



Advancing Commercialization through Partnering

Presented by: Tony Eisenhut, Managing Director
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A market-centered, defined model

KG is a market focused technology holding company creating, financing and building companies around invention and innovation. The strategy is to generate significant returns by combining C-level management experience with deep technical knowledge and rigorous financial oversight. Through its A2I™ Process, Entrepreneurs In Residence program and “gap” investing model, KG actively develops leading edge ventures that address market opportunities.

- **Tech commercialization business model developed – 2000**
 - **A2I™ Process (disciplined evaluation)**
 - **Mitigates risk, prepares operational plan, defines success goals**
 - **A2I™ Startups: 9 – 6 operational and 3 concept**
 - **Network of university/corporate partners (non-parochial)**
 - **Excellent team with research, technical, operational and business background**
 - **Reputation of innovation and integrity**

Partnership Types in the KG World

University: Multiple university relationships across the U.S. with complementary expertise drive quality deal flow



Industrial: Hundreds ranging from millions to billions in revenues with corporate growth strategies, which are based upon acquisition of early stage companies



The Basics -

- **Why do YOU want a partnership?**
 - cash, expertise, market knowledge, market access, regulatory expertise
- **Why do THEY want a partnership?**
 - revenue growth, expense reduction, technical expertise, market barrier, equity value preservation
- **Stage – Size – Names – Location - Others**
 - They all matter in negotiations
 - They all matter in timing

SBIR ASSETs 2009 – Chasm Institute

Crafting a Winning Partnership:

www.chasmforum.com/www.chasmforum.com/Documents/SBIR%20090305.pdf

Depth of Commitment & Exclusivity	Short	Unknown	Long
Shallow/ Usually Polygamous	Single Transaction (not a partnership)	Renewable VAR Agreement	5-Year Sourcing Contract
Deeper/Often Polygamous	Cooperative Advertising	R&D Partnership	Joint Venture
Deepest/Usually Monogamous	1 year exclusive license	Renewable Exclusive Terms	Merger/ Acquisition (not a partnership)

Tom Kosnik, Stanford Technology Ventures Program

Partnerships of KG Startups

Financial, technology, services and market partnerships across multiple industries

- Marine coatings - “The Right of First Review”
- NovaSterilis
 - Services – ugly
 - Technology – excellent
- Novomer
 - Technology
 - Financial
 - Market
- Rheonix
 - Market
 - Technology
 - Financial

Contact Information



950 Danby Rd., Suite 300

Ithaca, NY 14850

607.330.2307

