

Approved January 18, 1989
Date

MINUTES OF THE HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

The meeting was called to order by Elizabeth Baker at
Chairperson

3:36 ~~xxx~~ p.m. on Thursday, January 12, 1989 in room 423-S of the Capitol.

All members were present except: Representatives Helgerson and Foster. Excused.

Committee staff present:

Jim Wilson, Revisor
Lynne Holt, Research
Elaine Johnson, Secretary

Conferees appearing before the committee:

William Brundage, President, Kansas Technology Enterprise Corporation
Kevin Carr, Vice President, Kansas Technology Enterprise Corporation

Chairman Baker called the meeting to order at 3:36 p.m. William Brundage, President, Kansas Technology Enterprise Corporation (KTEC) was recognized.

Mr. Brundage briefed the committee on the mission of KTEC and its activities during 1988. (Attachment I).

Kevin Carr, Vice President, KTEC was asked by Mr. Brundage to address the committee on updating the status of research grants. (Attachment I).

Mr. Brundage concluded the briefing by stating that 4 to 6 companies should be funded this year from the seed capital fund. He also informed the committee that the committee will receive a report on Industrial Liaison sometime after January 20th.

Meeting adjourned at 4:14 p.m.

Elizabeth Baker

Date: 1/12/89

GUEST REGISTE

HOUSE

Committee on Economic Development

NAME

ORGANIZATION

ADDRESS

<u>NAME</u>	<u>ORGANIZATION</u>	<u>ADDRESS</u>
Bernie Koch	Wichita Chamber	Wichita
Jim May	KBA	Topeka
Judy Frost	City of Topeka	Topeka 820 Kansas
Kevin Carr	KTEC	"
Bill Bennett	KTEC	Topeka
Lindy Diehl	KTEC	"
Jess Rockett	Ks. Assoc. for Small Bus.	Topeka
Dilo Press	Student	KC
Rebbie McCaskill	KOOC	Topeka
Ann Patterson	KDOC	Topeka
Jon Dwyer	Kansans for Life at the End	Topeka

**Briefing Information
for the
House Committee on Economic Development
Kansas State Legislature**

January 12, 1989

**William G. Brundage
President
Kansas Technology Enterprise Corporation
(KTEC)**

*House Eco. Devo. Comm.
Attachment 1
1/12/89*

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Introduction

After 24 months of operation, the Kansas Technology Enterprise Corporation (KTEC) is currently in the process of completing a full Peer Review of its programs. We have enlisted assistance from recognized experts in advanced technology research and development from throughout the country to evaluate the scope and effectiveness of our programs and to recommend enhancements for increased economic development impact.

At the Centers of Excellence, we are refining three-year strategic plans to ensure our research and development efforts are market-driven and responsive to the needs of Kansas technology-based industry. These plans incorporate the results of comprehensive market research recently completed for KTEC by professional market analysts. We are also restructuring our project management and reporting procedures to guarantee accountability for monies received and progress made.

To ensure that the most qualified Applied Research Matching Grant proposals are funded, we have added highly qualified experts from the private sector to the KTEC Board's Applied Research Committee. This committee reviews all grant proposals for applied research, research equipment and Small Business Innovation Research (SBIR). Their recommendations to the Board of Directors are based upon the economic development potential and merit of research.

We are also working closely with Dr. Anthony Redwood, KU Institute for Public Policy and Business Research, to develop an industrial liaison program that will provide the most effective research and development, technology transfer and technical support services to Kansas industry. Our model for technology transfer in Kansas will be based on the unique characteristics of our state economy and the lessons learned from program implementation in other states.

The technology development and commercialization process in Kansas is evolving as we become more in tune with market trends and the needs of our private sector partners. The work we are now conducting is going to ensure that we accomplish our goals and that the money entrusted to KTEC is invested in programs with the greatest economic development impact potential.

KTEC Status Report

The following figures, presented to the Committee on Economic Development on January 12, 1989, provide an overview of KTEC's accomplishments and current activities in each program area.

KTEC Status Report

**Dr. William G. Brundage, President
Kansas Technology Enterprise Corporation**

**Presentation to the
House Committee on Economic Development**

January 12, 1989

Q-1-5
1/12/89

1988 Business Plan – Milestones

<u>Action Items by Priority</u>	<u>Responsibility</u>	<u>1988 Month</u>						
		J	F	M	A	M	J	J
1. Appoint Center Review Committee	Board		●					
2. Approve Center Qualifying Criteria	Board			●				
3. Approve Center Performance Criteria	Board				●			
4. Appoint Applied Research Committee	Board		●					
5. Establish Technical Referral Service – Join NASA's Technology Bases	President						●	
6. Develop Seed-capital Subsidiary	Board		●					
7. Staff New Positions	President							
a. Fund Manager						●		
b. Investment Analyst						●		
c. Programmer/Analyst							●	
d. Editor/Publisher							●	
e. Executive Secretary							●	
f. Marketing Manager							●	●
8. Initiate Marketing Program	President		●					
9. Develop Assessment Strategy	President		●					
10. Establish KTEC Office	President						●	

Q-1-6
1/12/89

Accomplishments, 1987-88

KTEC Programs

- **Centers of Excellence**

- Qualification and evaluation criteria published
- Committee site visits completed
- Centers' strategic plans completed
- External reviews conducted
- Market analysis conducted
- Agricultural Value-Added Processing Center started

- **Applied Research Matching Grant Program**

- 37 proposals reviewed, 20 grants awarded to 18 companies
- New guidelines established and published
- Committee expanded with private sector membership

- **Equipment Grant Program**

- Guidelines published

Accomplishments, 1987-88

- **Industrial Liaison Program**
Programs in other states studied
Statewide data base contract awarded
- **SBIR Matching Grant Program**
Three grants awarded to small businesses
Program evaluated and recommendations prepared to increase applications and awards
Workshop cosponsored with SBDC in Wichita
- **Seed-capital Fund**
Subsidiary company formed
Limited Partnership established
- **Special Projects**
Biotechnology workshop sponsored, statewide study initiated
Statewide teleconferencing network study initiated with Southwestern Bell and U.S. Sprint
Activities with other state agencies coordinated

Accomplishments, 1987-88

- **Conferences, Workshops & Presentations**

- Third Annual Midwest Venture Capital Conference brought \$3.2 million to six new companies

- State Fair display contacted approximately 200 people

- Fifth Annual Technology Exposition & Conference attracted 150 attendees

- Workshops in Wichita, Topeka and Overland Park increased program awareness

- Presentations made to approximately 1,000 people across state

- Beginnings of statewide constituency established

- Reputation around country enhanced

4-1-9
1/12/89

Accomplishments, 1987-88

KTEC Operations

- **Management Planning**

- Business plan completed
- Funding increased
- Financial system requirements studied
- Management (tracking) system requirements studied
- Board retreat held
- New offices selected
- Policy manual initiated

- **Marketing Activities**

- First Newsletter published
- First Annual Report published
- Scope of Services updated
- Articles published in local, state and national media
- TV ads for promotion of KS Lottery filmed

0-1-10
1/12/89

Centers

Current Activities

- **Centers of Excellence**

January 17 – Responses to Peer Review Panel Reports

January 20 – Decision on distribution of \$600,000

- **Agricultural Value-Added Processing Center**

January 18 – Interview finalists for Director position

- **All Centers**

Strategic Planning

2-1-11
1/12/89

Centers

Centers of Excellence Planning Workshop

- **Executive Strategy**

- Develop a vision of successful Center

- Develop a Mission Statement for Center that will enable it to be successful

- Identify strategic opportunities that are essential to achieving success

- Develop a high impact strategic plan

- **Team Planning**

- Identify key issues

- Identify management teams' critical success factors

- Provide a team building forum

- Build a plan for analysis of the organization and issues

- then develop an action plan for resolution

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1/12/89
68/2/11
21-1-D

Centers

- **Management Analysis**

- Document how the Center works today
 - Establish a base line measurement for future improvement
 - Develop action plans for improvement that set priorities, objectives and management responsibilities
 - Provide situational problem solving

- **Investment Strategies**

- Review Center's current business strategy, competitive position and comparative funding strengths and weaknesses
 - Identify specific R&D opportunities
 - Use a financial model to demonstrate long-term funding potential of selected R&D projects

- **Investment Selection**

- Refine the business justification for selected projects
 - Reach a firm business decision to implement
 - Develop action plan and implement

Seed-capital Fund

Ad Astra Fund, L.P.

- Limited Partnership offering public this month
- First investment this month

0-1-14
1/12/89

Applied Research Matching Grant Program

Current Activities

- January 13 – Initiate peer review on pending proposals
- February 21 – Committee review of proposals/
recommendations to Board of Directors
- February 28 – Funding decision on pending proposals

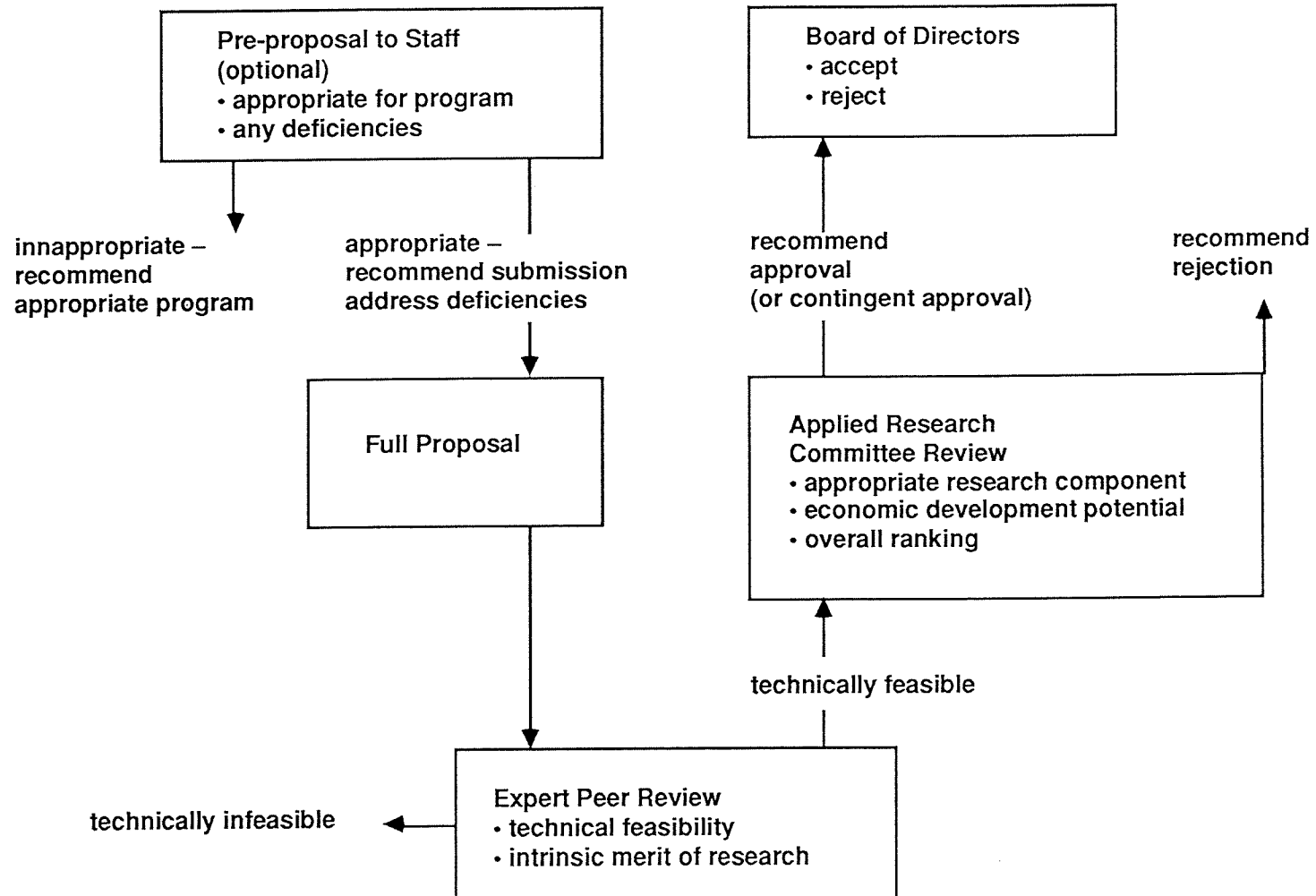
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Applied Research Committee Members

Dr. John Breazeale, Institute for Aviation Research
Dr. Theodore Kuwana, Center for BioAnalytical Research
Dr. F. Victor Sullivan, PSU School of Technology &
Applied Research
Dr. Walter Woods, KSU College of Agriculture
Stanley Koplik, Kansas Board of Regents
Carol Wiebe, Hillsboro Development Corporation
Dr. Ivan C. Smith
Dr. Phil Anderson
Michael J. Easterday
Phillip R. Dick, Lewis, Hooper & Dick
Kevin M. Carr, KTEC

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Applied Research Matching Grants Review Process



2-1-17
1/12/89

Applied Research Matching Grant Program

Recently Funded Projects

- **Kansas State University**

Transducer Design for Multi-Frequency Therapeutic Ultrasound Systems
sponsored by Physio Technology, Topeka, Kansas
\$45,885 KTEC grant with \$68,937 match from sponsor

- **Pittsburg State University**

Miniaturization of Two-Way Radio Product
sponsored by Arpeda Corporation, Silver Lake, Kansas
\$78,110 KTEC grant with \$120,498 match from sponsor

- **University of Kansas**

Stability Testing of Solid Drug Substances
sponsored by Marion Laboratories, Inc., Kansas City, Missouri
\$32,880 KTEC grant with \$49,430 match from sponsor

- **Wichita State University**

Structural Composite Producibility Study
sponsored by Beech Aircraft, Wichita, Kansas
\$13,623 KTEC grant with \$20,434 match from sponsor

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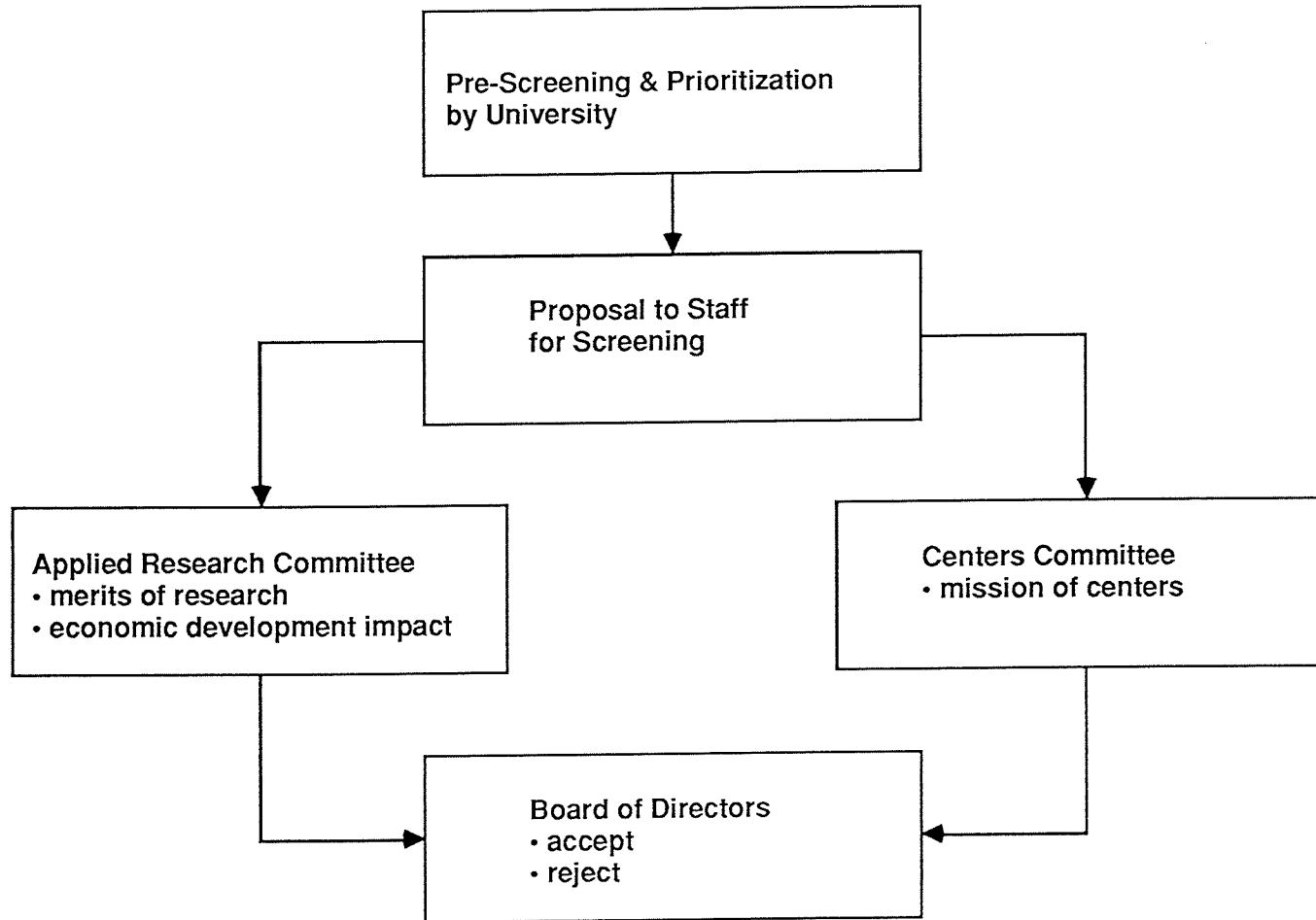
Research Equipment Grant Program

Current Activities

- January 19 – Committee review of pending proposals/ recommendations to Board of Directors
- January 20 – Funding decision on pending proposals
- February 1 – Round Two submission deadline

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Research Equipment Grants Review Process



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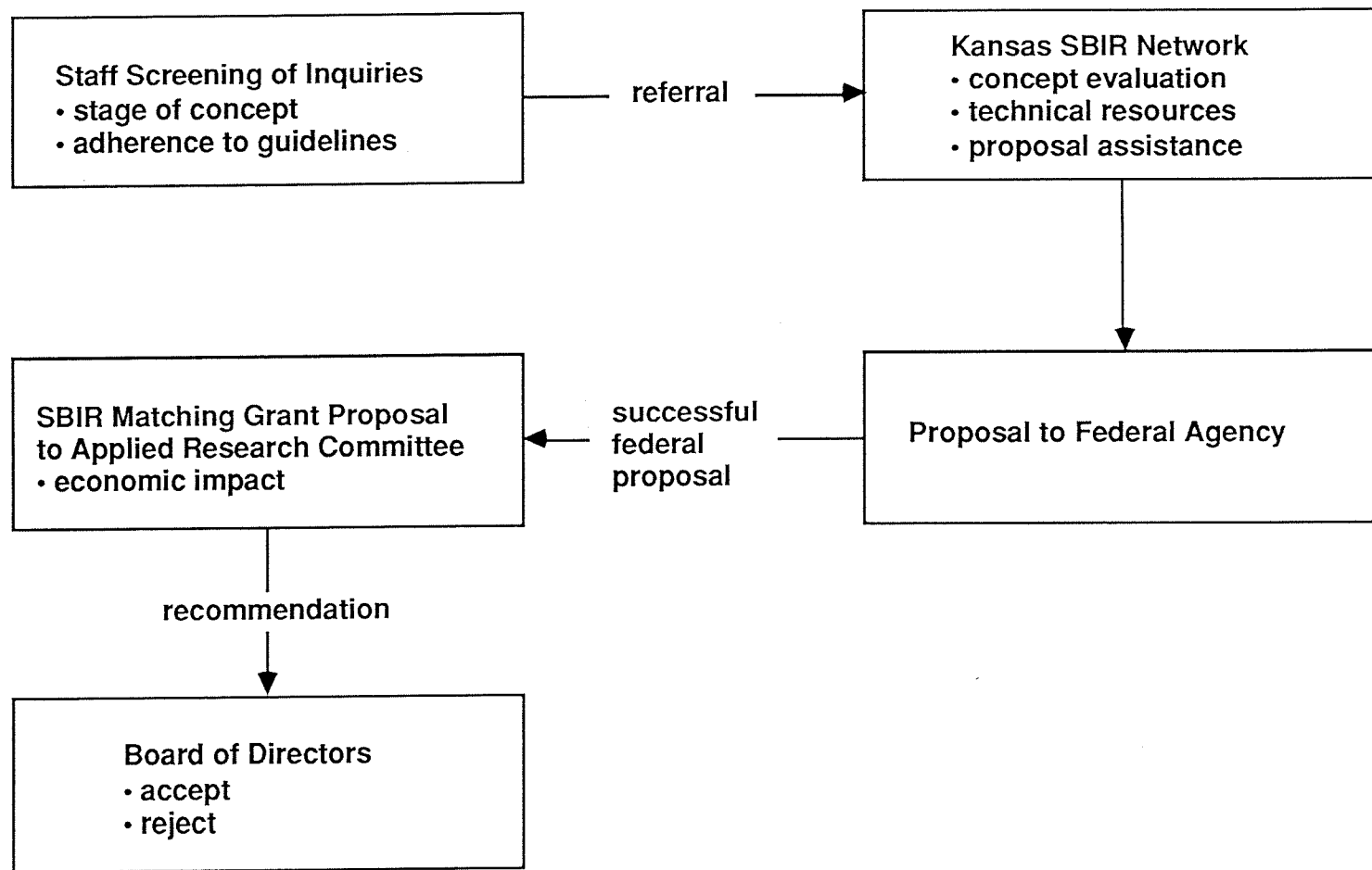
Small Business Innovation Research Grant Program

Current Activities

- January 12 – Planning meeting for Kansas City SBIR conference
- Strategic Planning Meeting

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SBIR Grants Review Process



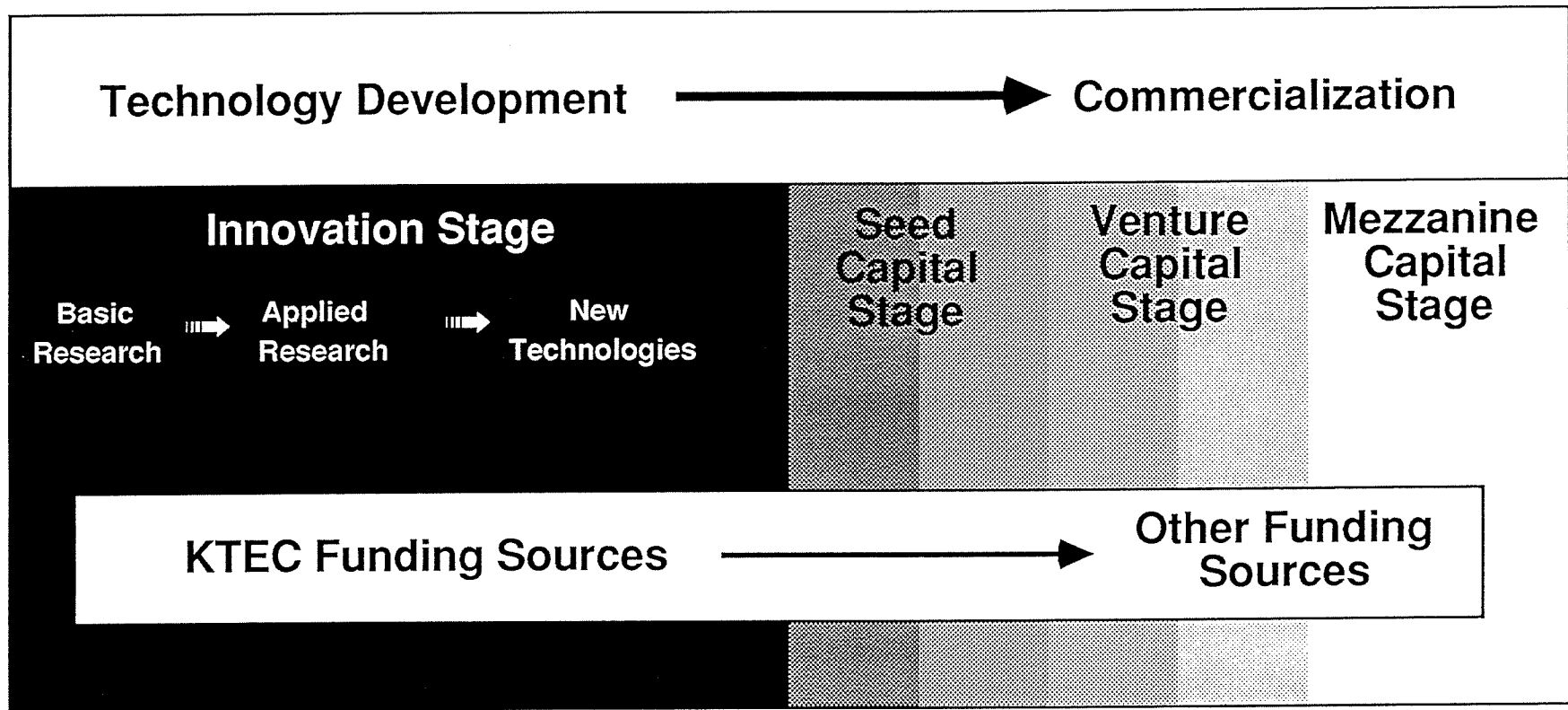
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Industrial Liaison

Current Activities

- January 17 – Report to Centers Committee
- January 20 – Report to KTEC's Board of Directors

Commercialization Process

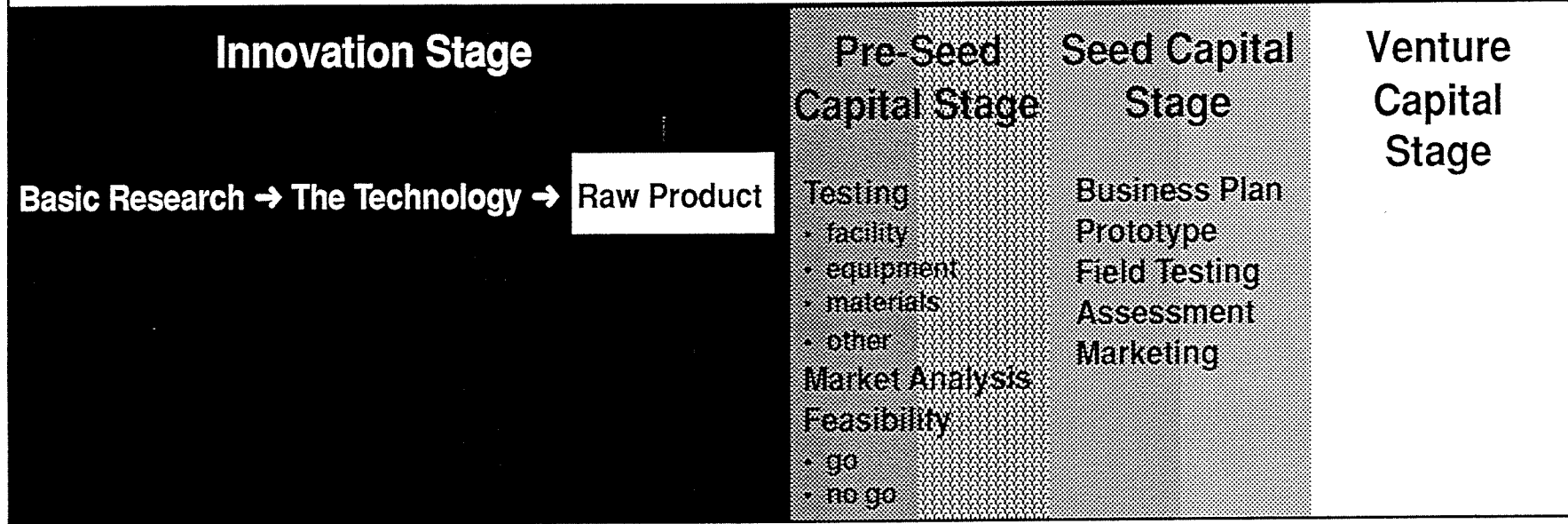


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Entrepreneurs

TECHNOLOGY AND COMMERCIALIZATION PROCESS

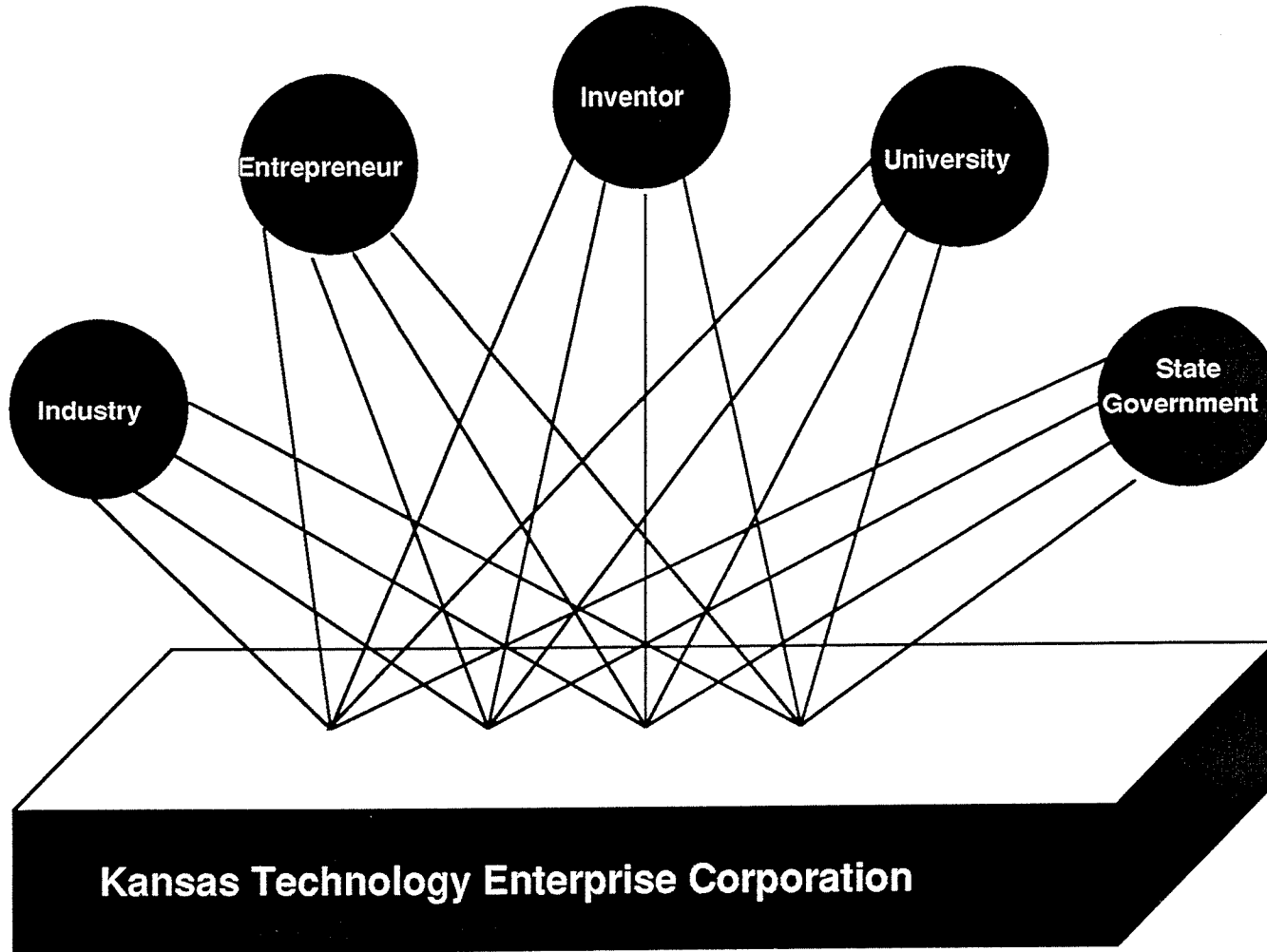
Technology Development → Commercialization



technology transfer continuum →

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KTEC Access Network

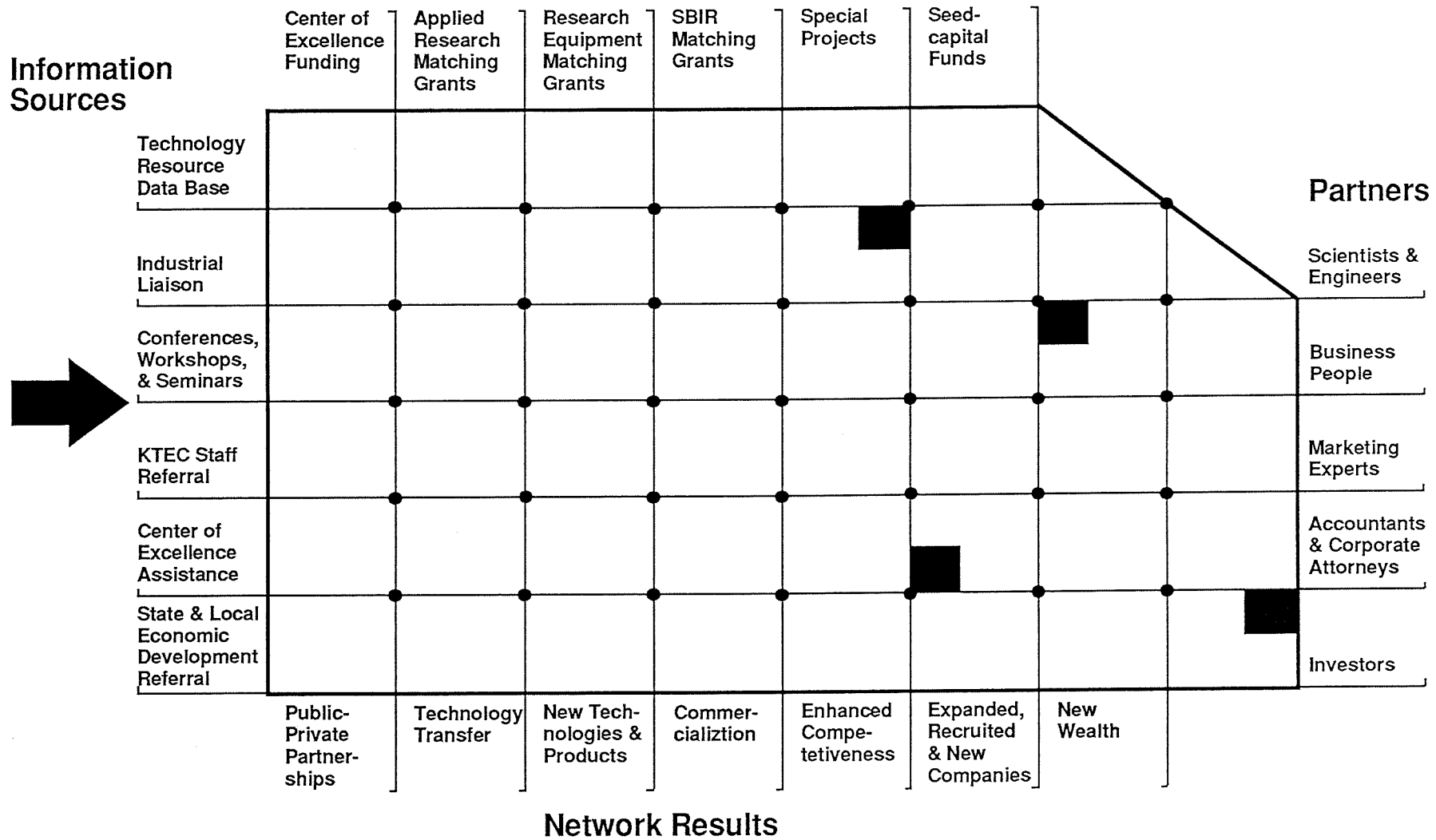


Kansas Technology Enterprise Corporation

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1/12/89

Every community in Kansas can access the KTEC Network

Funding Sources



07-1-87
1/12/89