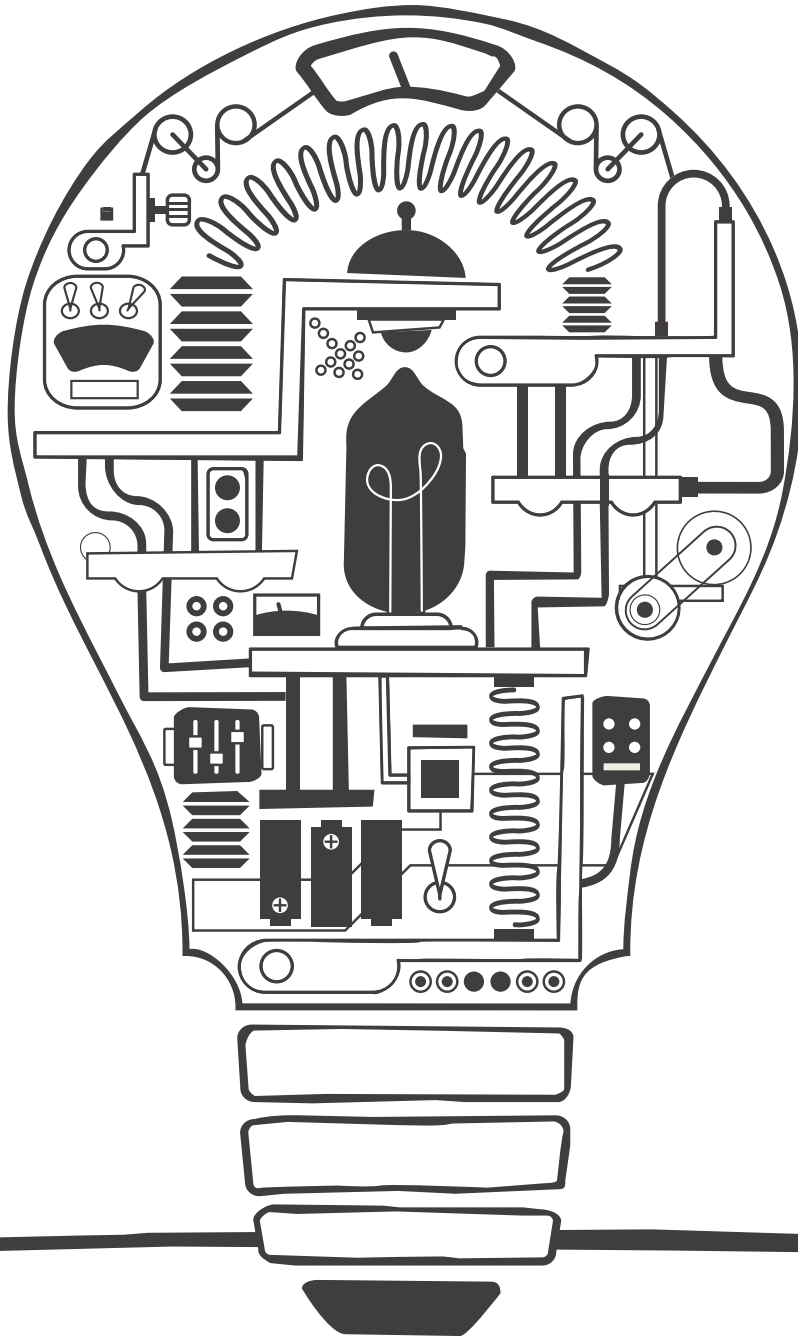




FUTURE FUSION

Where **ideas** come to **life**

Oxford University Innovation (OUI) helps staff and students to apply their expertise and research for wider social and economic benefit. Our role is to support University staff and students to bring the benefits of their research and expertise to create impact in wider society.

We have an outstanding record of commercialisation of Intellectual Property (IP) from the University of Oxford. This includes helping University researchers establish a steady stream of spin-out companies, where OUI's role involves attracting competent CEOs and management teams and supportive investors to exploit IP in a dedicated venture.

OUI recognises that ventures which are not the result of the University's research and the resulting Intellectual Property are increasingly created within the University's ecosystem. For these ventures, OUI wishes to offer a support framework utilising its resources and expertise: the Startup Incubator.

While these ventures rarely require either the expensive protection of a patent or expensive research facilities or product design, validation or trials, there is often a need to carry out some significant technical or commercial development to create the business opportunity.

The Oxford Startup Incubator was established in autumn 2010 and designed by OUI to offer appropriate support for such ventures to develop products or services and begin to trade without external investment. It has supported over 100 ventures to date.

If you have an idea and the time and energy to start your own Oxford University venture, the Oxford University Innovation Startup Incubator may be able to support you through your entrepreneurial journey.

From the CEO

OUI's vision is to be part of a world leading innovation ecosystem with Oxford University at its heart. To achieve this vision we offer a wide range of services and support to the University community with the aim of maximising the impact generated by these creative and inspiring entrepreneurs.

One important element of the support provided is the OUI Startup Incubator. Entrepreneurs with an association with the University and a great idea are helped on the journey to creating a start-up company. They have access to training, mentoring, investors and financial support to take their idea and convert it into a successful commercial venture.

After the experience of creating over 40 start-up companies, as well as over 170 spin-outs, the approach is demonstrated to be effective and can result in strong companies such as Onfido. OUI is proud of its incubator and I am sure under Cath Spence's leadership it will go from strength to strength.

Matt Perkins
Chief Executive Officer

Contents

Overview	4
Who can we work with?	4
What ideas will we work with?	4
How does it work?	5
Phase 1: Prepare	6
Phase 2: Build	6
Phase 3: Deliver	7
What does it cost?	7
Equity	7
Access to Funds	7
Investor panel	7
What do we expect from you?	8 - 10
What can you expect from us?	8 - 10
How do I get Started?	11
Any Questions?	11



Overview

The Startup Incubator is part of Oxford University Innovation Ltd (OUI). It's been here since 2010 and a number of successful Incubator companies have gone from start to exit in that time.

We've had some great successes and supported everything from AI to games, agriculture to medical devices and in every form; software, products and services.

It's very simple to get involved in the Incubator; most of our training is open and free so you can come along and see what we do and meet some of the teams already working with us. Alternatively, we're happy to meet you in person or speak on the phone to discuss your idea and how you think we might be able to help.

Who can we work with?

The Incubator is open to anyone who is a current University Member or has been a University Member in the past. We only need one member of the team to meet this requirement.

The majority of our current Incubator teams are current or recent students although we have welcomed back alumni from over 30 years ago. Age is no barrier, nor is any other characteristic for that matter – all you need is an idea!

Everyone is welcome to access the training and 'Prepare' stage. However, full-time employees of the University may only be involved in an Incubator venture in phase 2 if they hold less than 10% of the shares of the company which is formed; part-time staff may be able to take a greater shareholding and involvement but each case needs to be considered individually so please do get in touch if this applies to you and we'll talk you through the details.

We do some preliminary checks before we accept teams into the Incubator.

These are:

- University connection (current student/past student/staff)
- Rights to the idea
- Availability of team members

This last check is simply because forming an idea into a business takes time and we need to be able to work with you during business hours here in Oxford. Our experience shows that if we don't have those face to face catch ups then we're not able to give you the level of support you need.

What ideas will we work with?

We will work with most ideas BUT sometimes we will signpost people elsewhere because we simply can't offer the right expertise. Occasionally, we may decide that we can't support an idea because of the risk associated with it.

Otherwise we are happy to work with anything. The team here at OUI has a huge range of experience and backgrounds so we usually have someone here who can help. All of our project managers are experienced in commercialising ideas.

Our mission is to help get your idea off the ground. We support ideas out of every corner of the University; we work with both fully commercial ideas and social enterprises so whatever shape you had in mind, we're likely to have seen a similar one before. The only thing we're not able to do is establish new charities.

How does it work?

The incubation programme is delivered in three phases:

Phase 1



Phase 2



Phase 3



Prepare

- Lean canvas
- Market testing
- Pitch deck and video

Build

- Early stage funding
- Build your MVP
- Business plans

Deliver

- Sales
- Feedback
- Next level of funding

Phase 1: Prepare



This is our pre-incubation phase. At this point we're focused on getting our teams ready to pitch to investors. We run training and workshops and we have a space where you can come and work with other teams who are also on the entrepreneurial journey.

First, we launch into the **Lean Canvas**. This is a framework for helping think through all the elements of how your idea will turn into a business. The questions are the basic ones about your product or service and the market you plan to address. Take a look at

<https://leanstack.com/> for more information.

Our next step is to look at the market in more depth, gather total **market figures** and work out what our initial target market will be and, more importantly, why? These figures and your confidence in answering questions about them will be at the heart of any pitch you do for investors.

Finally, we will do some **market testing**. Are your assumptions correct? Using some very basic techniques we can test if people will really be interested and validate your business plans.

Then we pull it all together into a pitch package for you to share with our investor panel. The canvas, the pitch, the numbers and, of course, you – the team.

Phase 1 lasts for up to 3 months and is based in our dedicated workspace based in the OUI office at Buxton Court.

Next is Phase 2; not everyone will make it to Phase 2 but no one will go away without having learned from the process. And if we have to say goodbye to you, we'll help you look for alternative sources of support.

Phase 2: Build



Once you are ready for the investors, we'll ask you to sign up for the next stage. This is where it gets serious. To get into Phase 2 we need

- buy in from the management team and
- a favourable review from our investor panel (even if they don't invest)

We'll also need to check a few legal things with you at this stage such as 'right to work' and proof of ID. If you got investment from the panel or from OUI then we'll need to deal with the

paperwork to make that available to you.

Then we'll all get to work.

Our next stop is the **Minimum Viable Product (MVP)**; the most pared back product or service you can offer for sale. The heat is on though; we have just 6-9 months to do this. However, we know you'll need more help with this. We'll set you up with a project manager from our team and some of you may also find a suitable external mentor in our pool of connections who you would like to work with.

We've also got a great programme, Bright Sparks, a collaboration with Vodafone, which matches top level mentors from their organisation with Incubator teams at Phase 2 and beyond for a year long support programme.

Alongside product/service development you'll also be talking to investors and continuing to access workshops and seminars to support your development.

Phase 3: Deliver



After a year with us, you should be in good shape and ready to take on some more significant investment. If you haven't already done so, you'll need to go through the legal process to bring your company into formal existence in the UK. You may also be looking for your own offices by this stage too. We can sometimes offer limited space for small teams to stay in the incubator at this stage, but we need to make sure we have space for the new teams joining us too. However, we're well connected in the region and we'll do what we can to help you find your own corner of

Oxfordshire to work in.

Wherever you end up basing yourself, we don't cut the ties. You'll always be one of us! We're happy to continue to connect you in our network and we hope you'll come back and hang out with us at our termly social gatherings.

Our investments team will help you get into the groove of regular board meetings and managing the corporate governance aspect of the business. But it's mostly down to you in this phase.

What does it cost?

We don't charge any cold hard cash for this. Phase 1 is completely free. We fund the programme by taking a small equity charge in the companies we support into Phase 2 and beyond. This means that when these companies are successful, we get some returns too which top up the pot a little and allow us to be there for the next team.

Equity

When you sign up for Phase 2, we take a 5% equity charge on your company. This is fully dilutable, so if you get future investment then you'll see the percentage we own decrease. This equity charge is in exchange for the support package we offer.

Access to Funds

We have some limited non-dilutive funds which we can offer to some of our Phase 2 companies to deal with non-salary costs. We run a competitive process to allocate these each year. Any funds we offer you are only repayable when you either have investment or grant funding over £100k or are trading in profit for more than a year.

Investor panel

The Incubator has a friendly panel of investors who you'll meet if you choose to go and apply for Phase 2. You'll have the opportunity to pitch to them and receive feedback. Some teams may also receive an offer of a small amount of investment. Terms associated with the offer of investment by any member of the panel are for you and the investor to agree between you. You are not under any obligation to take any offer.



Phase 1: Prepare

What do we expect from you?

- This is your idea and YOU will be developing it; we're here to support you, connect you, and encourage you. There are no shortcuts and you should expect it to be hard work.
- We need to see you regularly. We recommend 1 day per week as the minimum amount of time one of you spends in the Incubator. Hopefully, with all the free tea, coffee and hot chocolate, you'll want to hang out down here more than that. Ideally, we'll sit down for a catch up each week and see how to help you; it might be connections, training, advice or just a cup of coffee, tea or hot chocolate!
- We'd like to meet the full team on a few occasions too. We'd aim for full team meetings once per month with a kick off meeting at the start and a close out meeting at the end of the 3 months. That makes 4 in total. Obviously if you have a team member overseas, (we wouldn't drag them over) we'll use Skype and hook them up to our video wall so we can be as close as possible. But when people can come and be here in person, just once a month, it's very much better if we can meet and get to know you.
- Come and join our training as much as possible. You'll need some of it, some of it is going to be useful later and some of it is fun too. We won't take a register, but it is all aimed at making your life easier so get as much as you can out of it.
- You'll need to work on your canvas, your figures and your pitch deck. It's a lot of work. And keep on working and changing and refining them until you can recite them in your sleep.
- We'd like you to look after yourself! If you have problems which arise then just tell us. We don't expect you to be superhuman and carry on in the face of other things happening around you which need your attention. We promise to be sympathetic and supportive of the reality of life! We won't, for example, allow people to carry on in Phase 1 during finals; we'd suspend your membership until you have finished.

What can you expect from us?

- There's a wide range of training to access. We don't make a charge for this. We'll keep you posted on what we're offering so you can sign up and take part. A lot of what we're offering is aimed at the early stages to make sure you have the skills you need to get things moving.
- We'll guide you through the stages of developing your idea such as the Lean Canvas, market research and market testing. However we can't do this for you – this is your project.
- We'll ask questions – endless questions – to help you figure out where you're going. Good ideas don't always make good businesses and our job is to help you find the right route for you and your idea.
- We'll be happy to arrange regular meetings with you to discuss how things are going and to steer you along the journey. This usually ends up in both you and us having homework to do. You can also catch us round the coffee machine for a quick chat if you're onsite too.
- Expect us to challenge you and your ideas as we go through this stage, but this should be a supportive and constructive process.
- We'll also arrange monthly panel sessions for you and your team when we'll get some wider expertise looking at your proposals and asking questions.
- We'll encourage you to look after yourself too; startups are hard work! We're quite good at offering a listening ear when you hit road blocks and we enjoy celebrating successes with you too.



Phase 2: Build

What do we expect from you?

- Well, a lot more of the same. The frequency of meetings will be different for different teams as it will depend on what you're doing. However, at this stage you will have a project manager from OUI working with you. You'll need to keep in touch with us so we can help you. We suggest that you should meet no less than once a month and probably more frequently if you're going to get the best out of this.
- You're welcome to come and use the Incubator hot desks as much as you like (and the tea, coffee and hot chocolate remain free). You'll find hanging out here makes it easy to catch us and ask questions. Plus there are other seasoned entrepreneurs hanging around here too who can be super helpful people to talk to. Oh and did I mention there are some great folk who drop by to offer free support and advice? We have lawyers, accountants, techies ...
- We're likely to have investors visiting so you'll need to keep that pitch deck honed and ready to go. We're happy to keep on checking in with you on this.
- You're also going to need to find the funding to go into Phase 3 when you deliver the product or service to your intended customers so the business plan should start to fill out in this phase too.
- Most importantly, we need you to build the MVP.

What can you expect from us?

- We'll arrange for one of our team here at OUI to be your key support. We'll try and make this person someone who has a background in the broad field you're looking into.
- We'll continue to arrange meetings with you at the frequency that works for you. Your OUI manager will be the key point of contact for these.
- We'll help you to connect to investors to secure funding.
- We'll help you with the process of incorporation (when you're ready.)
- We'll make sure you have access to our template documents for all kinds of things such as engaging a contractor, confidentiality agreements and a load of other stuff you'll find you need as you progress to that MVP.
- You'll still have access to the workspace and meeting rooms
- And when you get to the end of your journey with us, we'll send you off in style with our own beer "Thirsty Unicorn", specially brewed for our incubator companies to celebrate successful completion of their time with us.



Phase 3: Deliver

What do we expect from you?

- You should have an incorporated company by this stage. We'll expect you to run it properly so there's training for you on corporate governance and the legal obligations of how to run a company. You'll need to have board meetings. Don't worry if this is new and slightly terrifying – we'll help!
- We'll need regular updates from you about how things are going. This will help you too – we can make connections more easily if we know what you might need.
- You may well need more staff, more space, more money ... again we can help you.
- You'll also want to hang out with others who have done this before. The good news is that you are among friends here. We've got a great bunch of people who have trodden this path. You don't have to, but you may want to drop in for social sessions in the Incubator from time to time (and the tea, coffee and hot chocolate will of course be waiting for you) – we may even run to beer and pizza from time to time!
- Just keep going ...

What can you expect from us?

- You are now 'hatched' from the Incubator programme and so you shouldn't need us so much.
- We'll check in with you from time to time to see how things are going.
- We'll keep you posted on events and visits to the Incubator that might be useful to you and continue to make those connections.
- We'll still welcome you to our training sessions.
- You'll be connected with our investments team who will help you with questions about funding and corporate governance.
- We may be able to continue to offer you access to work space and meeting rooms here at the Incubator space, but we will need to make a small charge for this.
- We'll encourage you to be part of the wider network of startups and spinouts in the Oxford ecosystem, so we'll send you invitations to events and to our social gatherings.
- And we're always here for advice and support. You're one of us!

How do I get Started?

We invite people to come into the Incubator and join Phase 1. This way we can get to know each other and see if this arrangement will work. The application for this is simple – a single sheet which you will have received with this document. Fill it in and get everyone in your team to sign it.

Once we get your paperwork, we'll check the information. Sometimes we need to ask for clarification and sometimes we need to do a bit more in depth checking but we'll let you know if that's the case.

If everything is in order, then we'll invite you to join us. You'll receive a letter from us which you will need to sign and return. You'll need to apply for your access cards and attend a short health and safety briefing. We'll then arrange a kick off meeting where we'll look at how your next few months might shape up with a combination of training, support and a lot of hard work.

Once you come to the end of Phase 1, we'll sit down and chat about what you want next. If you want to carry on, then the next steps are the application for Phase 2 and presentation to our investor panel. We'll run some practice pitch sessions and make sure you're prepared.

Not everyone will succeed in going on to Phase 2. If you're not successful, we'll do our best to signpost you to other sources of support. And, of course, a few teams may decide that they don't want to take their idea any further.

That's all your choice and we won't put pressure on you to carry on!

Any Questions?

We've tried to think of everything you need to know but of course we are bound to have missed something. Please do get in touch with us if you have questions.

We'll happily meet up and talk through this with you. Alternatively drop in one Wednesday afternoon for one of our training sessions and you can see what we do. Just sign up via our webpage.

We look forward to hearing from you.

A handwritten signature in black ink that reads 'Cath'.

Cath Spence
Incubator Lead

T: +44 (0)1865 280850
M: +44 (0)7387 261299
catherine.spence@innovation.ox.ac.uk

STARTUP INCUBATOR

Support for you and your new venture

Oxford University Innovation

Buxton Court, 3 West Way,
Oxford OX2 0JB

T: +44 (0)1865 280830

E: enquires@innovation.ox.ac.uk
