

A Guide to Utilizing the WVU LaunchLab to Create Your Startup



LAUNCHLAB

Operating since 2014, the West Virginia University (“WVU”) LaunchLab Network serves as a comprehensive, one-stop innovation and commercialization center. Located in Morgantown and Beckley, the LaunchLab Network consists of applied innovation centers providing WVU students with a collaborative working environment to create their new ideas. Whether the idea is a for-profit or non-profit, the LaunchLab Network offers hands-on idea development support, education, mentorship, prototyping facilities, resources and connections to help advance innovative entrepreneurs.

These student-based applied innovation centers leverage the capabilities and resources of multiple academic and professional disciplines. The WVU LaunchLab Network offers a comprehensive approach to providing startup support while utilizing the university and the state’s economic development community.



IDEA ECOSYSTEM UNITS

- WVU LaunchLab Network staff
- College of Law’s Entrepreneurship and Intellectual Property Law Clinics
- College of Business and Economics
- Brickstreet Center for Entrepreneurship and Innovation
- Statler College of Engineering
- Davis College of Agriculture
- Reed Media Innovation Center
- Creative Arts Colleges
- WVU Research Corporation
- WVU Women’s Business Center
- WVU Office of Technology Transfer
- WVU central administration
- U.S. Small Business Administration’s Small Business Development Center representatives
- WVU Libraries
- Manufacturing Extension Partners

MISSION OF LAUNCHLAB

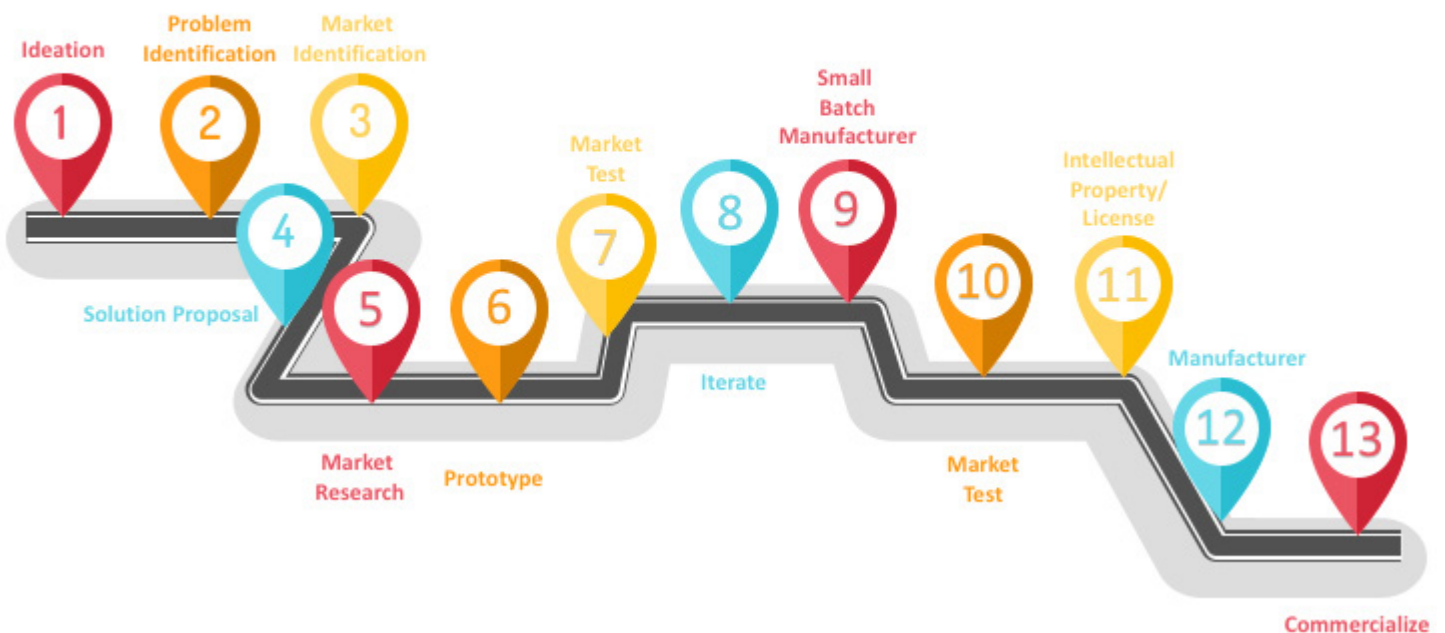
The mission of the Applied Innovation team is to inspire a mind set and culture of opportunity recognition, innovation, and entrepreneurship through education, collaboration, and support for individual and statewide growth and prosperity.

The LaunchLab Network provides innovative-minded students and faculty with strategic support, including legal, financial, marketing, intellectual property and product development assistance.

ACTIVITIES

- Developing the Business Model Canvas for the new idea
- Creating prototypes
- Conducting proof of concept
- Conducting customer and market research
- Protecting intellectual property
- Utilizing technical development expertise within the university
- Recruiting additional team members from the university community and beyond
- Gaining introductions to industry-specific experts and mentors
- Developing an investor presentation (pitch)
- Accessing initial customers
- Providing “Pitch” presentations and trainings
- Providing seminars and networking events

ROADMAP



IDEATION

Innovations often come from success in the research process. Innovations are often created without any intended use case. The ideation stage is where we evaluate the potential uses for a technology innovation or identified problem. Where can it be used? To whom do we believe great value can be delivered? We will evaluate multiple potential uses with the goal of discovering your value proposition as the beginning of the Business Model Canvas discussion. What value does your innovation bring that is not already being done?

TALKING TO CUSTOMERS (PROBLEM IDENTIFICATION)

Problem Identification or “Talking to customers” is the process of getting out of the building, discovering and talking to potential customers or users and learning about their problems or needs. We start with our general value proposition. We then make reasonable hypotheses about our problem identification and what might be true. These hypotheses are tested by a series of customer interviews. As evidence is gathered, we continuously update our hypotheses, value proposition and our working Business Model Canvas.

After conducting many customer interviews, we have either a great understanding of our customer and a compelling business model, or we go back to the lab and start over. During this phase of Problem Identification, we do not try to sell or persuade the customer of the value of our innovation so as not to bias the discussion. We use an open inquiry to discover the true problem in the market and whether our hypotheses match the overall customer experience. At the end of the interview, we can introduce our innovation in order to gain feedback on the ideas.

At this stage we can also create a minimum viable product (MVP) test and validate that our planned innovation will deliver the value we expect to our customers. We do not build our product yet, only gather information.

MARKET IDENTIFICATION

In the Market Identification stage we build our first prototypes and test our sales process. We use what we learned about our customers’ problems and needs to test whether they would be willing to buy our product. We do this by establishing our Value Proposition (Business Model Canvas) to introduce to our identified customer segments (early adopters). If we cannot prove the proposed solution to the established problem identified, we must pivot our business model and go back to the ideation stage changing our value proposition.

SOLUTION PROPOSAL

Once we have established our Value Proposition, Identified our customer segments and clarified the problem we then identify our solution to the problem. We gather information that shows a significant market of customers who will benefit from our proposed solution.

MARKET RESEARCH

Once we have identified our customer market, and successfully sold the problem solution, we need to find additional markets. We conduct secondary and primary market research in order to establish the size of a potential market – the Total Addressable Market (TAM) size. We continue to iterate our value proposition to take into consideration the size and variables in the TAM. We may repeat this process several times in order to gain a comprehensive understanding of the customer market.

PROTOTYPE

Once we have established the problem, solution and customer market we develop a prototype of our solution in order to test it on our identified customers. Prototyping can take the form of a tangible product, an experiment, a simulation or a customer experience with the goal of establishing Proof of Concept. This Proof of Concept will determine whether our proposed solution is feasible and actually solves the problem that we have identified and for the customer market that we have identified. If either of these variables are incorrect, we return to our value proposition and identified customer market to re-evaluate accordingly.

MARKET TEST

Once we have established the proof of concept, identified the correct market, established our ideal value proposition, we then move to Market Testing. At this stage, we determine our key partners and key activities needed to begin validating our product. We begin testing customers from all of our segments and compare results of each segment as well as customers within each segment. Research can include primary data in the form of interviews, observations, surveys, focus groups, etc.

ITERATE

At each stage in the process, we are prepared to make changes, adjustments and iterations as necessary.

SMALL BATCH MANUFACTURER

Once a working prototype has been created, we look to proof of concept testing through Small Batch Manufacturing with one of our engineering partners. Funding for this stage may be through small grant funds, pitch presentations, angel investors, seed funding or other small funding sources made through the LaunchLab network.

MARKET TEST

As needed

INTELLECTUAL PROPERTY/LICENSE

Patents, trademarks and copyrights are often necessary to protect certain intellectual property. We work with partners within the College of Law and outside patent attorneys in order to properly register these innovations. In addition, there may be a need to license certain intellectual property to the university and/or to a manufacturer. We work with the WVU Manufacturing Extension Partners as well as the WVU Health Sciences Innovation Center and the WVU Research Corporation in these cases.

MANUFACTURE

Once an innovation has been through the LaunchLab process and the complete Business Model Canvas, we look to manufacturing. The WVU Manufacturing Extension Partners generally take steps to securing a manufacturer within the State of West Virginia who provides a cost estimate on product manufacturing and/or licensing from the inventor.

COMMERCIALIZING

Once we have a deep understanding of our customers and a proven sales process, we can form a company and raise outside capital. We may attempt to get an early adopter or an angel investor to help pay for our manufacturing. Once this has been done several times, we will have a shot at raising money. If we can onboard several customers, we will have a repeatable and scalable business model. At this stage we will want to legally form your company, gain rights to all intellectual property and/or license your product.

RISK FACTORS

Market

Who is our customer? Are there enough of them to buy our product? Does it solve a big enough problem? Who is our competition? How will we reach our customers? What is our distribution channel?

Technology

Will our product work in the real world? How hard is it to operate or maintain? Is it easy for our customers to use? Can we manufacture it reliably and repeatedly?

People

Who do we need to work for us? What skills should they have? What about a board of directors? Do we need investors? What can we do ourselves and what do we need?

Intellectual Property

Is there intellectual property for our invention? Is it patentable? Can we license it to a manufacturer? Who owns the IP?

Financial

How much money do we need? How much will it cost to develop? Can we make a profit? How much do we charge for the product?

BUSINESS MODEL CANVAS

At the WVU LaunchLab, we do not write business plans for startups. A business plan is a tool for when customers and their needs are well understood and we are ready to grow. This is not true for a startup. Instead we use the Business Model Canvas, popularized by Alex Osterwalder in his book Business Model Generation.

During the startup process, we will create and constantly revise the Business Model Canvas (BMC) for each startup project with which we work. Updates occur as we conduct the Applied Innovation process and collect evidence that backs up our business theses.



FUNDING

There are a variety of different options for funding a startup at the WVU LaunchLab. These include Pitch competition proceeds, LaunchLab seed funding, Grant funding and private funding through angel investment.

PITCH COMPETITIONS

The WVU LaunchLab hosts several opportunities for innovators to pitch their ideas for startup funds. We always recommend starting with a pitch competition for several reasons; to gain funds, to gain feedback to support your business theses, to gain customer opinion and to gain expert advice from pitch judges. The funds are small startup grants geared towards continued product development. WVU LaunchLab also provides information about and transportation to many National Pitch Competitions where students can gain valuable networking connections and investment opportunities.

LAUNCHLAB SEED FUND

The LaunchLab Seed Fund is an application based grant fund designed to support product innovations that have been mostly formed and the owners are prepared to work full time on the product or company. Seed funding is appropriate for companies that are pre-revenue and need the funds to complete product development and build their team in preparation for launch.

SBIR/STTR

The SBIR/STTR are programs of the U.S. Government to provide R & D funding for small businesses. These programs do not fund basic research, but rather fund application research with hopes of developing a commercially viable product for the small business. The SBIR program refers to itself as America's Seed Fund. SBIR funding is often used by University research spinouts. SBIR grants are made directly to the spinout company and not to WVU. Phase 1 grants are up to \$150,000 and Phase 2 grants are up to \$1million.

Each government agency issues their own solicitation and each have their own rules and deadlines for proposal submission. Eleven agencies participate. (USDA; NSF; NIST; NOAA; DOD; DoEd; DOE; EPA; DHS; NASA; NIH; DOT). Generally, NIH proposals are due in January, April and September and NSF proposals are due in June and December. Note this schedule can change, make sure to check with the specific agency.

WVU offers support to companies considering an SBIR grant proposal.

VENTURE WELL

VentureWell is a nonprofit based in Amherst, MA. VentureWell is supported by the Lemelson Foundation and provides training and funding for student entrepreneurs. The VentureWell E-team grant program provides up to \$25,000 to student teams. VentureWell hosts various training programs including ASPIRE.

INTELLECTUAL PROPERTY

Research at WVU can result in the creation of Intellectual Property in the form of copyright, trademark, trade secret or patent. The WVU LaunchLab works closely with the WVU College of Law Student Intellectual Property Law Clinic to help students register their IP. The LaunchLab takes no ownership or interest in student intellectual property.

COMPANY FORMATION

Forming a company is an important milestone in the process of applied innovation. When a team is ready to form a legal entity with the state of West Virginia, they can do so at the Secretary of State office at www.wvsos.gov. The cost of forming an LLC is \$100. The cost of registering a business name is \$15.

HOW TO GET STARTED

Students or faculty can begin their journey in one of two ways. The first way to begin is by physically visiting the office. Morgantown's LaunchLab is located on the 4th floor of the Evansdale Crossing in Room 413 and Beckley's LaunchLab is located in the Innovation building in Room 109. LaunchLab's office hours are Monday-Friday from 9 a.m. – 5 p.m.

The second way to begin is by filling out an intake form to become a LaunchLab client. In order to access the intake form, simply visit www.launch.wvu.edu and click on the 'Intake Form' link on the homepage. Be sure to type in your WVU email but replace @mix.wvu.edu with @mail.wvu.edu. Remember, any WVU student or faculty that becomes a client may utilize LaunchLab's services for FREE.