

# ILLINOIS DEEP TECH ACCELERATOR

TE 498 | RULES & GUIDELINES | 2021-22

## Part 1: Eligibility & Selection for TE 498 Illinois Deep Technology Accelerator (IDTA)

### PURPOSE OF THE COURSE & PROGRAM

To encourage the founding and growth of high-potential new ventures focused on viable deep technology founded by University of Illinois Urbana-Champaign graduate and undergraduate students.

#### Students in this course can expect to learn:

- How to evaluate the potential and viability of their entrepreneurial ideas
- How to conduct research on specific market opportunities
- How to analyze the competitive landscape
- How to evaluate the merits and drawbacks of unique business models
- How to pitch their idea/venture to investors, experts, mentors, and fellow entrepreneurs
- How to successfully acquire SBIR/STTR grants
- How to successfully acquire angel/venture funding

### ELIGIBILITY

This course is open to all graduate and undergraduate students on campus, pending approval of the application. Teams may include internal or external members if there is at least one University of Illinois Urbana-Champaign student team member enrolled in the course. All team members are encouraged to take part in group activities and assessments.

- Projects will typically originate from university- or government-funded research but can come from viable deep technology anywhere within

the academic ecosystem. We define deep technology as technologies based on discoveries in fundamental science and engineering.

- Students should apply for this program with a new venture idea in mind. The idea should be original and have commercial promise. The idea may be developed in conjunction with a course or research project, and students may enlist faculty aid.
- Teams whose founding members are unaffiliated with the University of Illinois Urbana-Champaign are only eligible to apply to TE 498 if they have a current of Illinois student as an integral part of their team, with at least a 10% equity stake in the venture (if a venture has been formed).
- Teams may have members who are not affiliated with the University of Illinois Urbana-Champaign. The Technology Entrepreneur Center encourages teams to identify individuals, within and external to the University, who may contribute the additional expertise and experience to help the team succeed.
- Applications must be the original work of the entrants and may be made by single-student or multiple-student teams. Each team or student may submit as many entries as they wish. However, it is unlikely that multiple entries from the same team will be accepted.
- Teams that have secured arrangements for capital from any source must disclose the amounts and sources in their Phase I executive summaries. Entries that have received more than \$500,000 of institutional investment are ineligible to compete.

- There is no minimum or maximum team size. However, each team is required to have at least one currently registered student from the University of Illinois Urbana-Champaign as an active member of the team. To qualify, this student must be a registered Illinois student as of the application deadline.
- Upon acceptance into the Illinois Deep Tech Accelerator (IDTA), at least one team member must enroll in the IDTA course, TE 498.
- Venture ideas can be either for-profit or non-profit. Teams do not have to be incorporated to apply or participate, but if teams participate in the extra-curricular competition, the prize money is always provided to the entity and not individuals,

so incorporation will be necessary to claim investments or grants later.

## SELECTION

Students who are interested in this program are required to form teams and submit applications for acceptance. Teams and projects will be selected based upon the highest potential of creating a commercially successful enterprise based on viable deep technology. A selection committee will carefully review each application along with the purpose and intent of the program to make the decision to accept or decline the applicant. Technology Entrepreneur Center staff and/or TE 498 instructors may reach out for further clarification before reaching a final decision.

## Part 2: Rules & Guidelines for the Optional IDTA Extra-Curricular Competition

*This document contains rules and guidelines for the optional Illinois Deep Tech Accelerator (IDTA) extra-curricular competition. It will provide a baseline of information regarding expectations of teams for the event.*

### COMPETITION WAIVER

Every participating team member must review, acknowledge, and agree to the **Competition Waiver and Rules Acknowledgement** which includes adherence to this **IDTA Rules and Guidelines** document, the **Campus Integrity Statement**, and the **Student Code**. The integrity statement and student code can be found here: [studentcode.illinois.edu](http://studentcode.illinois.edu)

### NON-CONFIDENTIALITY

The extra-curricular competition event and presentations are accessible to the general public, and some presentations may be recorded. Attendance by media personnel is expected. Any and all of these sessions may be broadcast to interested persons through media which may include radio, television, social media and internet. Any data or information discussed or divulged in public sessions by entrants should be considered information that could possibly enter the public realm, and entrants should not assume any right of confidentiality in any data or information discussed, divulged, or presented in these sessions. For the purpose of this program, teams are not expected to share proprietary information.

### COPYRIGHTS & PERMISSIONS

If a team uses copyrighted materials and/or images

from a third-party in their presentation or written materials, they must obtain permission and authorization from the owners to use this material in advance. Additionally, that material must be cited and credited.

### EQUITY AGREEMENTS

As a condition to receive the prize money, each winning team must agree to provide the University or its designated entity with equity in the company (that was the subject of its application). The University of Illinois Urbana-Champaign offers a non-negotiable version of the **Simple Agreement for Future Equity (SAFE)** for companies that wish to receive prize money.

SAFE is a standard convertible equity investment instrument first introduced and used by Y Combinator for seed funding. Fundamentally (and ideally), it is an investment that converts to preferred stock at the occurrence of the next round of funding and at the same terms as that round of funding. It is not traditional preferred stock or a convertible note. It is intended to replace convertible notes by keeping a similar conversion mechanism but removing many of the problems inherent in debt instruments (e.g., interest, maturity dates, risk of insolvency, and subordination). Importantly, SAFE is unlike preferred stock in that it does not require setting a valuation of the company—that determination is postponed until the later “occurrence of a particular event”.

### JUDGING

Judging will be based on the commercial potential of the business, innovative nature and technical feasibility of the idea, the credibility of the projections and

assumptions, the ability of the team to make it happen, and the social impact of the business, if applicable. The judges act as potential investors deciding on which business venture they see as having the most potential to succeed.

Judges are recruited by the Technology Entrepreneur Center staff and/or TE 498 instructors from program sponsors, successful entrepreneurs in the region, alumni, and through the local business community and campus. The winning teams will be determined by the judges. All decisions of the judging panel will be final.

## **PRIZES & EQUITY AGREEMENT**

Cash prizes, along with any additional goods and services, will be divided among the top teams as deemed by the judging panel. The allocation of the prize money will be determined by the judges, based on relative merit and need. Each finalist must review the terms of the SAFE agreement provided by Illinois as a condition to receive an award, and each winning team must agree to provide Illinois with equity in the company (that was the subject of its application) in an amount equal to its respective award if the company receives funding or otherwise enters into a business combination transaction wherein the surviving entity receives financing or equity in another entity. Non-profit entities receiving prize money will receive the funds as a grant to the entity. Teams will have six months from the final event date to claim the prize funds.

\*The actual prize money and service/product prizes will be determined by the level of sponsorship raised at the time of the Event in December.

## **FUNDING PRIZE CONDITIONS**

If, in the opinion of the judges, the proposed ventures do not represent a favorable business opportunity, then the prize money or some portion of the prize money will not be awarded. Judges are under no obligation to award all—or any—of the prize money.

## **PROTECTION OF INTELLECTUAL PROPERTY**

The University of Illinois, the principal sponsor and organizer, the co-organizers, and co-sponsors have taken all reasonable measures to assure that all contestants retain their rights and intellectual property. The co-sponsors and judges of the program include non-University of Illinois organizations that are interested in fostering the entrepreneurial process. Some of these organizations are in the business of working with and investing in the ideas of entrepreneurs. However, co-sponsoring organizations will only have access to documents with a team's prior approval and shall make no claim to any of the property or rights.

The protection of these rights is the ultimate responsibility of each contestant. Contestants are urged to mark as CONFIDENTIAL any portion of their entries, which they consider to be proprietary, or of a sensitive nature. Contestants should be careful about disclosing any "patentable" concepts in their entries because, although in the United States a patent application can be filed up to one year after the first public disclosure of an invention, in many foreign countries a patent application must be filed before any public disclosure is made.

## **FUNDING, PRIZES, & AWARDS**

Funding and in-kind prizes will be awarded to the winning teams and finalists. An example list of potential prizes follows. Prize information will be continually updated and shared in class.

- Grand Prize
- 2nd Place Prize
- 3rd Place Prize
- Best Agricultural Innovation
- Best Energy Specific Venture
- Best Pitch Award
- Other Awards

The teams that are selected to present their ventures in the finals pitch event have the opportunity to win monetary prizes. However, *all* teams that compete in the demo showcase on the finals day are eligible to receive in-kind prizes.

## **DESCRIPTION OF IN-KIND PRIZES & TERMS**

In-kind products and services donated from IP attorneys, business incubators, accountants, and other service providers, will be awarded on an as needed basis. All teams that compete are eligible to receive funding and in-kind prizes.

Assistance provided is considered advice, and therefore those providers will assume no professional liability in the course of donating these services. Teams must use the donated services within one year of winning, subject to the availability of the service providers. All service providers are active participants in the entrepreneurial and innovative eco-system and we recommend that students do their own due diligence before doing business with any provider.

## **EXTRA-CURRICULAR COMPETITION EVENT DETAILS**

The extra-curricular competition is a full day event near the end of the fall semester, most likely in early December. Judges evaluate each team in the morning during a demo showcase to determine a handful of

teams who will present during the afternoon session. Though not all teams have the opportunity to pitch in the afternoon, all teams who present at the demo showcase in the morning may be eligible for in-kind prizes. Teams must be present during the announcement of the awards to be eligible to claim the awards and prizes.

### **Demo Showcase**

The Demo Showcase typically takes place during the morning of the program. All teams will gather in a large room similar to a demo day or tradeshow, each with their own table to set up to help represent their venture. Judges will approach each table to hear the teams pitch and ask questions about the ventures. Each team will have just a few minutes with each judge to pitch and answer questions. The judges will determine which teams will be invited to the final presentation round, typically held later the same day.

### **Demo Showcase Team Table**

Typically, each team will be given the use of a small table. The display is determined by each team. Examples of what you may include are:

- Tablecloth, branded or not branded
- Marketing and informational material
- Examples of the venture's product or service
- Demo of the venture idea
- Demo video or experience on a computer or tablet

### **Afternoon Final Presentations**

Final presenters will have the opportunity to answer questions from judges. All team members are encouraged to participate in the extra-curricular portion of the accelerator but the Illinois student must be present and active in the engagement with judges.

Additional details will be given during class, but here are some examples of what might occur:

- Up to 5-minute PowerPoint presentation before a panel of judges and audience
- Up to 5-minute Q&A from judges

### **Judging Criteria**

An example of the judging criteria will be provided in class and/or on the website.

### **Final Materials**

In preparation for the competition, teams will be required to submit documents prior to the event. The deadlines and submission locations or methods will be shared during class. Examples of what are typically required:

- Demo Showcase Poster
- Final Presentation Slides
- Revised Sections of the Business Model Canvas
- Five-page Business Summary (outline will be shared in class and/or the website)

# IDTA Program Waiver & Rules Acknowledgement

# SIGNATURE & DATE REQUIRED

Every member of each team that decides to compete in the optional Illinois Deep Tech Accelerator extra-curricular competition is required to adhere to the rules set forth in the **Illinois Deep Tech Accelerator Official Rules and Guidelines** document, including abiding by the University of Illinois Student Code and Campus Integrity Statement. Acknowledgement of this document will be completed as part of each team member's registration once they decide to compete. Team members who do not agree to adhere to these rules will not be allowed to participate in the competition.

By registering to participate in the **Illinois Deep Tech Accelerator extra-curricular competition** ("Competition"), I agree that I have completely read, fully understand, and agree to adhere to the rules set forth in the **Illinois Deep Tech Accelerator Official Rules and Guidelines** document, including abiding by the University of Illinois Student Code and Campus Integrity Statement. I understand that in order for our team to be eligible to participate in this competition, every team member must acknowledge and agree to abide by the **Illinois Deep Tech Accelerator Official Rules and Guidelines** as well.

In the course of participation in the Competition, our team will submit an entry (the "Entry") for evaluation. The Entry will contain the ideas, inventions, and concepts (collectively, "Ideas") of our team. While the judges and others associated will take reasonable steps to maintain the Entry and Ideas in confidence, I acknowledge that disclosure of the Entry and any Ideas contained therein is possible. I also acknowledge that the Entry we submit may be reviewed by the University of Illinois for its determination of whether it maintains any interest in the Ideas. I understand that the Technology Entrepreneur Center may use our Competition submissions, as well as photographs or video taken during the Competition, for educational and promotional purposes.

I understand that the judges for the Competition will be acting in a private capacity and are not considered agents of the University of Illinois. Judges' opinions and evaluation in the Competition will be final. I agree that neither we, nor anyone on our team's behalf, will contact or otherwise try to influence judges or anyone involved in the administration of the Competition other than as specified in the Competition's rules and regulations. We realize that any such contact or attempt to influence will result in disqualification from the Competition. We also understand that we are responsible for covering any travel and lodging expenses to compete in the Event at the University of Illinois at Urbana-Champaign.

All entrants warrant to TEC, The Grainger College of Engineering, the University of Illinois Urbana-Champaign and its employees and affiliates, that all materials used in the written materials (documents and presentations) are original and unfringing on the intellectual property of any other person or organization, and/or that any material which is not original is either in the public domain or is used with permission, and any and all licenses have been duly issued and fees paid. Every entrant agrees to indemnify and hold harmless TEC, The Grainger College of Engineering, University of Illinois Urbana-Champaign, and its employees and affiliates and all sponsoring individuals or organizations from any claims ensuing from a breach of this provision. Liability under this provision shall be joint and several.

I understand that participation in this Competition as a whole is strictly optional. I have decided to participate in this

Competition after reviewing and agreeing with the statements and conditions stated in this and other related communications. I further acknowledge/confirm that the University of Illinois is not responsible for any lost time or lost wages I may suffer as a result of my participation in this Competition.

I shall exercise common sense and avoid actions which may put people, property, and myself at any risk. Further, I agree to not jeopardize the safety of others at any time during the Competition. In all cases, I shall exercise caution and solely accept full responsibility for any injuries and/or loss that may occur to myself and/or any property for any reason as the result of such activities. I will be the sole judge of evaluating risks and shall refrain from participating in any activities during the Competition that, in my judgement, may pose any level of risk to myself, other people, or any property. In such cases, I will inform the person(s) in charge of the Competition that I will not participate in that activity and will rejoin the group at the end of that activity. I confirm that I have accident and health insurance coverage and that I will maintain this coverage throughout the duration of this Competition. I will turn to my accident and health insurance carrier for any medical bills associated with an injury or illness related to the Competition.

I understand that the University of Illinois has endeavored to make the Competition as safe as possible for the participants. I understand that this Competition has inherent dangers that could result in injury to myself or damage to my property. I shall hold harmless the University of Illinois at Urbana-Champaign, the Competition leaders, and all others involved in planning, organizing, and conducting this Competition from any and all claims, including but not limited to claims of injury or loss of life and property that may occur at any time during the entire Competition. I acknowledge that, despite knowing the potentials for serious harm and/or death, I am a willing participant in the Competition. I understand that the Competition, or any part of it, may have to be cancelled or re-scheduled on short notice due to unforeseen circumstances, including but not limited to bad weather. In such cases, the affected portions of the Competition may be re-scheduled at a later time. I understand that any information shared with TEC may be used as promotional materials & photos.

I hereby release the individual judges of the Competition, as well as the University of Illinois, its units, Trustees, officers, employees and affiliates from liability for any damages or injury arising from the Competition, including damages from a disclosure of Ideas, and we waive any and all claims against the judges or the University of Illinois, its units, Trustees, officers, employees, and affiliates related to this Competition.

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**Signature**

*(Each team member must sign and submit their own form)*

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**Name** *(Please print)*

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**Date**