.
- Board Observer Rights
- Adherence to MLSC reporting requirements

MLSC Accelerator Loan Program – Eligible Loan Amount (maximum loan = \$750,000)

“At risk” capital defined as:

- **Invested equity (cash for equity)**
- **Debt**
- **Convertible debt into equity**

What is not considered as “at risk” capital:

- **Like kind exchanges**
- **Grants Advance licensing/royalty payments**
- **Revenues**
- **Vendor lines of credit**
- **Vendor payables incurred in the normal course of business**

Internship Challenge Program

Background:

- In January 2009, the Center launched its Internship Challenge, a workforce development program focused on enhancing the talent pipeline for Massachusetts life sciences companies
- The program creates internship opportunities across the state at small companies that otherwise would not have the means to host interns

How the program works:

- College students submit their application online via the Center's website and host companies review applications, interview, and hire candidates
- The Center reimburses companies (with 100 or fewer employees) for stipends paid to their interns -- **up to \$15 per hour for up to 12 weeks**
- To date, the Center has paid \$3.8 million in stipends under this program
- In fall 2011, the Center began offering the Internship Challenge Program during the academic year

Information Sessions

Date (2012)	Host and Location	Time
Jan. 11 th	MLSC sponsored at 1100 Winter Street, Center entrance, ground floor, Waltham	9:30 to 11 am
Jan. 18 th	University of Massachusetts, Lowell Medical Device Incubator, 600 Suffolk St., 2 nd floor, Lowell	10 to 11:30 am
Jan. 20 th	MBI/WPI Session at: Gateway Park, 60 Prescott St., Worcester	10 to 11:30 am
Jan. 23 rd	MLSC sponsored at 1100 Winter Street, Center entrance, ground floor, Waltham	3:30 to 5 pm
Jan. 26 th	Mass Medic 715 Albany Street, Boston, MA	10 to 11:30 am

Email questions to:

SBMG@Masslifesciences.com

**Applications due (online only)
by February 10th at 12 NOON EST**

Keeping in Touch

www.masslifesciences.com

- News updates
- Program Information
- Application portal

Life Sciences Center Email List

- 3,000 recipients
- Quarterly E-Newsletter
- Sign up today!