Candidate Company Screening

Version 1.2
Wednesday, December 14, 11
Lou Walcer, Director
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I. Objectives

The Kevin M. McGovern Family Center for Venture Development in the Life Sciences (“The Center”) is tasked with selecting Cornell life sciences startups for entrance into the Center’s incubation program. An incubation program may include business plan and management team development, lead product development assistance and, among other services, the candidate company’s residency at the Center.

Constructing and implementing an incubation program for each selected company will involve a substantial amount of the university’s resources and a substantial amount of work by Center staff. The Center must employ a prospective candidate company selection methodology that identifies companies most likely to be commercially successful after application of the Center's incubation program. From a fiduciary responsibility perspective, the Center and its staff must choose its clients carefully and well.

Also, the Center must employ screening methodology that is consistently applied across all candidates. This consistency is important in order to avoid claims of favoritism being leveled against the Center and its staff.

Moreover, for the same reasons, the Center’s screening methodology must be published widely and loudly to the Cornell life sciences community. In its selection and incubation activities, the Center and its staff cannot appear to be operating sub Rosa.

These are challenging objectives. Many early stage venture investment companies focus on a particular market or market niche that the principals know particularly well, and optimize their selection criteria for their specific area. The Center’s “life sciences” charge, however, covers a wide and diverse field. Accordingly, the Center’s screening process has to be broad enough to cover its territory, and the selection methodology employed by the Center and its staff must be somewhat generic.

Screening is an iterative process. It is not unusual for a candidate company’s business plan, management team and initial product target, etc. to undergo rapid and substantial change. The candidate screening tool has to be sensitive enough to reflect such material changes in key evaluation parameters.

It must also be understood that the prospective screening process being proposed here must be considered a “best guess” first approximation. Any screening process employed by the Center will subject to subsequent validation and refinement as a result of actual operational experience. Thus any screening methodology employed today has to be able to accommodate such downstream optimization.

The proposed Center screening tool has been designed to meet these objectives.
ii. Who will use the candidate screening tool

The candidate screening tool is designed for use by the Center's staff team. This definition includes the Center's business development and project management staff. It would also include students and consulting personnel working under the direction of Center staff. These individuals comprise the evaluation team.

This tool will be published to the Cornell Life Science community so that potential candidate companies and their proponents will understand the Center's screening methodology.

Iii. When to use the candidate screening tool

The candidate screening tool is designed for use after initial contact with a prospective Center client, after a mutual nondisclosure agreement has been executed between the prospective Center Client and the University, and after the evaluation team has received substantive information from the prospective Center client. The latter includes, but is not limited to, the company’s Center application, the company’s business plan, grant history of the company’s technologies, one or two interviews with the company’s management team, etc., etc.

The proposed rule of thumb is that whenever a material change has taken place with respect to these key areas, the candidate company might be re-screened.

iv. Behind the candidate screening tool workbook

A. The underlying approach

The Center is dealing with early stage ventures. The usual screening criteria for such ventures as “angel”, “seed” and “early stage” investments are the robustness of the company’s intellectual property, the competitive advantage of its technology and its targeted initial product, the strength of its management team, and the logic of the company’s business plan. They are assumed to apply to Center candidate companies. Beyond these basics, though, the Center’s Charter specifically requires that candidate companies must be “life science” companies, and that candidate companies must be “Cornell startups”—i.e. with technology originating from Cornell. Unless candidate companies meet these latter “red flag” criteria, they can’t be considered for entry into the Center and its incubation program.

The combination of these early stage basics and the Center Charter red flags are the focus of the Center’s screening tool.

B. An overview of the candidate screening tool

The Center's candidate screening tool is a macro-enabled Microsoft Excel workbook template – candidate screening.xltx– composed of three spreadsheets as follows:
1. Scoring detail tab/worksheet

The scoring detail tab/worksheet is where the evaluation team will enter scoring data for the candidate company. Scoring data are grouped topically: “LifeScience-ness”, intellectual property strength, technology strength/validation/development stage, targeted initial product market attractiveness/strength, business plan fundability, management team strength/fundability. Within each topical group, a score is required on specific criteria, for which a scoring rubric is presented. Evaluators must select the description which best reflects the current status of the candidate company and record the corresponding score value.

With each topical group, scores are averaged and normalized to a base of 100.
Across all topical groups, scores are averaged and summarized as an overall candidate company score.

2. Summary score tab/worksheet

The summary score tab/worksheet reports the topical summary data and overall candidate company data summary that was compiled previously by the scoring detail tab spreadsheet. This worksheet presents the topical summary data in tabular form. There is no need for evaluators to enter any data on this spreadsheet.

3. Executive summary tab/worksheet

The executive summary tab/worksheet takes summary data from the summary score worksheet, presents the summary data graphically as a column chart and a “radar” plot to aid interpretation, and offers a project recommendation, based on pre-assigned “cut-off” values. The “killer variable” radio buttons offer an opportunity for the evaluation team to briefly comment on “killer variables” and other key aspects that have emerged from the initial screening evaluation of the candidate company.

C. How the screening tool works

The core of the screening tool is the scoring detail worksheet and the scoring rubric that's applied within that worksheet. These will be examined in detail below.

1. The scoring detail worksheet

It should be noted that any worksheet cell within the screening tool that is marked by a blue font color (i.e. <enter text here>) could accept evaluator data entry.

A. Common data

The candidate company name, names of the members of the evaluation team, and the date on which the evaluation team concluded its work should be recorded in row 7 of the spreadsheet. Once recorded in these cells, this information will be automatically copied onto the appropriate cells on the two summary spreadsheets in the screening tool.

B. Criteria importance ranking

Column C of the scoring detail worksheet is devoted to criteria importance ranking. Cells in this column allow assignment of a ranking from 0 to 10 regarding the relative importance of each individual criterion. For the moment, this feature is disabled. All values have been set to a default setting of 10, essentially stipulating that all criteria are equally important. At some point in the future, after retrospective analysis established the relative importance weighting of each criterion, this will be useful for honing the predictive accuracy of the screening tool.
C. The scoring rubric

The core of the scoring detail worksheet is the scoring rubric. The rubric presents a continuum of state descriptions for each criterion from the least desirable state to the most desirable state. Scores from 0 to 10 are associated with each description. Evaluators determine which statement within the rubric “best fits” the current situation of the candidate company criterion and, records the value associated with that description, in the corresponding cell in column J. It should be noted that cells in column J would only accept evaluator input in the form of integers ranging between 0 and 10.

In the following section, we will describe the rubric for each individual criterion by category grouping.

(1) "LifeScience-ness"

The Center’s Charter requires that the Center’s activities shall be limited to “life science” companies, making “life science-ness” a potential “red flag” item. The definition of “life science-ness” is not straightforward, however.

For the Center’s purposes, we define “life science-ness” through three criteria: the departmental affiliation of the inventors, the license field description, and the industry of the initial target product.

(a) Departmental affiliation of inventor(s)

The University’s catalog and web sites list various departments, centers, and laboratories within the university that are described as “life sciences”. These were reviewed and consolidated into a master list (Appendix 1). We assume that one aspect of a “life science-ness” is the degree to which the Cornell inventors of the company’s technology hold appointments in such departments, centers, and laboratories.

The evaluative rubric for this criterion is presented below:

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<tr>
<th>10</th>
<th>8</th>
<th>5</th>
<th>3</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life science department appointments for all inventors</td>
<td>Life science department appointments for most inventors</td>
<td>Life science department appointments for some inventors</td>
<td>Life science department appointments for one inventor</td>
<td>No life science department appointment for any inventor</td>
</tr>
</tbody>
</table>

The approach embodied within this particular rubric puts a premium on situations in which many individuals in the inventor pool hold appointments in different life science units of the University.

(b) License field definition

Another means of determining “life science-ness” is the “field definition” language of the licensing agreement between the university and the candidate company. “Field definition” language limits the potential applications for which the licensee candidate company can use the university’s licensed technology. In theory, the degree to which the license field definition for the licensed Cornell technology encompasses “life sciences” commercialization activities, the greater the “life science-ness” of the candidate company, and the higher the score that the candidate company will receive.

To complicate matters, though, license field definitions are the end product of a negotiation process. Thus, they are sometimes imprecise.

To complicate matters further, there is no definitive and widely accepted listing of “life science” fields. Rather, there are a number of ad hoc compilations from different governments, and different agency and department-level aggregates within these governments. Some agencies publish some data following one set of definitions of fields and other data for different definitions of fields.
Given that this is the case, the Center will accept life sciences industrial field applications from *either* SIC (USA OSHA), NAICS (USA census), National Science Foundation (NSF), *or* IRS industry codes lists.

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<th>10</th>
<th>8</th>
<th>5</th>
<th>3</th>
<th>0</th>
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</thead>
<tbody>
<tr>
<td>Life science industry codes exist for all fields within the license</td>
<td>Life science industry codes exist for most fields within the license</td>
<td>Life science industry codes exist for some fields within the license</td>
<td>Life science industry codes exist for one (of many) fields within the license</td>
<td>No life science industry codes exist for any field within the license</td>
</tr>
</tbody>
</table>

(c) Industry of the target application

Another means of determining the “life science-ness” is the target application of the candidate company’s first product. In theory, the degree to which the candidate company’s first product targets a “life sciences” commercialization activity, the greater the “life science-ness” of the candidate company, and the higher the score that the candidate company will receive.

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<th>8</th>
<th>5</th>
<th>3</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life science industry codes exist for all applications</td>
<td>Life science industry codes exist for most applications</td>
<td>Life science industry codes exist for some applications</td>
<td>Life science industry codes exist for one application</td>
<td>No life science industry codes exist for any application</td>
</tr>
</tbody>
</table>

We feel that this is an accurate criterion because the bulk of the valuation of a seed/early stage company is focused on its first product. We feel that it is accurate as well in that the Center’s incubation programs are focused on developing the candidate company’s first product, along with its business plan and management team.

Given that this is the case, the Center will accept life sciences industrial field applications from *either* SIC (USA OSHA), NAICS (USA census), National Science Foundation (NSF), *or* IRS industry codes lists.

We acknowledge that this individual criterion gives short shrift to candidate companies with broad platform technologies that encompass many non-life sciences applications. We compensate for this bias, however, through the use of the technology breadth criterion (see below).

(2) Intellectual Property (IP)

Intellectual property considerations influence Center candidate selection in two ways: the “Cornell-ness” of the candidate company’s intellectual property platform, and the overall strength of the platform. Both will be discussed in detail below.

(a) Current Cornell-origin content of the company’s IP estate

The Center’s charter requires that the Center’s activities shall be limited to “Cornell” life science companies, making “Cornell-ness” a potential “red flag” item.

This criterion is complicated by conflicting definitions of what constitutes a university “spin off” company. The Kauffman foundation considers “spin offs” to be companies formed by university employees, with or without university intellectual property. The association of university technology managers (AUTM) considers a “spin off” to be a company formed from university intellectual property, with or without university employees. Under the AUTM definition, a company with intellectual property licensed from multiple academic institutions can conceivably be considered to be a “spin off” of all.

Because of the criticality of this particular criterion, for the Center’s purposes, we define “Cornell-ness” of the candidate company’s intellectual property estate by the extent to which its intellectual property estate contains Cornell-originated intellectual property content as follows:

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<tr>
<th>10</th>
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<th>3</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>Majority</td>
<td>Minority</td>
<td>None at present. Minority possible through IP developed on campus while company is incubated</td>
<td>None</td>
</tr>
</tbody>
</table>
(b) **IP strength**

One of the key risks associated with early stage technology companies is potential challenge to their intellectual property platform. For the Center’s selection purposes, we assume that this risk decreases as the intellectual property platform matures from a provisional patent filing with limited or no claims, to a “full” conversion, through various office actions and negotiations, and is minimized with an issued patent as follows:

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<th>0</th>
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</thead>
<tbody>
<tr>
<td>Issued patent</td>
<td>Office action/“Freedom to Operate” opinion</td>
<td>Conversion filed</td>
<td>Provisional filed</td>
<td>Pre-provisional</td>
</tr>
</tbody>
</table>

In this context, to the degree to which a candidate company’s intellectual property has largely been “de-risked” as a result of office actions and issued patents is the degree to which the candidate is favored in Center selection.

(3) **Technology strength/validation/development stage**

Technical strength and stage considerations influence Center candidate selection in three ways: the breadth of the company’s technical platform, the extent to which it has been supported by the Cornell life science community, and the extent to which the technology has been validated by third party grant awards. Each will be discussed in detail below.

(a) **Platform breadth**

The Center has a selection bias that favors “platform technology” companies, rather than “single product” companies. The rationale is as follows: with platform technologies, technical risk can be diversified over multiple products, each with its own opportunity for success. In this context, the failure of any one individual product within the platform is less likely to bring down the entire platform. Thus an investment in a company with a platform technology might be considered less risky than a similarly sized investment in a company with an individual product.

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<th>8</th>
<th>5</th>
<th>3</th>
<th>0</th>
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</thead>
<tbody>
<tr>
<td>Thousands of products</td>
<td>Hundreds of products</td>
<td>Tens of products</td>
<td>A couple to a few products</td>
<td>Single product</td>
</tr>
</tbody>
</table>

In this context, to the degree to which a candidate company’s can appeal to large and multiple audiences is the degree to which the candidate will be favored in Center selection.

(b) **Cornell NYSTAR CAT or Innovation Awards?**

Investors in early stage companies seek objective third party validation of the company’s technology platform as one basis for investment. After publications in reputable journals (see below), grants are often the next form of validation received.

The NYS Center for Advanced Technology (CAT) in Life Science Enterprise (“CAT grants”) and Institute for Biotechnology and Life Science Technology (“Innovation”) awards demonstrate such third party peer support among members of Cornell’s life sciences community.

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<th>5</th>
<th>3</th>
<th>0</th>
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</thead>
<tbody>
<tr>
<td>Received &gt;3 grants</td>
<td>Received 3 grants</td>
<td>Received 2 grants</td>
<td>Received one grant</td>
<td>No grant received</td>
</tr>
</tbody>
</table>

For the Center’s screening purposes, the extent to which a particular company has been the recipient of these grants makes it a more attractive candidate for Center entry.

(c) **Third party validation: NIH/NSF/DOD/DHSS/philanthropic grant funding?**

Grants from ATP, NIH, NSF, DOD, DARPA, BARDA and other government and philanthropic grant issuing agencies represent an alternate form of third party technology validation.

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<tbody>
<tr>
<td>Received &gt;3 grants</td>
<td>Received 3 grants</td>
<td>Received 2 grants</td>
<td>Received one grant</td>
<td>No grant received</td>
</tr>
</tbody>
</table>

For the Center’s screening purposes, the extent to which a particular company has been the recipient of such grants makes it a more attractive candidate for Center selection.
(d) Maturation: Proof of principle ("POP") achieved?

Proof of principle in an academically significant model is a key milestone in mitigating technological risk. Proof of principle in a commercially significant model system further mitigates technical risk and advances investability. Among other services, the Center’s incubation program will offer assistance to Center companies in reaching proof of principle in commercially meaningful models with their first products.

To the extent that candidate companies have made progress towards this incubation goal is the extent to which they will become more attractive for Center selection.

(4) Targeted initial product market attractiveness/strength

Since the bulk of a candidate company’s valuation of a will rest on the merits of its targeted initial product, the Center’s selection methodology factors in multiple aspects of the attractiveness of the market and the competitive strength of the product being developed for that market. Before proceeding with scoring targeted initial product market criteria, serious consideration needs to be given to the nature of the candidate company’s market and product. For example, if a company offers proprietary drug manufacturing technology, its product can either be a drug or a drug manufacturing service. The product market definition has major scoring implications for these product/market criteria.

(a) Target market novelty

Early stage investment is a high potential risk, high potential return proposition, where the latter justifies the former. In this context, product/market novelty is known to be key determinant of both potential risk and potential return. A brand new market often rewards a successful entrant with high growth and high margins on sales. In contrast, the growth and margin expectations of an entrant into a mature market are more modest.

To the extent that candidate companies are defining new markets is the extent to which they will become more attractive for Center selection.

(b) Potential product market scope

In the same manner that the Center has a selection bias that favors “platform technology” companies, rather than “single product” companies, the Center has a bias towards “global” products – i.e. products that can be marketed around the world rather than products whose geographic market scope is encompassed within only a single country.

To the extent that candidate companies are preparing to launch products that can compete globally is the extent to which they will become more attractive for Center selection.
(c) Potential product users/purchasers/usage

There are many ways to define an entry market—value, units, etc., etc. All have their limitations. The Center has a selection bias towards products for which there are larger numbers of potential users and use opportunities.

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<tbody>
<tr>
<td>Billions</td>
<td>Multi-millions</td>
<td>Millions</td>
<td>Thousands</td>
<td>Hundreds</td>
</tr>
</tbody>
</table>

To the extent that candidate companies are readying their products for markets in which there are billions of use opportunities is the extent to which they will become more attractive for Center selection.

Scoring of this criterion has to balance near- and long-term market opportunity. For example, many biotechnology-based human therapeutics have been initially launched into “orphan” drug markets for which there were a handful of qualified patients. With time and additional development into other applications, these drugs eventually evolved into billion dollar products. While a focus on the entry product market is important, it must be understood that the ultimate market for the technology can be much broader.

(d) Anticipated market growth

The Center has a selection bias towards products targeted for entry into high growth markets. We differentiate entry markets by the anticipated rate of market growth from the zero/negative growth to the exponential growth of new markets. High growth entry markets have long been associated with high margins for the innovators who pioneered them. Ideally, the data for this criterion will be sourced from a third-party – i.e. a secondary market research report.

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<tbody>
<tr>
<td>Exponential</td>
<td>Geometric</td>
<td>Arithmetic – high</td>
<td>Arithmetic – low</td>
<td>Zero-negative</td>
</tr>
</tbody>
</table>

To the extent that the candidate company is targeting high growth markets is the degree to which the candidate will become more attractive for Center selection.

(e) Time to market (inclusive of regulatory approvals)

Time to market is a key consideration in early stage investing. Arrival on the market/new product launch is a key commercial milestone often associated with IPO’s or acquisition exits. Even in the absence of an exit opportunity, the arrival on the market signifies important movement toward profitability. Time to market calculations should be consistent with other criteria used in the scoring. If it is a service product, time to market should measure the technical and business development time needed to secure the first contract. If it is a tangible product, calculations of time to market should incorporate reasonable estimates of development time, and regulatory agency throughput time, logistics, and stocking time required to get to the first sale.

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<tbody>
<tr>
<td>&lt;12 month</td>
<td>12&gt;24 month</td>
<td>24&gt;36 month</td>
<td>36&gt;48 month</td>
<td>&gt;48 month</td>
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</table>

The less time required getting to market, the more the candidate will be attractive for Center selection.

(f) Anticipated market entry position

Much has been written regarding the advantages and disadvantages of a company being “first mover” into a new market—i.e. the first to “pioneer” that market. Entry position into a market has to be determined by review of relevant R&D pipeline data. Because of regulatory hurdles, prescribing habits, etc., life sciences markets tend to reward – rather than punish– first movers, and so the Center has a selection bias in their favor.

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<tbody>
<tr>
<td>First</td>
<td>Second</td>
<td>Third</td>
<td>Fourth</td>
<td>Other</td>
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</table>

The further a candidate company is ahead of its competition in entering a new market, the more that candidate will be attractive as a candidate for Center selection.
(g) Competitive advantage vs. in market products

The reception of a new product into a marketplace depends on many factors. First and foremost among them is the competitive advantage offered by the product/technology relative to existing products in the marketplace. For a candidate company, this is the result of a review of existing competitors in the target marketplace and the anticipated relative advantages of the candidate company’s new product. In this context, we differentiate between parity products with no meaningful differentiation, products with marginal differences that might support promotional puffery but little else, and products that yield modest, moderate, or major meaningful improvements. Markets reward companies offering the latter with high market share, growth, profits, etc. So the Center has a selection bias in their favor.

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To the degree that the candidate company’s product is likely to enjoy advantages over competitive companies is the degree to which that candidate will be more attractive as a candidate for Center selection.

(h) Competitive advantage vs. R&D pipeline projects

While the preceding criterion requires an evaluation of the competitive advantage of a candidate company’s product at launch, its advantage may be momentary if products in the R&D pipeline have a more robust value proposition. An evaluation of the anticipated strength of a candidate company’s offering relative to other potential products in the R&D pipeline may often be found in industry-specific secondary market research reports, or stock analyst reports, to yield a guesstimate of the candidate company’s window of technological advantage relative to pipeline competition. For example, a breakthrough product might be reasonably expected to enjoy a relatively long-term competitive advantage over other products in the R&D pipeline that represent incremental advantages to the current product standard.

<table>
<thead>
<tr>
<th>Category</th>
<th>Long term (10+ years) window of opportunity</th>
<th>Medium-long term (6-10 years) window of opportunity</th>
<th>Medium term (5 years) window of opportunity</th>
<th>Near term (1-5 years) window of opportunity</th>
<th>No window of opportunity--parity product</th>
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<tr>
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The longer the anticipated window of opportunity for a candidate company product, the more attractive that company will be as a Center candidate.

(i) Defined market channels

Market channels play an important role in many life sciences markets. Drug, food and many other products can’t reach their markets without the involvement of key players like wholesalers, retailers, insurers, etc. Accordingly Center selection is biased toward candidate companies that have done their homework with respect to market channels involved in commercializing their first product.

<table>
<thead>
<tr>
<th>Category</th>
<th>Multiple identified and contacted</th>
<th>Multiple identified and Some contacted</th>
<th>Some identified</th>
<th>One identified</th>
<th>No work to date</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>8</td>
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<td>5</td>
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<tr>
<td>3</td>
<td></td>
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<tr>
<td>0</td>
<td></td>
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</tr>
</tbody>
</table>

Thus, the degree to which a candidate company has considered and contacted channel players in establishing a path to market for its product is the degree to which that company is attractive as a Center candidate.

(5) Business plan fundability

Investors pay a great deal of attention to the depth of preparation and the logic of the business plan proposed by a candidate company. The degree to which a business plan is well researched and displays operating knowledge and awareness of the target product markets contributes to the investability of that company. One of the key services of the
Candidate’s incubation program is to assist client companies in strengthening their business plan through execution of either primary or secondary market research, and consultancy.

<table>
<thead>
<tr>
<th>Bankable business plan</th>
<th>Presentable plan</th>
<th>Minimally acceptable plan</th>
<th>Unacceptable plan</th>
<th>No plan at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>8</td>
<td>5</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

Thus, the degree to which a candidate company’s business plan is considered complete and fundable is the degree to which that company is attractive as a Center candidate.

(6) Management team strength/fundability

There is no substitute for experienced effective management. Innumerable examples have demonstrated the wisdom of the investor’s axiom that a good management team can make something valuable out of “nothing” technology, and a bad management team can turn fabulous technology into trash. One of the key services of the Center’s incubation program is to assist client companies in strengthening their management team through recruitment of experienced managers for key positions and appropriately incentivized, experienced consultants.

<table>
<thead>
<tr>
<th>Full team of professional management, CEO/CTO/CFO/CBO</th>
<th>Three professional managers</th>
<th>Two professional managers</th>
<th>One professional manager</th>
<th>No management team/science only</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>8</td>
<td>5</td>
<td>3</td>
<td>0</td>
</tr>
</tbody>
</table>

Thus, the degree to which a candidate company’s management team is considered complete and fundable is the degree to which that company is attractive as a Center candidate.

If necessary and appropriate, evaluators can enter brief explanatory notes regarding any of their score selections in the corresponding cells in column I.

2. The “Summary scores” report worksheet

As mentioned earlier, the summary scores worksheet simply reports summary data from the scoring detail worksheet. These are conditional formatting rules that will highlight a particular cell—i.e. row 13/column C— in red to highlight a potential “life-science-ness” problem inherent in a criterion score below 30 out of a possible 100.

The cell at the intersection of row 14/column C will be similarly colored red if the “Cornell-ness” score falls below 30 out of a possible 100.

The purpose of this feature is to flag potential irreconcilable problems to the evaluator’s attention.

3. The “Executive summary” report worksheet

The executive summary report worksheet is designed to provide a 1-page graphic overview of the candidate company for both Cornell management and the Center’s advisory council.

(1) Row 4.

As with the summary scores worksheet, in the executive summary worksheet, common data are reported in row 4. There is no need for evaluators to data entry.

(2) The cell at row 6/column B reports recommended disposition actions

The action presented is contingent upon the overall score of the candidate. Scores greater than 50 are “acceptable”—i.e. they suggest that the candidate company has sufficient strength that it is likely to benefit from application of the Center’s incubation program within a 1-2 year time frame. Scores less than 50 yield a “reject” recommendation—i.e. they suggest that the candidate company has insufficient strength to benefit from application of the Center’s incubation program within a 1-2 year time frame.
(3) The cell at row 10, column a reports the overall score for the company.
The overall score is reported from the “summary scores” spreadsheet.

(4) The chart at row 9 column c reports the overall score for the company.
The overall score is reported on a 3-D bar chart with the 50% threshold “passing” level clearly delineated.

(5) Cells H8 and J8 offer “radio buttons” to allow evaluator input regarding the presence (“yes”) or absence (“no”) of any “killer variables”.

“Killer variables” are conditions that warrant an immediate “kill”, or rejection decision regarding the candidate. Such conditions could be any of the following:

- The “life science-ness” red flag reported on the “summary scores” spreadsheet.
- The “Cornell-ness IP” red flag reported on the “summary scores” spreadsheet.
- Technological roadblocks, and any legal, ethical, regulatory, or other issues considered critical.

Evaluators should “click” on the radio button that best describes the presence/absence of “killer variables.” If the evaluator has indicated “yes”, a macro will move the cursor to cell 10F-- the “killer variable” notes section--where the evaluator can briefly enter the basis for this election.

Additional brief notes from the evaluation team can be entered in cell 12F if required.

(6) The summary “radar chart” at rows 17-37/columns A-J provides a profile of the candidate company’s strengths and weaknesses.

Ideally, weaknesses will be confined to the business plan development, management team development and product development areas where the Center’s incubation program may be able to add value within a manageable time frame.
V. Using the Center candidate screening workbook

A. Gather your data

Ideally, this data would include company’s Center application, the company’s business plan, the previous incubation grant history of the company's technologies, one or two interviews with the company's management team, etc., etc. The more preparation undertaken prior to the screening exercise, the more robust the result will be, and the more comfortable you will be to present and defend those results.

B. Open the candidate screening workbook template.

When you open the template Microsoft Excel will display an advisory that says, “This workbook contains macros. Do you want to disable macros before opening the file?” In this particular case, the macros add functionality to the workbook. Use your mouse to select the button labeled “Enable Macros”.

C. Open the “scoring detail” workbook tab

(1) Enter common row 6 data
- Candidate company name
- Evaluator team names
- Date of evaluation

(2) Complete one row at a time, working downward by criteria by category
Do not place data in either column C or column L
Note: column c factor weighting is not enabled in this version of the Center screening tool.
Category averages (column L) are automatically calculated from criteria data.

(3) For each criterion, consult the applicable scoring rubric for that row
Generally speaking, only one description will apply.

(4) Enter a one sentence text comment/rationale for your row scoring selection in the cell in column I
If you need more space, add a comment.

(5) Enter your row score data in the cell in column J
Only values between 1 and 10 will be accepted.

(6) Save the worksheet
Use the “save as” command to save the workbook.
Save the workbook with your data to a Microsoft Excel macro enabled workbook format “.xlsm”
Note: do not save your work as a template!

(7) Print the worksheet
The print range is predefined.
D. Go to the “summary scores” tab/worksheet

(1) Note any “red flags” that have been generated from the “scoring detail” worksheet

(2) Save the “summary scores” worksheet
   Again, use the “save as” command to save the workbook.
   Save the workbook with your data to a Microsoft Excel macro enabled workbook format “.xlsm”

(3) Print the “summary scores” worksheet
   The print range is predefined.

E. Go to the “executive summary” tab/worksheet

(1) Observe the “recommended disposition” action reported in row 6

(2) Select the appropriate “killer variables” radio button, and enter the associated explanation of killer variables, and notes from the evaluation team

(3) Again, use the “save as” command to save the workbook.
   Save the workbook with your data to a Microsoft Excel macro enabled workbook format “.xlsm”

(4) Print the worksheet
   The print range is predefined.

F. Discuss findings/next steps with the Center Director

(1) Forward the candidate screening workbook package to the Center Director via e-mail

(2) Forward a hard copy of the worksheet printouts to the Center Director

(3) Schedule a meeting with the Center Director

(4) Be prepared to discuss/defend your findings and recommendation
### Appendix 1

<table>
<thead>
<tr>
<th>Institution</th>
<th>Department/Center/Lab/Units</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>College of Agriculture and Life Sciences</strong></td>
<td>Entomology - Geneva</td>
</tr>
<tr>
<td></td>
<td>Plant Pathology - Geneva</td>
</tr>
<tr>
<td></td>
<td>Animal Science</td>
</tr>
<tr>
<td></td>
<td>Biological and Environmental Engineering</td>
</tr>
<tr>
<td></td>
<td>Biological Statistics and Computational Biology</td>
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<tr>
<td></td>
<td>Crop and Soil Sciences</td>
</tr>
<tr>
<td></td>
<td>Earth and Atmospheric Sciences</td>
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<tr>
<td></td>
<td>Ecology and Evolutionary Biology</td>
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<tr>
<td></td>
<td>Entomology</td>
</tr>
<tr>
<td></td>
<td>Food Science</td>
</tr>
<tr>
<td></td>
<td>Fruit and Vegetable Processing Pilot Plant</td>
</tr>
<tr>
<td></td>
<td>Grape Genetic Research Unit</td>
</tr>
<tr>
<td></td>
<td>Horticultural Sciences</td>
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<tr>
<td></td>
<td>Integrated Pest Management</td>
</tr>
<tr>
<td></td>
<td>Microbiology</td>
</tr>
<tr>
<td></td>
<td>Molecular Biology and Genetics</td>
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<tr>
<td></td>
<td>Neurobiology and Behavior</td>
</tr>
<tr>
<td></td>
<td>Nutritional Sciences</td>
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<tr>
<td></td>
<td>NYS Seed Laboratory</td>
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<tr>
<td></td>
<td>NY Wine Analysis Lab</td>
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<tr>
<td></td>
<td>Plant Biology</td>
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<tr>
<td></td>
<td>Plant Breeding and Genetics</td>
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<tr>
<td></td>
<td>Plant Genetic Resources Unit</td>
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<tr>
<td></td>
<td>Plant Pathology and Plant-Microbe Biology</td>
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<td></td>
<td>Statistical Science</td>
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<tr>
<td></td>
<td>Vinification and Brewing Laboratory</td>
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<tr>
<td><strong>College of Arts and Sciences</strong></td>
<td>Chemistry and Chemical Biology</td>
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<tr>
<td></td>
<td>Ecology and Evolutionary Biology</td>
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<td>Molecular Biology and Genetics</td>
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<td>Neurobiology and Behavior</td>
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<tr>
<td><strong>Faculty of Computing and Information Science</strong></td>
<td>Computational Biology</td>
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<tr>
<td><strong>College of Engineering</strong></td>
<td>Applied and Engineering Physics</td>
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<td></td>
<td>Biological and Environmental Engineering</td>
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<tr>
<td></td>
<td>Biomedical Engineering</td>
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<tr>
<td></td>
<td>Chemical and Biomolecular Engineering</td>
</tr>
<tr>
<td><strong>College of Human Ecology</strong></td>
<td>Design and Environmental Analysis</td>
</tr>
</tbody>
</table>
Fiber Science and Apparel Design
Human Development
Nutritional Sciences
Cooperative Extension

**College of Veterinary Medicine**
- Ambulatory and Production Medicine Clinic
- Animal Behavior Clinic
- Baker Institute for Animal Health
- Biomedical Sciences
- Clinical Sciences
- Companion Animal Hospital
- Cornell Medical Genetic Archive (DNA Bank)
- Cornell University Hospital for Animals
- Equine Hospital
- Equine Park
- Equine Performance Testing Clinic
- Farm Animal Hospital
- Microbiology and Immunology
- Molecular Medicine
- Nutrition
- Pain Management Program
- Population Medicine and Diagnostic Sciences

**Weill Cornell Graduate School of Medical Sciences (New York City)**
- Biochemistry and Structural Biology
- Cell Biology and Genetics
- Immunology
- Molecular Biology
- Neuroscience
- Pharmacology
- Physiology, Biophysics, and Systems Biology
- Clinical Epidemiology and Health Services Research

**Weill Cornell Medical College (New York City, Qatar)**
- Anesthesiology
- Biochemistry
- Cardiothoracic Surgery
- Cell and Developmental Biology
- Dermatology
- Genetic Medicine
- Head and Neck Surgery
- Medical Program (WCMC Qatar)
- Medicine
- Microbiology and Immunology
- Neurological Surgery
- Neurology and Neuroscience
Obstetrics and Gynecology
Ophthalmology
Orthopedic Surgery
Otorhinolaryngology
Pathology and Laboratory Medicine
Pediatrics
Pharmacology
Physiology and Biophysics
Pre-Medical Program (WCMC Qatar)
Psychiatry
Public Health
Radiology
Radiation Oncology
Reproductive Medicine
Surgery
Urology

Shoals Marine Laboratory
Marine Science

Centers
Center for Vertebrate Genomics
Center on the Microenvironment and Metastasis (CMM)
Cornell Center for Animal Resources and Education (CARE)
Cornell Center for Comparative and Population Genomics (3CPG)
Cornell Feline Health Center
Cornell Sensory Testing Facility
Cornell University Hospital for Animals
Developmental Resource for Biophysical Imaging and Opto-electronics
Equine Research Park
Farm Animal Hospital
Institute for Biotechnology and Life Science Technologies
International Service for the Acquisition of Agri-Biotech Applications AmeriCenter (ISAAA)
Kevin M. McGovern Family Center for Venture Development in the Life Sciences
Nanobiotechnology Center (NBTC)
National Biomedical Center for Advanced ESR Technology (ACERT)
Transgenic Mouse Facility

Institutes
Baker Institute for Animal Health
Boyce Thompson Institute for Plant Research, Inc. (BTI)
Cornell Institute for Research on Children
Cornell Institute for Translational Research on Aging (CITRA)
Institute for Cell and Molecular Biology
Institute for Genomic Diversity
Weill Institute for Cell and Molecular Biology
Laboratories

Animal Health Diagnostic Laboratory
Duck Research Laboratory
Equine Drug Testing
Immunopathology Research and Development Laboratory
Laboratory of Ornithology
Plant Disease Diagnostic Laboratory
Plant Insect Diagnostic Laboratory