

Commercialization Services Program Guidelines



About AURI

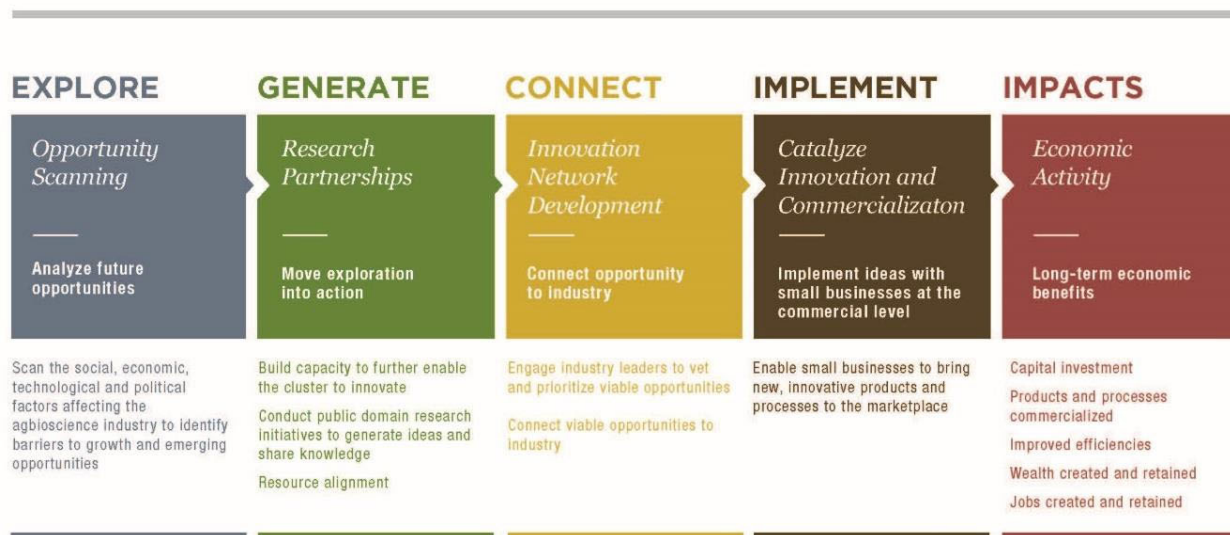
The Minnesota Legislature created the Agricultural Utilization Research Institute (AURI) to help find new uses for Minnesota’s rich agriculture resources. Its mission is to foster long-term economic benefit for Minnesota through value-added agricultural products. It accomplishes this by offering agricultural producers, entrepreneurs, agribusinesses, academia, and research organizations a unique mix of services including:

- **Applied research and development** to identify emerging opportunities, which add value to agricultural products through innovation and commercialization. Information is publicly available in order to maximize industry impact.
- **Innovation networks** convene industry discussions on emerging value-added agricultural opportunities. Collectively, network participants have extensive knowledge of Minnesota’s agricultural industry, as well as expertise in the areas of commercialization, business development, innovation and entrepreneurship. INP activities endeavor to share knowledge, guide future research efforts and lead to high impact commercialization projects.
- **Commercialization services** to help entrepreneurs and small-to-medium-sized businesses prepare their product or technology for the marketplace. This includes access to laboratories, scientists and business development professionals to assist with product testing and development.

Catalyzing Innovation

The Agricultural Utilization Research Institute (AURI) offers a comprehensive program framework designed to catalyze innovation. AURI’s framework includes five stages: Explore, Generate, Connect, Implement and Impacts. AURI programs and services support each stage and work cohesively to create long-term economic benefit.

AURI’S PROGRAM FRAMEWORK



Commercialization Services

Program Emphasis

AURI's **Commercialization Services Program** enables businesses utilizing Minnesota agricultural products to bring new, innovative value-added products and technologies to the marketplace. AURI staff and facilities provide valuable research and development capacity to entrepreneurs, start-ups, existing businesses and cooperatives. AURI's commercialization services include:

- Access to knowledgeable scientists and project staff
- Analytical laboratory testing
- Product development and improvement
- Process development and improvement
- Network referrals

IMPLEMENT

*Catalyze
Innovation and
Commercialization*

Implement ideas with
small businesses at the
commercial level

AURI helps clients develop new or improved commercial products and innovative technologies to increase value, demand and market opportunities for Minnesota agricultural products. AURI's Commercialization Services assist clients with commercialization goals through technical assistance and begins with AURI staff assessing client needs, business concepts and commercialization goals.

Technical Assistance

Technical assistance consists of staff expertise, labs and pilot plant services to prepare products or technologies for commercialization. AURI offers confidential technical and business development assistance. These services are available on a fee-for-service basis. Please see page 4 for details.

- *Business development:* Staff provide entrepreneurial and business resources through a network of collaborative partners.
- *Scientific and technical services:* Staff provide consulting and expertise on technical soundness and quality, product and process development; analytical testing; product formulation, evaluation and testing; prototype development; and sourcing ingredients, materials, equipment and services.
- *Pilot plants and labs:* Facilities are available to assist in product and process development, scale-up, nutritional assessment, pilot production line development and production for market assessment, and short-term residencies for entrepreneurs. AURI laboratory and pilot plant facilities include:

Crookston:

- Microbiology Laboratory

Waseca:

- Coproducts Utilization
Laboratory

Marshall:

- Analytical Chemistry Laboratory
- Bioproducts Laboratory
- Food Laboratory
- Meat Laboratory

Eligibility

To be eligible for AURI's Commercialization Services, proposed value-added agricultural projects must benefit Minnesota agricultural products, demonstrate a positive impact to Minnesota's economy and have commercial viability.

Clients must also demonstrate the capacity and intent to commercialize their concept upon project completion. AURI works with a client to plan, monitor, and implement a proposed project. Crop and livestock production projects are not eligible for the Commercialization Services Program.

Evaluation of Projects

AURI assistance occurs early in the development of a product or technology, during which feasibility is determined. AURI evaluates requests for service based upon a project's potential impact on Minnesota agriculture and the economy. Project evaluation includes the following criteria:

Mission

- Commodity utilization
- Producer impact
- Industry impact
- Value-added product/process
- Economic benefit to Minnesota

Market

- Marketplace success indicators
- Competitive advantage
- Market differentiation
- Market size

Definitions

Value-Added Agriculture: Altering the physical state of an agricultural commodity or product through processing to enhance its value, the production of a product in a manner that enhances its value or the physical segregation of an agricultural commodity or product in a manner that results in the enhancement of the value of that commodity or product. Source: USDA

Minnesota Agricultural Products: Products derived from crops or livestock produced commercially in Minnesota, or crops or livestock that have the potential for commercial production in the state.

What to Expect

Assistance through AURI's Commercialization Services Program requires completion of a Client Application. Potential clients are encouraged to discuss the project with AURI staff prior to completion of the Client Application. A project involves the following steps:

STEP 1: Discussion between potential applicant and AURI staff regarding project concept.

STEP 2: Client completes the Client Application and signs an Assistance Agreement (AA). The AA outlines the terms and conditions of AURI services. **Note:** Supplemental information is required for technical assistance projects exceeding 80 hours.

STEP 3: AURI project team evaluates mission fit, capacity to perform needed services and potential impact (see "Evaluation of Projects"). If positive, the project team develops a Statement of Work and invoice with applicable service fees and reviews with client.

STEP 4: AURI management team reviews the Client Application and project team Statement of Work. The management team may accept the project allowing the project team to proceed, adjust the team and/or Statement of Work, or deny the project.

STEP 5: Client and AURI project team agree to services and payment is submitted to AURI.

STEP 6: Once a project is accepted, the project team and the client will work together to achieve the project's goals. AURI project staff will communicate with the client as project start dates and timelines can vary.

STEP 7: Upon project completion, results will be shared with the client. After closure of the project, the client will receive periodic requests to complete impact assessments.

Client-Company Annual Gross Revenue	Percentage of Project Cost Paid by Minnesota* Client	Payment Schedule
Less than \$250,000	20%	Before service is rendered
\$250,000 to \$5 million	33%	Before service is rendered
\$5 million to \$100 million	50%	After service is rendered
More than \$100 million	100%	After service is rendered

All projects may be subject to a minimum project fee of \$250.

**Please note a separate rate table applies for non-Minnesota clients, and is available by request*

Responsibility of the Client

Agreement to support technical assistance project requires AURI and the client enter into a written agreement establishing the terms and conditions of AURI support. During the course of a project, clients are required to submit estimates of project impacts upon project completion and agreement to periodic contact with AURI staff or affiliated parties to provide progress reports on impact measures related to the project.

Confidentiality

AURI shall, for a period of three (3) years from the date of disclosure, refrain from disclosing Confidential Information to any contractor or other third party without prior, written approval from APPLICANT, and shall protect such Confidential Information from inadvertent disclosure to a third party using the same care and diligence that AURI uses to protect its own proprietary and confidential information, but in no case less than reasonable care.

All Confidential Information provided to AURI should be limited, set apart from the text of an application, and clearly marked as CONFIDENTIAL.

Subject to applicable law and AURI's IP Policies, AURI will not make public any confidential project information related to a product, process, commodity, invention, technology, innovation, or service unless and until a patent, or copyright or trademark registration is applied for, or for three years after completion of the project, whichever occurs first.

In all circumstances, AURI shall have no liability for any inadvertent disclosure of information.

Additional Information

Research and development is not guaranteed and during the course of a project, the unexpected may arise which can lead to incomplete outcomes or possibly additional outcomes that could not be anticipated at the onset of the project.

Additional information regarding AURI's programs and services may be obtained by contacting one of the offices listed below or by accessing AURI's website at auri.org.

AURI Offices 218-281-7600

Crookston Office
510 County Road 71
Suite 120
Crookston, MN 56716

Marshall Office
1501 State Street
Marshall, MN 56258

St. Paul Office
1985 Buford Avenue
McNeal Hall #64
St. Paul, MN 55108

Waseca Office
12298 350 Avenue
Waseca, MN 56093