

**Written Remarks of John M. Wasilisin,
Executive VP/COO, Maryland Technology Development Corporation**

**“Make It in America: What’s Next?” District Field Hearing
PANEL ONE: Maryland Research and Innovation**

Congressman Hoyer and members of the Maryland Delegation. Thank you for the opportunity to appear before you to discuss TEDCO’s role in Maryland’s research and innovation. I am John Wasilisin, TEDCO EVP/COO.

TEDCO Background

TEDCO was created by the Maryland legislature in 1998 to assist in the transfer of research and technology from Maryland universities and federal laboratories into the commercial marketplace. TEDCO is the go-to source for entrepreneurial support and guidance for start-ups and early-stage companies engaged in bringing innovative ideas to the market. For more than a decade, the organization has provided funding, mentoring and networking opportunities to support Maryland’s innovation ecosystem. TEDCO is an independent entity that makes seed/early-stage investments and manages private capital for angel and capital venture funds. It is frequently ranked as one of the most active seed/early-stage investors in the nation. The organization plays a key role in bringing research created in Maryland’s educational institutions and federal laboratories into the commercial marketplace. For more information on TEDCO and its program and resources, visit www.TEDCO.md.

With that backdrop, I’d like to offer some of the many accomplishments that TEDCO has achieved. Data is through May 31, 2015.

Technology Commercialization Fund (TCF)

The TCF provides up to \$225,000 for initiation of technology transfer projects that involve collaborations between a Maryland company and a university in Maryland or any federal laboratory, participant companies in our Rural Business Innovation Initiative, or tenant companies in Maryland’s technology incubators. Funds are used to defray direct costs of developing early-stage technology.

- 266 companies in portfolio
- TEDCO funding (completed projects) = \$16.1M
- Follow-on funding received by companies = \$713M
- **Leverage of TEDCO funding = \$44.3 : \$1**
- ***Entrepreneur Magazine*: TEDCO was ranked the #1 seed/early-stage investor in the nation for 5 consecutive years**
- 25 companies have paid TEDCO back in full
- 86% of invested companies are still in business

Maryland Innovation Initiative (MII)

The Maryland Innovation Initiative (MII) was passed in the 2012 General Assembly session. The bill designates TEDCO to be the administrator of the MII.

The purpose of the MII is to promote and accelerate the rate of commercializing research conducted in the five Maryland research universities (Johns Hopkins, Morgan State, University of Maryland-College Park, University of Maryland-Baltimore and University of Maryland-Baltimore County). This includes encouraging qualifying universities to partner on commercialization proposals, strategies, and funding sources, including with federal

laboratories located in Maryland, and facilitate technology transfer from university labs to start-up companies. The goal is to create start-up companies that are based upon technologies developed in these universities.

MII program status:

- Applications received-317
- Awards made-124
- New companies created-21 (10 from JHU technologies, 7 from UMCP technologies, 4 from UMB technologies)
- Award distribution by school-JHU (55), UMCP (27), Morgan (3), UMB (27), UMBC (12)

Cyber Security Investment Fund (CIF)

The CIF provides up to \$225,000 for initiation of technology transfer projects that involve cyber security technologies from Maryland start-up companies.

Joint Technology Transfer Initiative (JTTI)

A federal technology transfer initiative for TEDCO is with the Department of Homeland Security (DHS) and the U.S. Army Medical Research and Materiel Command (USAMRMC). Technology development projects will be considered within the scope of the JTTI if a company can show how the proposed technology will meet the needs of DHS and/or USAMRMC (spin-in) and/or the commercialization of DHS or USAMRMC technologies (spin-out).

JTTI awards of up to \$75,000 will be made to for-profit small businesses in support of technology development projects that fall within the scope of the JTTI. Assistance in identifying whether or not a technology meets DHS or USAMRMC needs and in forming technology transfer collaborations will be available from TEDCO.

Relationships with Federal Labs and Institutions

- Aberdeen Proving Ground, Science & Technology Board
(Covers approximately 12 R&D tenant organizations, including the Army Research Lab)
- Johns Hopkins University Applied Physics Lab
- NASA Goddard Space Flight Center; provides access to *all* NASA labs
- National Institute of Standards and Technology
- National Institutes of Health
(Specific Partnership Intermediary Agreement with National Cancer Institute)
- National Security Agency
- Naval Air Warfare Center Patuxent River
- Naval Medical Research Center
- National Cancer Institute
- Naval Surface Warfare Center Carderock Division
- Naval Surface Warfare Center Indian Head Division
- United States Army Medical Research and Materiel Command
(Includes six medical research labs and institutes)
 - 1) U.S. Army Aeromedical Research Laboratory (USAARL)
 - 2) U.S. Army Institute of Surgical Research (USAISR)
 - 3) U.S. Army Medical Research Institute of Chemical Defense (USAMRICD)
 - 4) U.S. Army Medical Research Institute of Infectious Diseases (USAMRIID)
 - 5) U.S. Army Research Institute of Environmental Medicine (USARIEM)
 - 6) Walter Reed Army Institute of Research (WRAIR))
- United States Department of Agriculture, Agricultural Research Service
(Includes over 100 national research locations and the Forestry Service)

- TechLink
(Department of Defense and NASA technology transfer partner)

Technology Business Incubators

Since introducing the “Maryland Technology Incubator Program” in 2001 as part of TEDCO’s statutory requirements, successful programs have been created and investments have been made in the State’s technology business incubators. Programs have included the Incubator Development Fund (capital incubator projects requiring a minimum 1:1 match), Feasibility Study Grants (to study potential new or expanded facilities; grants require a minimum 1:1 match), Business Assistance Grants (to provide incubator managers with discretionary funding to provide needed and direct assistance to tenant companies), and other grants and programs supporting the annual Incubator Company of the Year Awards and activities of the Maryland Business Incubation Association. The annual Incubator Company of the Year Awards has honored and recognized the superb efforts of the incubator managers and their staff, as well as the finalists and winners of these coveted awards. For twelve years running, hundreds of incubator companies have been deemed, by a committee of distinguished economic development and venture capital professionals, as the best in their respective categories, whether a new or graduate incubator company, or expert in their field of technology.

There are currently 31 technology incubators operating in Maryland.

Entrepreneurial Development

Sometimes an entrepreneur needs sound mentoring assistance more than additional investment. To this end, TEDCO provides a variety of assistance programs for entrepreneurial development through its Executive Exchange program. Executive Exchange is a multi-tiered initiative designed to cut across all TEDCO funding programs by offering supplemental stage-appropriate assistance to portfolio company entrepreneurs. The integrated nature of the initiatives that make up this Program are unique within the State and will extend Maryland’s existing array of entrepreneurial assistance efforts – helping executives grow and mature alongside their start-ups translates into higher success rates for their ventures.

The Executive Exchange Program consists of six elements:

- Loaned Executives will be provided to lead a start-up team through a critical inflection point.
- Executive Coaching will help entrepreneurs mature alongside their ventures.
- CEO Roundtables will facilitate peer-to-peer support among entrepreneurs.
- Portfolio Workshops will continue to address topics of interest to groups of entrepreneurs.
- Maryland Entrepreneurs Resource List (MERL) members will continue to coach and mentor entrepreneurs.
- TEDCO Staff & Rural Business Initiative (RBI²) representatives will continue to coach and mentor entrepreneurs.

Rural Business Innovation Initiative (RBI)

An important mission for TEDCO is to assist in the development of entrepreneurs throughout the State of Maryland. The RBI² is designed to enhance technology commercialization activities and provide technical and business assistance to small companies and early-stage companies in rural Maryland. Assistance to companies is provided by local business mentors contracted by TEDCO. Each region has a local mentor, whose responsibility is to evaluate potential clients, provide resources, consulting services and technical management assistance. Providing technical and general business assistance is a cornerstone of this program that helps small businesses gain access to general business resources, federal laboratory and university research opportunities.

In an attempt to promote and celebrate entrepreneurship in Maryland, TEDCO held the 4th Annual Maryland Entrepreneur Expo on November 12, 2014 (in conjunction with Global Entrepreneurship Week) to bring together the various entities that have a vested interest in the development of entrepreneurs. The Maryland event was one of 10 nationally-recognized by Global Entrepreneurship Week. **This event attracted over 600 people** comprised of new and seasoned entrepreneurs, investors, students, legislators, service providers, inventors, tech

transfer officers and economic development professionals. Due to its success, TEDCO is planning to continue the Entrepreneur Expo on November 17, 2015.